



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 9, 2016

**S. 2845
Venezuela Defense of Human Rights and Civil Society
Extension Act of 2016**

As passed by the Senate on April 28, 2016

S. 2845 would extend sanctions against Venezuela through calendar year 2019; under current law those sanctions are enforced by the Departments of State and Treasury and would expire at the end of calendar year 2016. On the basis of information from the Department of State, CBO estimates that implementing the sanctions required under the bill would cost the departments \$1 million each year through calendar year 2019 and total \$3 million over the 2017-2021 period; such spending would be subject to the availability of appropriated funds.

Pay-as-you-go procedures apply to this legislation because enacting it would affect direct spending and revenues; however, CBO estimates that those effects would be negligible. CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

Sanctions required under S. 2845 would probably increase the number of people who would be denied a visa by the Secretary of State. Most visa fees are retained by the department and spent without further appropriation, but some fees are deposited in the Treasury as revenues. CBO estimates that enacting those sanction provisions would affect very few people and thus would have a negligible budgetary effect.

Because the bill would prohibit certain activities involving Venezuela and would subject individuals who undertake those activities to civil and criminal penalties, it could increase revenues and direct spending from the collection of penalties; however, CBO estimates that the net budgetary effect of any additional penalties would be negligible.

S. 2845 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

S. 2845 would impose private-sector mandates as defined in UMRA by extending for three years the existing sanctions under the Venezuela Defense of Human Rights and Civil Society Act. Extending those sanctions would impose mandates by prohibiting

transactions related to all property or interests in property of individuals associated with human rights violations in Venezuela and by revoking the visas of such individuals. The cost of those mandates would be any forgone income directly related to extending the prohibited transactions and the loss of visas. Because only a small number of individuals are currently sanctioned under the act, CBO expects the loss of income from the extended restrictions in the bill would be small. Therefore, CBO estimates that the cost of the mandates would fall below the annual threshold for private-sector mandates established in UMRA (\$154 million in 2016, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sunita D'Monte, Pamela Greene, and Matthew Pickford (for federal impacts), and Logan Smith (for private-sector mandates). This estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.