



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 29, 2017

H.R. 1164 **Taylor Force Act**

*As ordered reported by the House Committee on Foreign Affairs
on November 15, 2017*

H.R. 1164 would make certain foreign assistance for the Palestinian Authority (PA) dependent on certifications by the Secretary of State that the PA has ended payments to individuals who commit terrorist acts against Israeli and U.S. citizens and taken other steps to reduce violence. If the department cannot so certify, the withheld funds would remain available for obligation for an additional two years and become available for other uses. Finally, the bill would require annual reports to the Congress on the implementation of the bill and related matters.

CBO estimates that the reporting requirements and administrative efforts associated with implementing H.R. 1164 would cost less than \$500,000 over the 2018-2022 period; such spending would be subject to the availability of appropriated funds.

Since 2015, annual appropriations acts have required the department to reduce assistance to the PA by amounts equal to terrorism-related payments. In 2016, assistance to the PA totaled roughly \$260 million (after accounting for those reductions). H.R. 1164 would impose additional restrictions by making assistance that directly benefits the PA subject to certification. CBO expects that the department would continue its practice of repurposing any funds withheld from the PA and estimates that imposing certification requirements would not have any significant effects on spending subject to appropriation.

Enacting H.R. 1164 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 1164 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 1164 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

On September 8, 2017, CBO transmitted a cost estimate for S. 1697, the Taylor Force Act, as ordered reported by the Senate Committee on Foreign Relations on September 6, 2017. The two bills are similar; however, S. 1697 would authorize the department to place withheld funds in an interest-bearing account for one year, after which all amounts would become available for other uses. The spending of any accrued interest would be considered direct spending; however, CBO has no basis to estimate those amounts. H.R. 1164 does not contain that provision and thus would not affect direct spending. CBO estimates that the costs of reporting requirements and administrative efforts associated with implementing both bills would be the same.

The CBO staff contact for this estimate is Sunita D'Monte. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.