



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 8, 2018

H.R. 4170 **Disclosing Foreign Influence Act**

As ordered reported by the House Committee on the Judiciary on January 17, 2018

The Foreign Agents Registration Act (FARA) requires people and entities representing foreign interests to register with the Department of Justice (DOJ) and to disclose their political and public relations activities. Current law grants an exemption from registration under FARA to certain people who are registered under the Lobbying Disclosure Act of 1995 (LDA). H.R. 4170 would repeal that exemption. The bill also would provide DOJ with civil investigative demand authority (an investigative tool similar to a subpoena) for FARA cases.

Using the number of FARA registrations that predate the LDA, CBO estimates that repealing the LDA exemption would roughly double the number of annual FARA registrants relative to current law. On that basis and the current level of fees, CBO estimates that the increase in FARA fees, which are recorded as discretionary offsetting collections, would be less than \$500,000 annually.

Using information from DOJ, CBO estimates that the agency would need to add four employees, at an average annual cost of \$175,000, to process new FARA registrations, collect and process filing fees, and complete related work. The bill also would require DOJ to submit reports to the Congress on FARA administration and enforcement and would direct the Government Accountability Office to study the effectiveness of FARA enforcement and administration. In total, CBO estimates that implementing those provisions would cost \$3 million, net of additional fee collections over the 2019-2023 period. That spending would be subject to the availability of appropriated funds.

Enacting H.R. 4170 could affect direct spending; therefore, pay-as-you-go procedures apply. The bill would require witnesses who provide oral testimony under a FARA civil investigative demand to be paid fees and allowances that would be recorded as direct spending. However, CBO estimates that the number of such cases would be small, and any increase in direct spending would not be significant. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 4170 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 4170 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

The bill would impose a private-sector mandate as defined in UMRA by requiring certain entities to register under FARA. CBO estimates that the aggregate cost of the mandate would fall below the annual threshold for private-sector mandates (\$156 million in 2017, adjusted annually for inflation).

The CBO staff contact for this estimate is Janani Shankaran (for federal costs), and Andrew Laughlin (for mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.