



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 8, 2017

### **S. 1697** **Taylor Force Act**

*As reported by the Senate Committee on Foreign Relations on September 6, 2017*

S. 1697 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 funds would be placed in an interest-bearing account for one year, after which all amounts would 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 S. 1697 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). S. 1697 would impose additional restrictions on assistance that directly benefits the PA. To the extent any funds are withheld and earn interest, the spending of the accrued interest would be considered direct spending because those amounts would not be subject to appropriation. Because enacting S. 1697 would affect direct spending, pay-as-you-go procedures apply. However, CBO has no basis to estimate whether the PA would take the necessary steps to facilitate certifications or to what extent assistance would be withheld. Enacting the bill would not affect revenues.

CBO estimates that enacting S. 1697 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 1697 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

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.