



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 12, 2018

S. 3257
Sanctioning the Use of Civilians as Defenseless Shields Act

*As reported by the Senate Committee on Foreign Relations
on October 3, 2018*

S. 3257 would require the President to identify and impose sanctions on foreign people or entities affiliated with Hamas and Hizballah who are directly or indirectly involved in the use of civilians as human shields. It also would urge the President to identify and sanction other persons who have used civilians as human shields. Finally, the bill would require the President to provide the Congress an annual list of people or entities so identified. The bill's requirements would expire at the end of calendar year 2023.

Using information from the Administration on the cost of similar requirements, CBO estimates that administering the sanctions would cost less than \$500,000 over the 2019-2023 period; such spending would be subject to the availability of appropriated funds.

Enacting S. 3257 would increase the number of people who would be denied visas by the Department of State and the number who would be subject to civil or criminal penalties. Most visa fees are retained by the department and spent without further appropriation, but some fees are deposited in the Treasury as revenues. Penalties also are recorded as revenues, and a portion of those penalties can be spent without further appropriation. Because enacting the legislation would affect direct spending and revenues, pay-as-you-go procedures apply. However, CBO estimates that implementing those sanctions would affect very few additional people and thus would have insignificant effects on both revenues and direct spending.

CBO estimates that enacting S. 3257 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 3257 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

By imposing sanctions on foreign people or entities involved in the use of civilians as human shields, S. 3257 could prohibit entities in the United States from engaging in activities that would otherwise be permitted under current law, including having access to property. That provision would be a private-sector mandate as defined in UMRA. The cost of the mandate would be any income that entities in the United States lose because they no longer have access to the property in question or because they could no longer engage in transactions prohibited by the bill. Because the sanctions focus only on foreign persons who have committed certain violations, CBO expects that the number of entities and individuals in the United States affected by the legislation would be very small. Furthermore, CBO expects that the loss of income from any incremental restrictions in the bill would be small. Therefore, CBO estimates that the aggregate cost of the mandates would fall well below the annual threshold established in UMRA for private-sector mandates (\$160 million in 2018, adjusted annually for inflation).

On October 13, 2017, CBO transmitted a cost estimate for H.R. 3342 as ordered reported by the House Committee on Foreign Affairs on September 28, 2017; that bill would impose sanctions related to the use of human shields by Hizballah. On December 8, 2017, CBO transmitted a cost estimate for H.R. 3542 as ordered reported by the House Committee on Foreign Affairs on November 15, 2017; that bill would impose sanctions related to the use of human shields by Hamas. S. 3257 is similar to those House bills, and CBO's estimates of the cost of implementing S. 3257 and H.R. 3542 are the same. CBO's estimate of the cost of implementing H.R. 3342 included the additional cost of a reporting requirement.

The CBO staff contacts for this estimate are Sunita D'Monte (for federal costs) and Jon Sperl (for mandates). The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.