

H.R. 8, Bipartisan Background Checks Act of 2019

As passed by the House of Representatives on February 27, 2019

Millions of Dollars				Spending Subject to Appropriation
	Direct Spending	Revenues	Net Deficit Effect	
2019	0	0	0	0
2019-2024	0	0	0	45
2019-2029	0	0	0	n.a.
Pay-as-you-go procedures apply?	Yes	Mandate Effects		
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No			
		Contains intergovernmental mandate?	No	
		Contains private-sector mandate?	Yes, Cannot Determine Cost	
n.a. = not applicable.				

Current law requires federally licensed firearms dealers to request background checks on buyers for most sales of firearms. H.R. 8 would require all sellers of firearms to request such checks, except in certain cases (such as sales to law enforcement agencies for official duties). Under the act's provisions, most sales of firearms by people who are not federally licensed firearms dealers at gun shows or through online transactions would require background checks on potential buyers.

The Federal Bureau of Investigation (FBI) performs background checks on behalf of the firearms dealers through the agency's National Instant Criminal Background Check System. In recent years, the FBI has completed about 26 million such checks annually, on average.

Enacting H.R. 8 would result in more firearms sales that require background checks. Based on a 2017 study of the prevalence of such background checks, CBO estimates that implementing the act would lead to roughly 3 million additional checks annually (an increase of about 10 percent).¹

Using information from the Department of Justice (DOJ), CBO estimates that the FBI would have to increase its workforce by about 70 employees (an increase of about 10 percent of current staffing in that area) to handle the additional workload.

Using information on average salaries and benefits and accounting for anticipated inflation, CBO estimates that implementing the legislation would cost about \$45 million over the 2020-2024 period, assuming enactment late in 2019 and appropriation of the necessary amounts.

1. See Matthew Miller, Lisa Hepburn, and Deborah Azrael, "Firearm Acquisition Without Background Checks: Results of a National Survey," *Annals of Internal Medicine*, vol. 166, no. 4 (February 2017), pp. 233-239, doi.org/10.7326/m16-1590.

The costs of the legislation, as detailed in Table 1, fall within budget function 750 (administration of justice).

**Table 1.
Estimated Spending Subject to Appropriation Under H.R. 8**

	By Fiscal Year, Millions of Dollars						2019-2024
	2019	2020	2021	2022	2023	2024	
Estimated Authorization	0	7	9	9	10	10	45
Estimated Outlays	0	7	9	9	10	10	45

People who violate the act’s provisions could be subject to criminal fines, so the federal government might collect additional fines under the legislation. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and later spent without further appropriation action. CBO expects that any additional revenues and associated direct spending would not be significant because of the relatively small number of additional cases likely to be affected.

The act would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by requiring all firearms sales between unlicensed parties to use licensed dealers to request background checks on potential buyers and by requiring licensed dealers to notify buyers of the new duties. The act also would authorize the Attorney General to issue regulations to implement those provisions.

CBO expects that licensed dealers would charge sellers a fee for that service. The cost of the mandate would include the aggregate value of those fees. Based on an estimated volume of affected sales and the fees currently charged for similar activities, which range from \$25 to \$29, the cost of the mandate could be significant and would probably exceed \$80 million annually. However, because of the uncertainty associated with the volume of unlicensed transfers, the effect of the act on transfer fees, and the potential extent of federal regulations, CBO cannot determine whether the cost of the mandate would exceed the private-sector threshold established in UMRA (\$164 million in 2019, adjusted annually for inflation).

The CBO staff contacts for this estimate are Mark Grabowicz (for federal costs) and Andrew Laughlin (for mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.