

## H.R. 737, Shark Fin Sales Elimination Act of 2019

As ordered reported by the House Committee on Natural Resources on September 18, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	0	0
Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
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, Under Threshold
* = between zero and \$500,000.			

H.R. 737 would prohibit the sale, possession, and purchase of shark fins and products containing shark fins. Violators of this prohibition would be subject to a civil penalty pursuant to the Magnuson-Stevens Fishery Conservation and Management Act. The bill also would allow for the lawful possession of shark fins obtained via a state, territorial, or federal license or permit if the shark fin is used for noncommercial purposes, or used for display or research purposes by a museum, college, university, or any permitted researcher. The prohibition in the bill would not apply to *Mustelus canis* (smooth dogfish) or *Squalus acanthias* (spiny dogfish).

Because H.R. 737 would prohibit the sale and purchase of shark fins, CBO estimates that revenues from customs duties collected on imported shark fin products would decline. CBO also estimates that penalty collections resulting from violations of the bill's prohibitions would increase revenues. However, based on information from the National Oceanic and Atmospheric Administration (NOAA) and from states that ban the possession of shark fins, CBO estimates that the net effect of those revenue changes would not be significant in any year or over the 2020-2029 period.

H.R. 737 would impose private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), by prohibiting the sale of shark fins or products containing shark fins or the possession of shark fins for noncommercial purposes unless those fins were taken



under a state, territorial, or federal license or permit. The cost of the mandates would include any loss of income from the sale of shark fins and products containing shark fins and the cost to obtain a license or permit for noncommercial takings.

Based on information from NOAA about the value of shark fins landed in the United States, CBO estimates that the loss of income would total less than \$3 million annually. Additionally, CBO estimates that the cost of obtaining a permit for the possession of shark fins for noncommercial purposes would be minimal and apply to a limited number of entities. CBO estimates that the cost of the mandates would fall well below the annual threshold established in UMRA for private-sector mandates (\$164 million in 2019, adjusted annually for inflation).

H.R. 737 contains no intergovernmental mandates as defined in UMRA.

On May 23, 2019, CBO transmitted a cost estimate for S. 877, the Shark Fin Sales Elimination Act of 2019, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on April 3, 2019. The two pieces of legislation are similar, and CBO's estimates of their budgetary effects are the same.

The CBO staff contacts for this estimate are Robert Reese (for federal costs) and Lilia Ledezma (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.