

H.R. 2708, Disarm Hate Act

As ordered reported by the House Committee on the Judiciary on September 10, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	1	2	not estimated
Statutory 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, Under Threshold
* = between -\$500,000 and \$500,000.			

H.R. 2708 would make it a federal crime to sell a firearm or ammunition to a person who has been convicted of a misdemeanor hate crime or who has received an enhanced sentence for such a crime. The bill also would ban those people from shipping, possessing, or receiving firearms or ammunition in interstate or foreign commerce.

Current law requires federally licensed firearms dealers to request background checks on buyers through a system operated by the Department of Justice (DOJ). Implementing H.R. 2708 would require DOJ to update certain forms, expand case tracking systems, and enhance computer networks to enforce the new restrictions on firearms purchases. Using information from DOJ, CBO estimates that it would cost about \$2 million over the 2020-2021 period for the department to implement H.R. 2708. Such spending would be subject to the availability of appropriated funds.

People who violate the bill's provisions could be subject to criminal fines. 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 relatively few additional cases would probably be affected by the bill.

H.R. 2708 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) on firearms dealers and certain individuals convicted of hate crimes.

CBO estimates the cost of the mandates would not exceed the threshold established in UMRA (\$164 million in 2019, adjusted annually for inflation).

H.R. 2708 would prohibit firearms dealers and brokers from selling their products to people who have been convicted of a misdemeanor hate crime, or received an enhanced sentence for such a crime. The cost of the mandate would be the forgone collections from the prohibited sales. The Federal Bureau of Investigation reported 6,370 hate crime suspects in 2017. Additional information about the number of those people who were convicted of misdemeanors, and thus subject to the prohibition, is unavailable. However, given the number of suspects, we estimate that the forgone collections from sales to this group would be small.

The bill also would prohibit those same people from possessing, shipping or receiving firearms or ammunition in interstate or foreign commerce. CBO estimates the cost to comply with the prohibition would be minimal because of the small number of affected people.

H.R. 2708 contains no intergovernmental mandates as defined in UMRA.

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