

H.R. 4617, the SHIELD Act

As ordered reported by the House Committee on House Administration on October 16, 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)	*	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. 4617 would amend the Federal Election Campaign Act of 1971. Most provisions in the bill are related to prohibiting the participation of foreign nationals in election-related activities, and making additional campaign expenditures and advertising purchases subject to public disclosure.

CBO estimates that implementing H.R. 4617 would cost \$2 million over the 2020-2024 period, subject to the availability of appropriated funds. Those amounts would cover additional administrative costs for the Federal Election Commission (FEC) to ensure compliance with the bill. In 2019, the FEC received an appropriation of \$71 million.

Violators of the bill's reporting requirements could be subject to civil and criminal penalties, so enacting H.R. 4617 could increase collections of fines. Civil fines are recorded in the budget as revenues. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and subsequently spent without further appropriation. CBO estimates that any additional collections would not be significant in any year and over the 2020-2029 period because of the relatively small number of additional cases likely to be affected.

H.R. 4617 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) on candidates for federal office, campaign committees, political entities, and advertising platforms, among other entities. CBO expects that the aggregate cost



of the mandates would be small because compliance with some of the mandates would not impose costs or because the affected entities already perform similar disclosure and reporting activities. For such entities, the new duties would impose only small incremental costs. Therefore, CBO estimates that the cost of the mandates would not exceed the private-sector threshold established in UMRA (\$164 million in 2019, adjusted annually for inflation).

Title I would:

- Require political campaigns to report contacts by foreign entities offering contributions or election coordination to the Federal Bureau of Investigation and the FEC and to establish a policy requiring staff to report such contacts and to notify staff of that policy,
- Expand the types of communication subject to existing disclosure rules under the Federal Election Campaign Act and require disclaimers on internet and digital communications,
- Require online platforms that sell political advertisements and meet minimum traffic thresholds to maintain a public database of qualified political advertisements, and
- Require television and radio broadcasters and online platforms to make reasonable efforts to ensure that campaign communications are not purchased by a foreign national.

Title II would prohibit foreign nationals from:

- Participating in the decision making process of any election-related activity,
- Contributing to super political action committees (PACs) or campaigns concerning a state or local ballot initiative or referendum, and
- Making campaign or advocacy expenditures for digital, broadcast, and internet communications.

Title II would impose additional private-sector mandates by requiring corporations and labor organizations that make campaign contributions to certify that no foreign nationals participated in the decision making process related to those contributions and by requiring corporate PACs to certify that they are not under foreign control.

H.R. 4617 would impose no intergovernmental mandates as defined in UMRA.

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