Congressional Budget Office
Cost Estimate

September 29, 2023

H.R. 501, Block, Report, And Suspend Suspicious Shipments Act

As reported by the House Committee on Energy and Commerce on May 17, 2023

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	*	*
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	*	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2034?	< $2.5 billion	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
		Contains intergovernmental mandate?	No
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2034?	No	Contains private-sector mandate?	Yes, Cannot Determine Costs

* = between -$500,000 and $500,000.

H.R. 501 would expand requirements for registrants with the Drug Enforcement Administration (DEA) who manufacture, distribute, or dispense controlled substances. Under current law, those entities must register with the DEA and report suspicious orders of unusual size or frequency to the agency. H.R. 501 would require the DEA to promulgate regulations specifying what indicators registrants must use to determine whether an order is likely to be diverted and would require registrants to take additional actions in those instances, such as declining to fill orders and maintaining records of due diligence. Additionally, the bill would create new criminal and civil penalties for registrants who fail to comply with the suspicious order requirements.

Using information from the DEA about its enforcement activities, CBO estimates that enacting H.R. 501 would result in a small increase in penalties for registrants who fail to comply. Civil penalties are deposited in the Treasury and recorded in the budget as revenues. Criminal penalties are recorded as revenues, deposited into the Crime Victims Fund, and spent without further appropriation. Based on the current penalty amounts, CBO estimates that enacting H.R. 501 would increase revenues and direct spending by less than $500,000 over the 2024-2033 period.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

In addition, the DEA would incur additional administrative costs to promulgate regulations. Based on the costs of similar activities, CBO estimates that implementing H.R. 501 would cost less than $500,000 over the 2024-2028 period. Such spending would be subject to the availability of appropriated funds.

H.R. 501 would impose a private-sector mandate on manufacturers, distributors, and dispensers of controlled substances by expanding reporting requirements and prohibiting them from fulfilling unresolved suspicious orders. CBO is uncertain how DEA would implement the new requirements and cannot evaluate the potential costs for the mandated entities to comply. In 2022, the DEA received reports of 810,000 suspicious orders; however, CBO cannot predict the number of orders that would be precluded by the bill or the value of such orders. CBO cannot estimate the potential foregone income and, therefore, cannot determine whether the aggregate cost of the mandates would exceed the annual threshold established in UMRA for private-sector mandates ($198 million in 2023, adjusted annually for inflation).

H.R. 501 contains no intergovernmental mandates as defined in UMRA.

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