Congressional Budget Office
Cost Estimate

November 27, 2023

H.R. 4681, Illicit Captagon Trafficking Suppression Act of 2023

As ordered reported by the House Committee on Foreign Affairs on November 7, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	*

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	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	No

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

H.R. 4681 would require the Administration to impose sanctions on foreign persons who facilitate or profit from the production or proliferation of Captagon. (Captagon is a brand name for a synthetic stimulant. Official production of Captagon has been discontinued, but it is still produced illicitly in some countries, including Syria.) The bill also would require the Administration to review and, within 180 days of enactment, report to the Congress on whether the sanctions should apply to eight listed people. It also would require the Administration to report to the Congress if it waives the imposition of sanctions required by the bill.

The Administration has existing authority to sanction foreign persons and entities who facilitate or profit from the production or proliferation of Captagon. If enactment of the bill leads the Administration to broaden those sanctions, more people would be denied visas by the Department of State, resulting in an insignificant decrease in revenues from fees. Although most visa fees are retained by the Department of State and spent, some collections are deposited into the Treasury as revenues. Denying foreign nationals entry into the United States also would reduce direct spending on federal benefits (emergency Medicaid or federal subsidies for health insurance, for example) for which those people might otherwise be eligible.

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

In addition, the bill would block transactions involving certain assets and property that are in the United States or that come under the control of people in the United States. People who violate those sanctions would be subject to civil or criminal monetary penalties. Those penalties are recorded as revenues, and a portion can be spent without further appropriation.

Using data about similar sanctions, CBO estimates that any additional sanctions would affect a small number of people; thus, enacting H.R. 4681 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2024-2033 period.

Based on the cost of reports similar to those required by H.R. 4681, CBO estimates that preparing those reports would cost less than $500,000 over the 2024-2028 period. Such spending would be subject to the availability of appropriated funds.

H.R. 4681 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). Sanctions would prohibit individuals or entities in the United States from engaging in transactions involving assets and property that have been frozen. Those transactions are otherwise permitted under current law. The cost of the mandate would be any income lost because of the prohibition. CBO expects that because a small number of people or entities would be affected, the loss of income from any incremental increase in restrictions imposed by the bill would be small as well. CBO estimates that the cost of the mandate would fall well below the annual threshold established in UMRA for private-sector mandates ($198 million in 2023, adjusted annually for inflation).

H.R. 4681 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Emma Uebelhor (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

Phillip L. Swagel
Director, Congressional Budget Office