Congressional Budget Office
Cost Estimate

November 8, 2023

H.R. 5961, No Funds for Iranian Terrorism Act

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)	0	0	0

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?	No
		Contains private-sector mandate?	Yes, Under Threshold

* = between zero and $500,000.

H.R. 5961 would direct the Administration to sanction any foreign or international financial institution that facilitates the transfer of $6 billion in Iranian assets that were released from sanctions in September 2023. Those funds are currently being held and monitored in a bank in Qatar. In October 2023, the Administration indicated that the Iranian government would no longer have access to those released funds.

Under the bill, if a financial institution facilitates the transfer of those funds, the Administration would be required to block any transactions involving assets owned by that institution that are in the United States or that come under the control of a person of the United States. That requirement would increase the number of people subject to civil or criminal monetary penalties for violating those sanctions. Such penalties are recorded as revenues, and a portion can be spent without further appropriation.

Using data about similar sanctions, CBO estimates that any additional blocked transactions would affect a small number of people; thus, enacting H.R. 5961 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2024-2033 period.

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

H.R. 5961 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. 5961 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.

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