Congressional Budget Office
Cost Estimate

December 15, 2023

H.R. 5532, Russia-North Korea Cooperation Sanctions Act

As ordered reported by the House Committee on Foreign Affairs on November 29, 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?	**No**
		Contains private-sector mandate?	**Yes, Under Threshold**

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

H.R. 5532 would require the Administration to impose sanctions on any foreign persons or entities that have facilitated the transfer of weapons or material support from North Korea to be used by Russia in its war against Ukraine. The bill also would amend the North Korea Sanctions and Policy Enhancement Act of 2016 to require that the Government of North Korea makes progress toward halting material support of Russia's invasion before any pauses or terminations of the sanctions in that act. H.R. 5532 also would require periodic reports on the persons and entities sanctioned under the bill, how foreign governments have supported the Government of North Korea's involvement in Russia's invasion of Ukraine, and the United States' efforts to counter their influence.

The Administration has existing authority to sanction foreign persons and entities who assist Russia's efforts to undermine peace and security in Ukraine. 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.

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. 5532 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. 5532, 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. 5532 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. 5532 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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