Congressional Budget Office
Cost Estimate

April 2, 2024

H.R. 6831, VERDAD Reauthorization Act

As ordered reported by the House Committee on Foreign Affairs on March 21, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
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 2035?	**< $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 2035?	**No**	Contains private-sector mandate?	**Yes, Under Threshold**

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

H.R. 6831 would renew an expired prohibition on the export of defense articles and services to Venezuelan security forces. It also would reauthorize sanctions on people who are responsible for or affiliated with efforts to undermine democracy and human rights in Venezuela. Those provisions would be reauthorized through calendar year 2025. The Administration could waive the requirement for sanctions after notifying the Congress of its intent to do so.

The Administration has existing authority to require licenses for military exports and to sanction persons involved in efforts that undermine democracy and human rights. 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. 6831 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2024-2034 period.

Based on the cost of notifications similar to those required by H.R. 6831, CBO estimates that notifying the Congress of sanctions waivers would cost less than $500,000 over the 2024-2029 period. Such spending would be subject to the availability of appropriated funds.

H.R. 6831 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by extending a mandate in law. 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 ($200 million in 2024, adjusted annually for inflation).

H.R. 6831 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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