Congressional Budget Office
Cost Estimate

April 19, 2024

Estimated Budgetary Effects of H.R. 8038, the 21st Century Peace Through Strength Act of 2024

As posted on the website of the House Committee on Rules on April 17, 2024

https://tinyurl.com/53y6nbxh

		By Fiscal Year, Millions of Dollars											
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024-2028	2024-2033
		Increases in Direct Spending											
Div. A	FEND Off Fentanyl Act												
	Budget Authority	0	0	2	4	6	8	10	10	10	10	12	60
	Outlays	0	0	2	4	6	8	10	10	10	10	12	60
Div. B	Rebuilding Economic Prosperity and Opportunity for Ukrainians Act												
	Budget Authority	*	5,000	0	0	0	0	0	0	0	0	5,000	5,000
	Outlays	*	5,000	0	0	0	0	0	0	0	0	5,000	5,000
Total Changes in Direct Spending													
	Budget Authority	*	5,000	2	4	6	8	10	10	10	10	5,012	5,060
	Outlays	*	5,000	2	4	6	8	10	10	10	10	5,012	5,060
		Increases in Revenues											
Div. A	FEND Off Fentanyl Act	0	0	2	5	7	10	13	13	13	14	14	77
Div. B	Rebuilding Economic Prosperity and Opportunity for Ukrainians Act	*	5,000	0	0	0	0	0	0	0	0	5,000	5,000
Total Changes in Revenues		*	5,000	2	5	7	10	13	13	13	14	5,014	5,077
		Net Decrease (-) in the Deficit											
Total Changes in the Deficit		*	*	*	-1	-1	-2	-3	-3	-3	-4	-2	-17

Source: Congressional Budget Office.

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

Division A of H.R. 8038 would impose sanctions on foreign persons involved in fentanyl trafficking and codify sanctions imposed by the Administration to target illicit drug trafficking. This division also would extend the statute of limitations for penalties under other laws from 5 years to 10 years and impose various reporting requirements on the Department of the Treasury.

Division B would authorize the President to confiscate and vest in the U.S. government any sovereign assets of Russia or Belarus that are under U.S. jurisdiction; such proceeds would be classified as increases in revenues. The legislation would make those amounts available for assistance to Ukraine without further appropriation, which would be classified as an increase in direct spending. CBO estimates that enacting the legislation would increase direct spending and revenues by equivalent amounts.

Division D would authorize the Department of Justice to collect civil monetary penalties from entities that distribute, maintain, or provide Internet-hosting services for a website, desktop or mobile application, or other technology application that is operated by ByteDance, TikTok, or a successor entity. Civil monetary penalties are generally remitted to the Treasury and recorded in the budget as revenues. CBO estimates that any additional amounts collected under this division would be insignificant over the 2024-2033 period.

Division E would authorize the Federal Trade Commission to collect civil monetary penalties from data brokers that sell, license, transfer, release, or disclose personally identifiable information to foreign adversaries or to any entity that is controlled by a foreign adversary. Civil monetary penalties are generally remitted to the Treasury and recorded in the budget as revenues. CBO estimates that any additional amounts collected under this division would be insignificant over the 2024-2033 period.

Divisions C, F, G, H, I, K, L, and O would require the imposition of sanctions on various people and entities. CBO estimates that those sanctions would have insignificant effects on direct spending or revenues, and would, on net, reduce the deficit by an insignificant amount over the 2024-2033 period.

H.R. 8038 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate cost of the mandates would exceed the threshold established in UMRA for private-sector mandates ($200 million in 2024, adjusted annually for inflation). The bill does not contain intergovernmental mandates as defined in UMRA.

The bill would impose several private-sector mandates. Division D would prohibit U.S. companies from distributing, maintaining, or updating any application, such as through a mobile phone marketplace, that is operated by ByteDance or TikTok unless control of the application is transferred to a qualifying entity. CBO estimates that such a prohibition would result in a loss of income that would exceed the private-sector threshold in UMRA.

Division E would prohibit data brokers from selling or disclosing personally identifiable information to entities controlled by a foreign adversary. CBO estimates that the loss of income would exceed the private-sector threshold established in UMRA.

The bill would impose other mandates with small costs. Sanctions required by the bill would prohibit transactions involving frozen assets and property. Those transactions are otherwise permitted under current law. The bill also would expand an existing mandate on entities that must adhere to regulations for sanctions, including U.S. financial institutions, by incrementally expanding the scope of transactions and accounts subject to those regulations and by expanding other administrative requirements.

The budgetary effects of the bill are estimated relative to CBO's May 2023 baseline projections.