Congressional Budget Office
Cost Estimate

May 22, 2025

At a Glance

Sanctions Legislation

As ordered reported by the House Committee on Foreign Affairs on April 9, 2025

On April 9, 2025, the House Committee on Foreign Affairs ordered reported four bills related to sanctions. This document provides estimates for three of those bills. Details of the estimated costs of each are discussed in the text.

Each of the bills would affect direct spending and revenues; therefore, pay-as-you-go procedures apply.

Each of the bills would affect spending subject to appropriation.

CBO estimates that enacting each of the bills would increase net direct spending by less than $2.5 billion in any of the four consecutive 10-year periods beginning in 2036.

CBO estimates that enacting each of the bills would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2036.

Each of the bills would impose a private-sector mandate. None of the bills would impose an intergovernmental mandate.

Bill	Net Increase or Decrease (-) in the Deficit Over the 2025-2035 Period (Millions of Dollars)	Changes in Spending Subject to Appropriation Over the 2025-2030 Period (Outlays, Millions of Dollars)	Mandate Effects?
H.R. 747	*	*	Yes
H.R. 1422	*	1	Yes
H.R. 2643	*	*	Yes

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

Detailed estimate begins on the next page.

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

Summary

H.R. 747, Stop Chinese Fentanyl Act of 2025

H.R. 747 would amend the Fentanyl Sanctions Act to designate certain foreign entities and government officials as foreign opioid traffickers if they are found to be involved in the opioid industry in the People's Republic of China and they fail to take steps to prevent opioid trafficking. Entities and officials so designated would be subject to sanctions.

H.R. 1422, Enhanced Iran Sanctions Act of 2025

H.R. 1422 would require the Administration to impose sanctions on foreign persons, entities, and any affiliates or subsidiaries, that knowingly facilitate transactions of Iranian petroleum products and foreign persons.

H.R. 2643, Haiti Criminal Collusion Transparency Act of 2025

H.R. 2643 would require the Administration to impose sanctions on prominent Haitian criminal gangs, their leaders, and political and economic elites in Haiti who have direct links to those criminal gangs.

Estimated Federal Cost

The costs of the legislation fall within budget functions 150, 550, and 750 (international affairs, Medicare, and administration of justice).

Basis of Estimate

For this estimate, CBO assumes that the pieces of legislation will be enacted before the end of fiscal year 2025 and that the estimated amounts will be appropriated each year.

Direct Spending and Revenues

Under current law, the Administration can sanction the persons and entities covered under H.R. 747, H.R. 1422, and H.R. 2643. If the enactment of any of the bills 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.

Each of the bills would block transactions involving certain assets either in the United States or under the control of people or entities in the United States. Under each of the bills, any person or entity violating those prohibitions would be subject to civil or criminal monetary penalties. Such penalties are recorded as revenues, and a portion can be spent without further appropriation.

On the basis of data about similar sanctions, CBO estimates any additional sanctions imposed under each of the bills would affect a small number of people. Thus, enacting each of the bills would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2025-2035 period.

Spending Subject to Appropriation

H.R. 747, H.R. 1422, and H.R. 2643 would require the Administration to report to the Congress on its work to implement sanctions imposed under those bills and on related matters. On the basis of information about similar reports, CBO estimates that implementing the reporting requirements would cost less than $500,000 over the 2025-2030 period for each of the bills. Such spending would be subject to the availability of appropriated funds.

H.R. 1422 also would authorize the Department of State to offer rewards for information about people and entities that try to evade sanctions on transactions in Iranian crude oil and petroleum products. Several programs currently provide rewards for information leading to the arrest or conviction of designated terrorists and criminals engaged in transnational crimes such as smuggling; most awards range between $1 million and $5 million. Many of the people and entities designated under those programs also are subject to sanctions; therefore, a portion of the people and entities targeted by H.R. 1422 are likely sought for crimes under current programs.

To the extent that the department would offer additional rewards under H.R. 1422, implementing the bill would increase spending subject to appropriation; however, it is uncertain whether and when the department would do so. Accounting for that uncertainty and using information about past awards, CBO estimates that under H.R. 1422 the department would pay less than $500,000, on average, in additional awards in each year and a total of $1 million over the 2025-2030 period. Such spending would be subject to the availability of appropriated funds.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that enacting each of the bills would change direct spending and increase revenues by less than $500,000 over the 2025-2035 period.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting each of the bills would increase net direct spending by less than $2.5 billion in any of the four consecutive 10-year periods beginning in 2036.

CBO estimates that enacting each of the bills would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2036.

Mandates

H.R. 747, H.R. 1422, and H.R. 2643 each would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by expanding the scope of authority for the Administration to regulate transactions between entities in the United States and foreign entities and officials of foreign governments who would be subject to sanctions under the each of the bills. That expansion would result in additional burdens on individuals and entities, such as banks, in the United States that are required to monitor and report on foreign transactions and to block access to certain assets owned by sanctioned entities. It also would prohibit transactions between entities in the United States and sanctioned parties that otherwise would be permitted under current law.

The cost of the mandate would be any income or profit lost as a result of each of the bills' enactment. 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 each of the bills 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 ($206 million in 2025, adjusted annually for inflation).

None of the bills contain intergovernmental mandates as defined in UMRA.

Previous CBO Estimate

On April 1, 2025, CBO transmitted a cost estimate for H.R. 747, the Stop Chinese Fentanyl Act of 2025, as ordered reported by the House Committee on Financial Services on March 21, 2025. That bill is similar to H.R. 747, as ordered reported by the House Committee on Foreign Affairs and the estimated budgetary effects are the same.

Estimate Prepared By

Federal Costs:

Sunita D'Monte (for spending subject to appropriation)
Emma Uebelhor (for direct spending)

Revenues: Emma Uebelhor

Mandates: Brandon Lever

Estimate Reviewed By

David Newman
Chief, Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit

Kathleen FitzGerald
Chief, Public and Private Mandates Unit

Christina Hawley Anthony
Deputy Director of Budget Analysis

Estimate Approved By

Phillip L. Swagel
Director, Congressional Budget Office