



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 21, 2017

### **S. 793** **Shark Fin Trade Elimination Act of 2017**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation  
on May 18, 2017*

S. 793 would prohibit the sale, transport, possession, and purchase of shark fins and products containing shark fins. Violators of this prohibition would be subject to a civil penalty pursuant to the Magnuson-Stevens Fishery Conservation and Management Act. The bill also would allow for the lawful possession of shark fins obtained via a state, territorial, or federal license or permit if the shark fin is destroyed or discarded, used for noncommercial purposes, or used for display or research purposes by a museum, college, university, or any permitted researcher. The prohibition in the bill would not apply to *Mustelus canis* (smooth dogfish) or *Squalus acanthias* (spiny dogfish).

Because S. 793 would prohibit the sale and purchase of shark fins, CBO estimates that revenues from customs duties collected on imported shark fin products would decline. CBO also estimates that penalty collections resulting from violations of the bill's prohibitions would increase revenues. Therefore, pay-as-you-go procedures apply. However, based on information from the National Oceanic and Atmospheric Administration (NOAA) and from states that ban the possession of shark fins, CBO estimates that the net effect of those revenue changes would not be significant in any year or over the 2018-2027 period. Enacting the bill would not affect direct spending.

CBO estimates that enacting the legislation would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 793 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

The prohibitions in S. 793 would impose private-sector mandates as defined in UMRA. The cost of complying with those mandates would include any loss of income from the sale of shark fins and products containing shark fins and the cost to obtain a license or permit for noncommercial takings. Based on information from NOAA about the value of sharks landed in the United States and the value of shark fins imported into the United States,

CBO estimates that the loss of income would total less than \$3 million annually. Additionally, CBO estimates that the cost of obtaining a permit for the possession of shark fins for noncommercial purposes would be minimal and would apply to a limited number of entities. Consequently, CBO estimates that the cost of the mandates would fall well below the annual threshold established in UMRA for private-sector mandates (\$156 million in 2017, adjusted annually for inflation).

The CBO staff contacts for this estimate are Jacob Fabian (for federal costs) and Amy Petz (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.