



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

December 8, 2017

H.R. 2712
Palestinian International Terrorism Support Prevention Act of 2017

*As ordered reported by the House Committee on Foreign Affairs
on November 15, 2017*

H.R. 2712 would expand federal sanctions and reporting requirements related to illicit interactions with Hamas and the Palestinian Islamic Jihad (PIJ). It would direct the President to identify in a report to the Congress and impose sanctions on foreign people and entities that have assisted, sponsored, or provided financial, material, or technological support to designated individuals and entities that are members or agents of Hamas or PIJ, or to individuals and entities that support the activities of the two terrorist organizations. The bill also would direct the President to identify and impose sanctions on individuals who engage in significant transactions with designated individuals and entities within Hamas and PIJ's nexus. Additionally, the bill would direct the President to identify in a report and impose sanctions on foreign governments that have provided material support to international terrorism and specifically to Hamas and PIJ. Finally, the bill would require a report to the Congress on the activities of foreign countries intended to disrupt the global fundraising, financing, and money laundering activities of Hamas and PIJ.

Using information about the costs of similar activities, CBO estimates that administering the sanctions and preparing the reports would cost less than \$500,000 over the 2018-2022 period; such spending would be subject to the availability of appropriated funds.

Enacting H.R. 2712 would increase the number of people and entities that would be subject to civil or criminal penalties and the number of people who would be denied visas by the Department of State. Penalties are recorded in the budget as revenues and a portion of those penalties can be spent without further appropriation. Most visa fees are retained by the department and spent without further appropriation, but some fees are deposited into the Treasury as revenues. Pay-as-you-go procedures apply to this legislation because enacting it would affect direct spending and revenues. However, CBO estimates that implementing the proposed sanctions would have insignificant effects on both revenues and direct spending because it would affect very few people or entities and because of the broad scope of restrictions and sanctions in existing laws and regulations that address illicit activities involving Hamas, PIJ, and their affiliates.

CBO estimates that enacting H.R. 2712 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2712 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

If the sanctions imposed by the President under the bill prevent U.S. entities from gaining access to property or from engaging in transactions that would otherwise be permitted under current law, the bill would impose private-sector mandates as defined in UMRA. The cost of the mandate would be any income that U.S. entities lose because they no longer have access to the property in question or they may no longer engage in transactions prohibited by the bill. Because of the broad scope of existing U.S. regulations involving Palestine, CBO expects that the number of entities and individuals in the United States that could be affected by the legislation would be small. Furthermore, CBO expects that the loss of income from any incremental restrictions in the bill would be relatively low. Therefore, CBO estimates that the aggregate cost of the mandates would fall 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 Jon Sperl (for mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis, and John McClelland, Assistant Director for Tax Analysis.