CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

December 8, 2017

H.R. 3542
Hamas Human Shields Prevention Act

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

H.R. 3542 would require the President to identify and impose sanctions on foreign people or entities affiliated with Hamas that he determines have used civilians as human shields or have provided, tried to provide, or facilitated the provision of material support to that terrorist organization. The bill also would require the President to direct the United States' Permanent Representative to the United Nations to use the voice and vote of the United States to secure support at the United Nations Security Council for multilateral sanctions against Hamas for their use of human shields.

Using information about the costs of similar requirements, CBO estimates that administering the sanctions 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. 3542 would increase the number of people who would be denied visas by the Department of State and the number who would be subject to civil or criminal penalties. Most visa fees are retained by the department and spent without further appropriation, but some fees are deposited into the Treasury as revenues. Penalties also are recorded as revenues and a portion of those penalties can be spent without further appropriation. Because enacting the bill would affect direct spending and revenues pay-as-you-go procedures apply. However, CBO estimates that implementing those sanctions would affect very few additional people and thus have insignificant effects on both revenues and direct spending.

CBO estimates that enacting H.R. 3542 would not significantly affect net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3542 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.