



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 27, 2018

H.R. 6729 **Empowering Financial Institutions to Fight Human Trafficking** **Act of 2018**

As passed by the House of Representatives on September 26, 2018

H.R. 6729 would permit nonprofit organizations to register with the Department of the Treasury to make it easier for those organizations to share information with financial institutions regarding possible human trafficking or money laundering activities. CBO estimates that implementing H.R. 6729 would have no significant effect on the federal budget because it would not significantly expand the duties of the department.

Enacting the legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 6729 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 6729 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by preempting state liability laws when a qualified nonprofit shares certain information with financial institutions and related entities. Although the preemption would limit the application of state laws, it would impose no duty on states that would result in additional spending or a loss of revenues.

H.R. 6729 would provide liability protection for qualified nonprofits that share information regarding human trafficking and money laundering as encouraged under the act. The act would thus impose a private-sector mandate by preventing other entities from bringing liability claims against those nonprofits. CBO has no basis to estimate the number of possible lawsuits or related awards that would be precluded by the act and cannot predict the amount of potential foregone damages. Therefore, CBO cannot determine whether the cost of the mandate would exceed the annual threshold established in UMRA for private-sector mandates (\$160 million in 2018, adjusted annually for inflation).

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs) and Andrew Laughlin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.