CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 23, 2014

H.R. 4587
Venezuelan Human Rights and Democracy Protection Act

As ordered reported by the House Committee on Foreign Affairs on April 30, 2014

H.R. 4587 would impose sanctions against Venezuela and authorize appropriations to support civil society in that country. The bill's provisions would expire two years after enactment. CBO estimates that implementing H.R. 4587 would cost $7 million over the 2015-2019 period, assuming appropriation of the specified and estimated amounts. Pay-as-you-go procedures apply to this legislation because it would affect direct spending and revenues; however, CBO estimates that those effects would not be significant.

The bill would authorize the appropriation of $5 million in 2015 to promote civil society in Venezuela. In recent years, the administration has spent roughly that amount each year for similar activities in Venezuela. Other provisions of H.R. 4587 would increase administrative costs of the Departments of State and the Treasury. Based on information from the Administration, CBO estimates the departments would require additional appropriations of $1 million a year in 2015 and 2016.

Sanctions required under H.R. 4587 would probably increase the number of people who would be denied a visa by the Secretary of State. Most visa fees are retained by the department and spent without further appropriation, but some fees are deposited in the Treasury as revenues. CBO estimates that implementing those sanction provisions would affect very few people and, thus, have an insignificant budgetary effect.

Because the bill would prohibit certain activities involving Venezuela and subject individuals who undertake those activities to civil and criminal penalties, it could increase revenues and direct spending from the collection of penalties; however, CBO estimates that the net budgetary effect of any additional penalties would be negligible.

H.R. 4587 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. H.R. 4587 would impose private-sector mandates as defined in UMRA by prohibiting certain transactions with entities associated with human rights violations in Venezuela. In addition, individuals found to be associated with the human rights violations could have their visas revoked. The cost of the mandates would be any forgone income directly related

to the prohibited transactions and to the loss of visas. Based on data from the U.S. International Trade Commission, the total value of transactions that could be affected by the legislation is low. Further, CBO expects that the number of individuals in the United States that could have their visa revoked under the bill is small. Therefore, CBO estimates that the aggregate cost of the mandates would fall below the annual threshold for private-sector mandates established in UMRA ($152 million in 2014, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sunita D'Monte, Pamela Greene, and Matthew Pickford (for federal costs), and Marin Burnett (for the private-sector impact). This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.