



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 21, 2010

**H.R. 5138
International Megan's Law of 2010**

As ordered reported by the House Committee on Foreign Affairs on April 28, 2010

SUMMARY

H.R. 5138 would require a person convicted of a sex offense against a minor to notify the jurisdiction in which he or she is registered as a sex offender before traveling to or from the United States. The bill would require that a United States diplomatic or consular mission in each foreign country maintain a registry of sex offenders. The bill also would establish the International Sex Offender Travel Center to set guidelines for international travel by such sex offenders and coordinate federal and state efforts to record and monitor such travel. CBO estimates that implementing H.R. 5138 would cost \$252 million over the 2011-2015 period, assuming appropriation of the necessary amounts.

Enacting the bill would affect direct spending and revenues; therefore, pay-as-you-go procedures would apply to the legislation. CBO estimates that any such effects would not be significant.

H.R. 5138 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) by requiring state, local, and tribal governments to collect travel information and fees from registered sex offenders and provide information to federal officials. CBO estimates that the cost of those intergovernmental mandates would fall below the annual threshold established in UMRA (\$70 million for fiscal year 2010, adjusted annually for inflation).

The bill also would impose private-sector mandates, as defined in UMRA, on individuals who have been convicted of certain sex offenses, but CBO estimates that the aggregate direct costs of those mandates would fall well below the annual threshold established in UMRA for private-sector mandates (\$141 million in 2010, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 5138 is shown in the following table. The costs of this legislation fall within budget functions 150 (international affairs) and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					2011- 2015
	2011	2012	2013	2014	2015	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION^a						
International Monitoring of Sex Offenders						
Estimated Authorization Level	0	39	57	75	87	258
Estimated Outlays	0	25	45	65	79	214
International Sex Offender Travel Center						
Estimated Authorization Level	6	8	8	8	9	39
Estimated Outlays	5	8	8	8	9	38
Total Changes						
Estimated Authorization Level	6	47	65	83	96	297
Estimated Outlays	5	33	53	73	88	252

a. H.R. 5138 also would affect direct spending and revenues, but CBO estimates that those changes would each be less than \$500,000 a year for all years.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the beginning of fiscal year 2011, but that most of the provisions will be implemented beginning in 2012. CBO further assumes that the necessary amounts will be appropriated each year, and that outlays will follow historical spending patterns for similar and existing programs.

Spending Subject to Appropriation

The bill contains provisions that would affect spending on personnel by the Departments of State and Homeland Security. In total, CBO estimates that implementing the bill would cost \$252 million over the 2011-2015 period, assuming appropriation of the necessary amounts.

International Monitoring of Sex Offenders. Section 5 would require a United States diplomatic or consular mission in each foreign country to maintain a registry of certain citizens or legal residents of the United States traveling or living in that country who have been convicted of sex offenses against minors. The diplomatic or consular mission would be required to collect information about sex offenders and transmit all notifications regarding their travel plans to the International Sex Offender Travel Center. It also would require the mission to keep the registry current and share the information with other United States missions in the country, as well as certain local employers.

Based on information from Immigration and Customs Enforcement (ICE), CBO expects that in most years about 10,000 sex offenders covered by the bill would travel internationally. According to the Department of State, the United States has a diplomatic presence in 173 countries. Based on the number of visitors from the United States and the magnitude of the child sex tourism industry in each country, CBO estimates that United States missions in the majority of countries would require less than one new full-time position to maintain the registry. According to research by the Protection Project of the Johns Hopkins University, countries in Southeast Asia and Central and South America have experienced the highest levels of child sex tourism originating in the United States. CBO estimates that missions in those countries and countries that have large numbers of visitors from the United States would require at least one new full-time position to maintain the registry.

CBO estimates that about 75 new personnel would be hired in 2012 at a cost of \$24 million, gradually increasing to about 150 personnel by 2015 at a cost of \$78 million annually. Those costs would include salaries, benefits, travel, training, and overhead. Based on information from the Department of Justice on existing registries of sex offenders maintained domestically, CBO estimates that the cost to establish and maintain the overseas registries would be an additional \$1 million each year. In total, after adjusting for inflation, CBO estimates that implementing this section would cost \$214 million over the 2011-2015 period, assuming appropriation of the estimated amounts.

International Sex Offender Travel Center. Section 6 would establish the International Sex Offender Travel Center within ICE. The center would receive and record notifications from states and other jurisdictions of international travel by sex offenders and would provide sex offenders with written confirmation of receipt of travel reports. The center would establish a system to monitor sex offenders who regularly travel to Mexico or

Canada. In addition, this new office would provide any necessary training to jurisdictions, respond to inquiries from sex offenders, and share information as appropriate with the Departments of State and Justice.

Considering the number of sex offenders who travel internationally, CBO expects that the agency would need to hire 40 to 50 persons to carry out the responsibilities of the International Sex Offender Travel Center, which ICE anticipates would be staffed at all times. Once fully phased in, and subject to appropriation of the necessary amounts, CBO estimates that the costs of additional employees would reach \$8 million annually, including salaries, benefits, computer systems, and support costs. For this estimate, we assume that the new positions would be fully staffed by fiscal year 2012 and that costs would increase annually with inflation.

Revenues and Direct Spending

H.R. 5138 would affect revenues and direct spending through fees charged to registrants and the collection of criminal fines. CBO estimates, however, that any such effects would not be significant.

Fees Charged to Sex Offenders. Section 4 would authorize jurisdictions to collect fees of up to \$25 from sex offenders who provide notice of international travel. This fee would be shared with ICE. Assuming that about 10,000 sex offenders would travel each year, CBO estimates that fee collections would total less than \$500,000 each year. Those amounts would be spent mostly in the same year, so there would be no significant net effect on direct spending.

Criminal Penalties. Section 4 also would establish criminal penalties for sex offenders who violate the bill's provisions; therefore, the federal government might collect more fines if the bill was enacted. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and later spent. CBO estimates that any net effects would not be significant in any year because of the small number of cases likely to be affected.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 5138 as ordered reported by the House Committee on Foreign Affairs on April 28, 2010

	By Fiscal Year, in Millions of Dollars													
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2010-2015	2010-2020	
NET INCREASE OR DECREASE (-) IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note: H.R. 5138 would authorize jurisdictions to collect fees from sex offenders who provide notice of international travel and would impose new criminal penalties on certain sex offenders. CBO expects those penalties and fees would total less than \$500,000 each year and would be spent in the same year in which they are collected. CBO estimates the direct spending and revenue effects of H.R. 5138 would not be significant over the 2010-2015 period or the 2010-2020 period.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 5138 contains intergovernmental mandates as defined in UMRA by requiring state, local, and tribal governments to collect travel information and fees from registered sex offenders and provide information to federal officials. Because jurisdictions are currently collecting most of the required information and the number of sex offenders that would have to provide additional travel information is relatively small, CBO estimates that the cost of the intergovernmental mandates would fall well below the annual threshold established in UMRA (\$70 million for fiscal year 2010, adjusted annually for inflation). In addition, those jurisdictions would benefit from some of the fees authorized in the bill to process the information.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 5138 would impose private-sector mandates, as defined in UMRA, on individuals convicted of a sex offense, either in the United States or abroad. The bill would marginally expand existing reporting requirements for registered sex offenders by requiring them to file a notice of intent to travel into or out of the United States with the appropriate jurisdictions no later than 30 days before their departure or arrival. Upon notification of intent to travel, sex offenders also would have to pay a nominal processing fee to be collected by officials in the jurisdiction in which they file.

Because the cost of filing would be low and the change in reporting requirements would be small, CBO estimates that the aggregate cost of the mandates would fall well below the annual threshold for private-sector mandates (\$141 million in 2010, adjusted annually for inflation).

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