



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 20, 2013

### **S. 54** **Stop Illegal Trafficking in Firearms Act of 2013**

*As reported by the Senate Committee on the Judiciary on March 11, 2013*

CBO estimates that implementing S. 54 would have no significant cost to the federal government. Enacting the bill could affect direct spending and revenues; therefore, pay-as-you-go procedures apply. However, CBO estimates that any effects would be insignificant for each year.

S. 54 would establish new federal crimes, expand or modify existing crimes, and increase penalties for offenses related to firearms trafficking. The bill would specifically ban the purchase of firearms on behalf of individuals who are prohibited from buying or possessing a firearm (known as “straw purchases”). As a result, the government might be able to pursue cases that it otherwise would not be able to prosecute. CBO expects that S. 54 would apply to a relatively small number of additional offenders, however, so any increase in costs for law enforcement, court proceedings, or prison operations would not be significant. Any such costs would be subject to the availability of appropriated funds.

Because those prosecuted and convicted under S. 54 could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Criminal fines are deposited as revenues in the Crime Victims Fund and later spent. CBO expects that any additional revenues and direct spending would not be significant because of the relatively small number of cases likely to be affected.

S. 54 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). S. 54 would impose a private-sector mandate, as defined in UMRA, by banning the purchase of firearms under certain conditions. CBO expects that relatively few transactions would become unlawful under the bill. Therefore, CBO estimates that the cost, if any, of complying with the mandate would be minimal and would fall well below the annual threshold for private-sector mandates (\$150 million in 2013, adjusted annually for inflation).

The CBO staff contacts for this estimate are Mark Grabowicz, for federal costs, and Paige Piper/Bach, for impacts on the private sector. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.