Congressional Budget Office
Cost Estimate

August 13, 2024

H.R. 8934, Sanction Sea Pirates Act of 2024

As ordered reported by the House Committee on Foreign Affairs on July 11, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	*	*
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	0	0

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	< $2.5 billion	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
		Contains intergovernmental mandate?	No
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2035?	No	Contains private-sector mandate?	Yes, Under Threshold

* = between -$500,000 and $500,000.

H.R. 8934 would require the Administration to impose sanctions on any foreign persons knowingly engaged in piracy. Piracy is defined as illegal acts of violence, detention, or depredation, committed for private ends by the crew of the passengers of a private ship or a private aircraft on the high seas against another ship or aircraft.

The Administration has existing authority to sanction foreign persons that present a threat to U.S. national security. If the enactment of H.R. 8934 leads the Administration to broaden those sanctions, additional persons would be subject to sanctions. More people would be denied visas by the Department of State, resulting in an insignificant decrease in revenues from fees. Although most visa fees are retained by the Department of State and spent, some collections are deposited into the Treasury as revenues. Denying foreign nationals entry into the United States also would reduce direct spending on federal benefits (emergency Medicaid or federal subsidies for health insurance, for example) for which those people might otherwise be eligible.

In addition, the bill would block transactions involving certain assets and property that are in the United States or that come under the control of people in the United States. People who violate those sanctions would be subject to civil or criminal monetary penalties. Those penalties are recorded as revenues, and a portion can be spent without further appropriation.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

Using data about similar sanctions, CBO estimates any additional sanctions would affect a small number of people; thus, enacting H.R. 8934 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2024-2034 period.

H.R. 8934 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). Sanctions would prohibit individuals or entities in the United States from engaging in transactions involving assets and property that have been frozen. Those transactions are otherwise permitted under current law. The cost of the mandate would be any income lost because of the prohibition. CBO expects that because a small number of people or entities would be affected, the loss of income from any incremental increase in restrictions imposed by the bill would be small as well. CBO estimates that the cost of the mandate would fall well below the annual threshold established in UMRA for private-sector mandates ($200 million in 2024, adjusted annually for inflation).

H.R. 8934 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Emma Uebelhor (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

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