



H.R. 5931 — Prohibiting Future Ransom Payments to Iran Act (Rep. Royce, R-CA)

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FLOOR SCHEDULE:

Scheduled for consideration on September 22, 2016 under a [structured rule](#).

The rule also provides for so-called same-day authority for waiving clause 6(a) of Rule XIII (requiring a 2/3 vote to consider a rule on the same day it is reported from the Rules Committee), for measures relating to a continuing resolution for any day through Tuesday, September 27.

TOPLINE SUMMARY:

[H.R. 5931](#) would prohibit the government of the United States from making payments to the Government of the Islamic Republic of Iran through promissory notes, including U.S. and foreign currency. H.R. 5931 would express a statement of policy of the United States Government not to pay ransom or release prisoners for the purpose of securing the release of United States citizens taken hostage abroad.

COST:

The Congressional Budget Office (CBO) [estimates](#) that implementing the reporting and notification requirements under H.R. 5931 would cost less than \$500,000 over the 2017-2021 period; such spending would be subject to the availability of appropriated funds. CBO estimates that enacting H.R. 5931 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

H.R. 5931 would state that it is the policy of the United States Government not to pay ransom or release prisoners held by the United States for the purpose of securing the release of United States citizens taken hostage abroad. The bill would prohibit the government of the United States from making payments to the Government of the Islamic Republic of Iran through promissory notes, including U.S. and foreign currency.

H.R. 5931 would stipulate that the conduct of a transaction or payment in connection with an agreement to settle a claim or claims brought before the Iran-United States Claims Tribunal could only be made: (1) on a case-by-case basis and pursuant to a specific license by the Office of Foreign Assets Control of the

Department of the Treasury; and (2) in a manner that is not in contravention of the prohibition stated in the bill. The president would be directed to publish a list in the Federal Register of transactions and payments, including the amount and method of each such transaction and payment, by the United States Government to the Government of Iran in connection with the agreement to settle a claim.

The prohibition and the licensing requirement in H.R. 5931 would remain in effect until the president certifies to Congress that: (1) the president has rescinded a preliminary draft rule or final rule that designates Iran as a jurisdiction of primary money laundering concern pursuant to 31 U.S.C. 5318A; and (2) the Secretary of State has removed Iran from the list of countries determined to have repeatedly provided support for acts of international terrorism under section 6(j) of the [Export Administration Act of 1979](#) or any other provisions of law.

The president would be required to submit a report to Congress that lists and evaluates each outstanding claim before the [Iran-United States Claims Tribunal](#). The report would include: (1) the total value of each outstanding claim; (2) the current status of each outstanding claim; and (3) the likelihood that each claim will be resolved in the next 6 months. The report would be due 30 days after the bill's enactment and every 180 days thereafter for a period of 3 years.

The president would be directed to notify Congress not later than 30 days prior to conducting a transaction or payment from the Government of the United States to the Government of Iran in connection with an agreement to settle a claim brought before the Iran-United States Claims Tribunal. The notification would include: (1) the total amount of the settlement, including the total principal and interest, and an explanation of the calculation of the interest; (2) a legal analysis of why the settlement was made, including a detailed description of all claims and counter-claims covered by the settlement; (3) a certification by the president that the settlement is not a ransom for the release of individuals held hostage by Iran; (4) an identification of each entity of the Government of Iran that will receive amounts from the settlement; (5) a certification that the funds provided to Iran under the settlement will not be used to provide support to foreign terrorist organizations, the regime of Bashar al-Assad, or other destabilizing activities; (6) whether an equal amount of Iranian funds are available and accessible in the United States to satisfy judgments against Iran by victims of Iranian-sponsored terrorism; and (7) a copy of the settlement agreement; (8) a description of the disposition of any related claims that have been subrogated to the United States Government; and (9) a certification that the settlement is in the best interest of the United States.

Nothing in the bill would apply to any activities subject to the reporting requirements of [title V of the National Security Act of 1947](#), regarding intelligence gathering, nor would be construed to authorize any payment by the Government of the United States to the Government of Iran.

According to the findings of the bill, "on January 17, 2016, the [p]resident announced that Iran would release several United States citizens while the United States would grant clemency to and release seven Iranian nationals serving sentences or awaiting trial in the United States for serious crimes." On January 17, 2016, the President also announced that "The United States and Iran are now settling a longstanding Iranian government claim against the United States Government." The overall amount of the settlement is approximately \$1,700,000,000. Subsequent reports revealed that \$400,000,000 of this \$1,700,000,000 settlement was secretly flown to Iran, in cash, simultaneously with the release of these United States citizens.

More information on transfer of payments to Iran from the Wall Street Journal can be found [here](#). The House report accompanying H.R. 5931 can be found [here](#). A fact sheet from the House Foreign Affairs Committee on H.R. 5931 can be found [here](#).

AMENDMENTS MADE IN ORDER:

- [#2 Royce \(R-CA\)](#): would prohibit the United States Government from directly or indirectly providing the government of Iran with monetary instruments, or precious metals. .

- [#3 Pompeo \(R-KS\)](#): would prohibit the president and all officers of the United States Government from making a payment to a government or person for the purpose of securing the release of unjustly detained United States citizens, including United States citizens who are also citizens of other countries. The amendment would not prohibit the United States Government from providing assistance to United States citizens that have been arrested. The Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, would be authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of the amendment.
- [#4 Pompeo \(R-KS\)](#): would require the president to impose sanctions, including the blocking of property, on any Iranian person involved in the kidnapping or unjust detention of a United States citizen on or after March 9, 2007, including a United States citizen who is also a citizen of another country; any Iranian person that engages, or attempts to engage, in an activity or transaction that materially contributes to, or poses a risk of materially contributing to, kidnapping or unjust detention.
- [#5 Duffy \(R-WI\)](#): would prohibit the United States Government from directly or indirectly providing any state sponsor of terrorism, including North Korea, with monetary instruments, or precious metals.
- [#1 Engel \(D-NY\)](#) (Substitute): would replace the underlying bill's prohibition on payments with a simple notification requirement. Specifically, the amendment would prohibit any agency or instrumentality of the United States Government from making a payment to an agency or instrumentality of a government of a state sponsor of terrorism, or an agent acting on behalf of such a government, in settlement of a claim or judgment against the United States, unless, not less than 5 days prior to making such payment the president submits a notification of the proposed payment or agreement to Congress, including the text of the claim or judgment with respect to which such payment or agreement relates. The amendment would apply to the government of North Korea. The president would be required to publish in the Federal Register a list of payments, and agreements to make payments, to agencies and instrumentalities of governments of a state sponsors of terrorism that were made or entered into during the prior 180-day period.

COMMITTEE ACTION:

H.R. 5931 was introduced on September 6, 2016 and was referred to the House Committee on Foreign Affairs, which ordered the bill reported (amended) by voice vote on September 14, 2016.

ADMINISTRATION POSITION:

No Statement of Administration Policy is available.

CONSTITUTIONAL AUTHORITY:

According to the bill's sponsor: "Congress has the power to enact this legislation pursuant to the following: Article I, Section 8." No specific enumerating clause was cited.

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