

**H.R. 4790, GUARDRAIL Act of 2023**

As reported by the House Committee on Financial Services on December 22, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	No
		<b>Mandate Effects</b>	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between -\$500,000 and \$500,000.			

H.R. 4790 would prohibit the Securities and Exchange Commission (SEC) from requiring an issuer of a security to disclose nonmaterial information unless the failure to disclose significantly alters the information available to an investor. The bill also would require the SEC to maintain on their website a list of and a reason for each mandate under federal securities law that requires disclosure of nonmaterial information.

In addition, H.R. 4790 would require the SEC to establish a Public Company Advisory Committee to make internal recommendations on regulatory priorities, corporate governance, and capital formation. Finally, the bill would require the agency to report to the Congress on the effects of directives adopted by the European Commission on corporate sustainability.

Based on the cost of similar activities, CBO estimates that implementing the bill would cost the SEC \$2 million over the 2024-2029 period. However, because the SEC is authorized to collect fees each year to offset its annual appropriation, CBO expects that the net effect on discretionary spending over the 2024-2029 period would be negligible, assuming appropriation actions consistent with that authority.

If the SEC increases fees to offset the costs associated with implementing the bill, H.R. 4790 would increase the cost of an existing mandate on private entities required to pay those

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



assessments. CBO estimates that the incremental cost of the mandate would be small and would fall well below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates (\$200 million in 2024, adjusted annually for inflation).

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Margot Berman (for the Securities and Exchange Commission) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

A handwritten signature in black ink, appearing to read "Phillip L. Swagel". The signature is fluid and cursive, with a long, sweeping tail.

Phillip L. Swagel  
Director, Congressional Budget Office