



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 31, 2011

H.R. 1965

**A bill to amend the securities laws to establish certain thresholds
for shareholder registration, and for other purposes**

As ordered reported by the House Committee on Financial Services on October 26, 2011

Under current law, companies with assets greater than \$10 million that have issued a class of security held by more than 500 people must register securities with the Securities and Exchange Commission (SEC) if those securities are to be traded on a registered exchange. H.R. 1965 would amend the statute to set the asset limit at greater than \$10 million for any issuer (under current law the limit is specified in SEC regulations) and would require banks and bank holding companies to register securities if the entity has issued securities held by more than 2,000 people. The bill also would require the SEC to prepare a cost-benefit analysis of various thresholds for shareholder registration and to submit a report of its findings to the Congress.

Based on information from the SEC, CBO estimates that implementing H.R. 1965 would have a negligible impact on the SEC's workload, and any change in agency spending that is subject to appropriation would not be significant. Enacting H.R. 1965 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 1965 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Susan Willie. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.