



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 28, 2011

H.R. 2167
Private Company Flexibility and Growth Act

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. 2167 would amend the statute to set the asset limit at greater than \$10 million for any issuer (the limit under current law is specified in SEC regulations) and to raise the threshold for ownership of an entity's stock to 1,000 persons. The bill would exclude persons who received stock as part of an employee compensation plan from the number of persons holding a security when determining whether the stock-ownership threshold has been met.

Based on information from the SEC, CBO estimates that implementing H.R. 2167 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. 2167 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2167 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.