



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

May 13, 2013

**H.R. 701**

**A bill to amend a provision of the Securities Act of 1933 directing the Securities and Exchange Commission to add a particular class of securities to those exempted under such Act to provide a deadline for such action**

*As ordered reported by the House Committee on Financial Services on May 7, 2013*

Under title IV of the Jumpstart our Business Startups Act (Public Law 112-106), the Securities and Exchange Commission (SEC) is required to issue a regulation that exempts certain stock offerings—specifically, where the aggregate amount offered and sold in the previous 12-month period does not exceed \$50 million—from requirements to register the offering with the agency. H.R. 701 would require the SEC to finalize that regulation by October 31, 2013.

Efforts are currently underway at the SEC to finalize the rule in question. Based on information from the agency, CBO expects that implementing H.R. 701 would have a negligible effect on the agency's workload. As a result, CBO estimates that implementing H.R. 701 would not significantly affect discretionary spending. Furthermore, under current law, the agency is authorized to collect fees sufficient to offset its operating costs each year; therefore, we estimate that the net cost to the SEC would be negligible, assuming appropriation actions consistent with that authority. Enacting H.R. 701 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 701 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. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.