



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 23, 2015

H.R. 1723 **Small Company Simple Registration Act of 2015**

As ordered reported by the House Committee on Financial Services on May 20, 2015

H.R. 1723 would change the registration process for small businesses that file statements with the Securities and Exchange Commission (SEC) in order to sell securities to the public. Specifically, for certain small issuers, the bill would reduce information that such firms must provide to the SEC after filing a registration statement.

Based on information from the SEC, CBO estimates that implementing H.R. 1723 would cost about \$1 million in fiscal year 2016 to complete a rulemaking process as required under the bill. Under current law the SEC is authorized to collect fees sufficient to offset its appropriation each year; therefore, we estimate that the net cost to the SEC would not be significant, assuming appropriation action consistent with that authority. CBO estimates that enacting H.R. 1723 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 1723 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

If the SEC increases fees to offset the costs associated with implementing the bill, H.R. 1723 would increase the cost of an existing mandate on private entities required to pay those fees. Based on information from the SEC, CBO estimates that the aggregate cost of the mandate would amount to about \$1 million in 2016 and would fall well below the annual threshold for private-sector mandates established in UMRA (\$154 million in 2015, adjusted annually for inflation).

The CBO staff contacts for this estimate are Susan Willie and Ben Christopher (for federal costs) and Logan Smith (for the private-sector impact). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.