



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 20, 2015

### **H.R. 1839**

### **Reforming Access for Investments in Startup Enterprises Act of 2015**

*As ordered reported by the House Committee on Financial Services on July 29, 2015*

H.R. 1839 would exempt certain securities from statutory requirements that, among other things, they be registered with the Securities and Exchange Commission (SEC) prior to being offered for sale. To be eligible for the exemption, such securities must be offered only in a private sale to accredited investors that have received certain information about the issuer of the security and the security itself.

Based on information from the SEC, CBO estimates that implementing H.R. 1839 would cost less than \$500,000 over the 2016- 2020 period; the agency would not make any changes to current regulations as a result of the bill. Under current law, the SEC is authorized to collect fees to offset its annual appropriation; therefore, assuming appropriation action consistent with that authority, CBO estimates that implementing the bill would have a negligible effect on net discretionary spending. Enacting H.R. 1839 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 1839 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by prohibiting states from requiring the registration or review of the sale of securities in some cases. CBO estimates that the cost to state governments of complying with the mandate would be small and well below the annual threshold established in UMRA for intergovernmental mandates (\$76 million in 2014, adjusted annually for inflation).

H.R. 1839 contains no private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Susan Willie (for federal costs) and Melissa Merrell (for intergovernmental mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.