



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 15, 2016

H.R. 4498

Helping Angels Lead Our Startups Act

As ordered reported by the House Committee on Financial Services on March 2, 2016

The Securities and Exchange Commission (SEC) exempts certain sellers of securities from registering their securities with the SEC and from related filing and disclosure requirements under Regulation D. Private offerers of securities who are exempt under Regulation D are not allowed to engage in general solicitation or general advertising for their securities unless the purchasers of the securities meet specific requirements. H.R. 4498 would expand the manner in which securities issuers who qualify for exemptions under Regulation D can solicit and advertise their securities.

CBO estimates that implementing H.R. 4498 would cost less than \$1 million for personnel and administrative costs to revise SEC rules. However, the SEC is authorized to collect fees sufficient to offset its annual appropriation; therefore, CBO estimates that the net effect on discretionary spending would be negligible, assuming appropriations actions consistent with that authority.

Pay-as-you-go procedures do not apply because enacting H.R. 4498 would not affect direct spending or revenues. CBO estimates that enacting H.R. 4498 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year period beginning in 2027.

H.R. 4498 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 of implementing the bill, H.R. 4498 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, if imposed, would be minimal and fall well below the annual threshold for private-sector mandates established in UMRA (\$154 million in 2016, adjusted annually for inflation).

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