CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 1, 2016

H.R. 4852
Private Placement Improvement Act of 2016

As ordered reported by the House Committee on Financial Services on June 16, 2016

Under current law, the Securities and Exchange Commission (SEC) prohibits the sale or delivery of securities that have not been registered with the SEC. Certain transactions are exempt from that prohibition but are subject to certain reporting requirements. H.R. 4852 would amend those requirements. H.R. 4852 also would prohibit the SEC from expanding certain reporting requirements and limit how the SEC uses the current information it collects.

On the basis of information provided by the SEC about the agency’s current reporting requirements, CBO estimates that implementing H.R. 4852 would have no significant effect on the agency’s costs to change current rules. Moreover, 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. Enacting H.R. 4852 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 4852 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 4852 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 Stephen Rabent. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.