



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

July 1, 2016

**H.R. 4854  
Supporting America's Innovators 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) exempts certain issuers of securities from the requirement to register as an investment company. H.R. 4854 would expand that exemption to include a broader set of issuers.

On the basis of information from the SEC about the level of effort needed to implement the changes in the bill, CBO estimates that implementing H.R. 4854 would have no significant effect on the agency's costs or operations, because only a relatively small number of companies could qualify for the broader exemption. 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. 4854 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 4854 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 4854 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.