



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 1, 2016

### **H.R. 4855** **Fix Crowdfunding Act**

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

Under current law, the Securities and Exchange Commission (SEC) requires certain issuers of securities to register as an investment company and regulates aspects of their operations. H.R. 4855 would define the term “crowdfunding vehicle” and exempt those companies that qualify under that term from registering as an investment company. It also would expand a current exemption for a particular class of securities from registration requirements. Finally, H.R. 4855 would change how the total sales of securities by an issuer is calculated when determining requirements to register securities with the SEC. That total is used to determine whether or not those securities are exempt from registration with the SEC.

On the basis of information from the SEC about the level of effort needed to implement the changes in this bill, CBO estimates that implementing H.R. 4855 would have no significant effect on the agency’s costs or operations. 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. 4855 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 4855 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 4855 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.