



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 15, 2018

### **H.R. 6745** **ACCESS Rural America Act**

*As ordered reported by the House Committee on Financial Services  
on September 13, 2018*

Under current law, securities issuers with total assets exceeding \$10 million and whose securities are held by either 500 nonaccredited investors or by 2,000 people must file a securities registration statement with the Securities and Exchange Commission (SEC). H.R. 6745 would raise the threshold to 1,250 nonaccredited investors if the issuer received support directly, or through an affiliate, from a federal universal service support program and would index the \$10 million asset threshold to inflation. The SEC would be required to conduct a study and issue a report on the effects of the changes. Under the bill, the SEC also would be required to develop a financial summary form that issuers that receive support through a federal universal service support program and have securities held by between 500 and 1,250 nonaccredited investors could file.

Using information from the SEC, CBO estimates that implementing H.R. 6745 would cost \$2 million over the 2019-2023 period for the agency to develop the new form, conduct the study, and issue its report. 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 appropriation actions consistent with that authority.

Enacting H.R. 6745 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 6745 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 6745 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

If the SEC increased fees to offset the costs associated with implementing the bill, H.R. 6745 would increase the cost of an existing mandate on private entities required to pay those assessments. CBO estimates that the incremental cost of the mandate would be less than \$2 million, well below the annual threshold for private-sector mandates established in UMRA (\$160 million in 2018, adjusted annually for inflation).

The CBO staff contacts for this estimate are Stephen Rabent (for federal costs), and Rachael Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.