

H.R. 2409, Expanding Access to Capital for Rural Job Creators Act

As ordered reported by the House Committee on Financial Services on May 8, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	n.e.
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

n.e. = not estimated; * = between zero and \$500,000.

H.R. 2409 would expand the functions of the Office of the Advocate for Small Business Capital Formation within the Securities and Exchange Commission (SEC) to include identifying problems that small businesses in rural areas experience with securing access to capital. The bill would require the office to summarize those issues within an existing annual report.

Using information from the SEC, CBO estimates that implementing H.R. 2409 would cost about \$1 million over the 2019-2024 period for the agency to broaden the scope of its current activities. However, because the SEC is authorized to collect fees sufficient to offset its annual appropriation, and assuming that future appropriation actions are consistent with that authority, CBO estimates that the net effect on discretionary spending would be negligible.

If the SEC increased fees to offset the costs associated with implementing the bill, H.R. 2409 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 \$200,000 per year, well below the annual threshold for private-sector mandates established in UMRA (\$162 million in 2019, adjusted annually for inflation).

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