

H.R. 5929, Shareholder Political Transparency Act of 2020

As ordered reported by the House Committee on Financial Services on February 28, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated
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 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

H.R. 5929 would require public companies to disclose details about any expenditures for political activities in their quarterly reports to the Security and Exchanges Commission (SEC) and their investors. The bill also would require public companies to annually disclose political expenditures greater than \$10,000 in the prior year and the planned amounts and nature of any political expenditures in the upcoming year. Under H.R. 5929, the SEC would be required to report annually to the Congress on the compliance of public companies with those reporting requirements and the Government Accountability Office (GAO) would be required to report periodically to the Congress on the SEC's enforcement efforts regarding those requirements.

CBO estimates that implementing the reporting requirements would cost the SEC and GAO a total of \$1 million over the 2020-2025 period. However, because the SEC is authorized to collect fees each year to offset its annual appropriation, CBO expects that the net effect over the 2020-2025 period would be insignificant, assuming appropriation actions consistent with that authority.

H.R. 5929 contains private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the cost to comply with those mandates would be small and would not exceed the threshold established in UMRA (\$168 million in 2020, adjusted annually for inflation).



H.R. 5929 would impose a mandate by requiring publicly traded companies to annually disclose to the SEC their political contributions. The incremental cost of the mandate would be small because the mandated entities already collect or possess the information to be reported under the bill and would use an established reporting process.

If the SEC increased fees to offset the costs associated with implementing the bill, H.R. 5929 would increase the cost of an existing mandate on private entities required to pay those fees. CBO estimates that the incremental cost of that mandate would be small.

H.R. 5929 contains no intergovernmental mandates as defined in UMRA.

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