

H.R. 4685, Trading Isn't a Game Act

As ordered reported by the House Committee on Financial Services on July 29, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
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 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

H.R. 4685 would require the Government Accountability Office (GAO) to report to the Securities and Exchange Commission (SEC) and the Congress on the effect of gamification, psychological nudges, and other design techniques of online trading platforms. GAO would be required to consult with the SEC and private entities, such as investor advocacy groups, to study the effects of those techniques. Under the bill, the SEC's Office of the Investor Advocate would provide legislative and regulatory recommendations to the Congress based on GAO's findings.

CBO estimates that implementing the reporting requirements would cost the SEC and GAO a total of \$1 million over the 2022-2026 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 2022-2026 period would be less than \$500,000, assuming appropriation actions consistent with that authority.

If the SEC increases fees to offset the costs of implementation, H.R. 4685 would raise the cost of an existing mandate on private entities required to pay those assessments. CBO estimates that, on average, the annual incremental cost of the mandate would be less than \$1 million—well below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates (\$170 million in 2021, adjusted annually for inflation).



H.R. 4685 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Madeleine Fox (for federal costs) and Andrew Laughlin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.