Congressional Budget Office
Cost Estimate

May 26, 2023

H.R. 2793, Encouraging Public Offerings Act of 2023

As ordered reported by the House Committee on Financial Services on April 26, 2023

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
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

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2034?	No	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 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

* = between -$500,000 and $500,000.

H.R. 2793 would codify two practices currently authorized by the Securities and Exchange Commission (SEC) under existing policy:

- Allowing issuers of securities to communicate with certain investors to gauge interest in potential offerings, and
- Permitting issuers to submit draft registration statements to the SEC for review prior to or for up to one year after their initial public offerings.

In the event of any further rulemakings related to those practices, H.R. 2793 would require the commission to report to the Congress to justify those rulemakings.

Because the SEC already allows such practices under current policy, CBO estimates that it would cost an insignificant amount for the agency to justify any further rulemakings to the Congress. However, because the SEC is authorized to collect fees each year to offset its annual appropriation, CBO expects that the net effect on discretionary spending over the 2023-2028 period would be negligible, assuming appropriation actions consistent with that authority.

If the SEC increases fees to offset the costs associated with implementing the bill, H.R. 2793 would increase the cost of an existing mandate on private entities required to pay those assessments. CBO estimates that the incremental cost of that mandate would be small and fall below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates ($198 million in 2023, adjusted annually for inflation).

H.R. 2793 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by Ann E. Futrell, Senior Adviser for Budget Analysis.

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