

## H.R. 2796, Promoting Opportunities for Non-Traditional Capital Formation Act

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 <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034? | No   | Statutory pay-as-you-go procedures apply? | No                   |
|                                                                                                        |      | <b>Mandate Effects</b>                    |                      |
| Increases <i>on-budget deficits</i> 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. 2796 would require the Office of the Advocate for Small Business Capital Formation within the Securities and Exchange Commission (SEC) to create educational resources and host events for underrepresented, rural, and disaster-affected small businesses. The bill also would require the office to meet annually with state securities commissions to discuss ways to assist small businesses and small business investors. In 2023, the SEC allocated \$5 million to the office to support 11 employees.

Using information about costs at the SEC, CBO estimates that implementing H.R. 2796 would cost \$2 million over the 2023-2028 period. That amount would support one additional employee at a cost of \$300,000 annually as well as travel and event costs. 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. 2796 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 small and would fall well below the annual threshold for private-sector mandates established in the

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



Unfunded Mandates Reform Act (UMRA, \$198 million in 2023, adjusted annually for inflation).

H.R. 2796 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 H. Samuel Papenfuss, Deputy Director of Budget Analysis.

A handwritten signature in black ink, appearing to read "Phillip L. Swagel".

Phillip L. Swagel  
Director, Congressional Budget Office