Congressional Budget Office
Cost Estimate

May 19, 2023

H.R. 2797, Equal Opportunity for All Investors 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 zero and $500,000.

H.R. 2797 would require the Securities and Exchange Commission (SEC) to develop an exam and certify people who pass as “accredited investors,” which would allow them to make investments for which they are not currently eligible. Under current law, accredited investors are defined as people or entities with sufficient financial sophistication and resources to sustain the risk of loss, including banks, broker-dealers, and investment companies. Accredited investors may participate in investment opportunities not available to nonaccredited investors, such as purchasing securities that are exempt from registration with the SEC.

Based on the cost of similar provisions, CBO estimates that implementing H.R. 2797 would cost $1 million in both 2023 and 2024. CBO expects that the SEC would need three employees, at an average annual cost of $300,000 per employee, to establish the examination and amend the current rules on accredited investors. 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 annual fees to offset the costs of implementing provisions of H.R. 2797, it would increase the costs of an existing private-sector mandate on entities required to pay

See also
CBO’s Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

those fees. CBO estimates that the incremental cost of the mandate would be small and would fall well below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates ($198 million in 2023, adjusted annually for inflation).

The bill contains no intergovernmental mandates.

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

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