

## H.R. 835, Fair Investment Opportunities for Professional Experts 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. 835 would codify current rules that include individuals with a net worth exceeding \$1 million or an annual income exceeding \$200,000 in the definition of accredited investors. In addition, the bill would expand that definition to include individuals with education or experience related to a particular investment. Accredited investors may participate in investment opportunities not available to nonaccredited investors, such as purchasing securities that are exempt from registration with the Securities and Exchange Commission (SEC).

Using information from the SEC, CBO estimates that implementing H.R. 835 would cost less than \$500,000 to amend current rules. 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. 835 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 established in the Unfunded Mandates Reform

See also

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



Act (UMRA) for private-sector mandates (\$198 million in 2023, adjusted annually for inflation).

H.R. 835 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 Emily Stern, Senior Adviser for Budget Analysis.

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

Phillip L. Swagel  
Director, Congressional Budget Office