

H.R. 1553, HALOS ACT of 2023

As ordered reported by the House Committee on Financial Services on May 24, 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)	0	*	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
		Mandate Effects	
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. 1553 would require the Securities and Exchange Commission (SEC) to amend Regulation D to clarify that companies presenting at “demo days” are not violating general solicitation or advertising rules. A demo day is an event that is organized by an institution of higher education, nonprofit, angel investor, or other entity approved by the SEC, where companies present to potential investors but no specific investment solicitation is made.

Regulation D currently prohibits companies that are exempt from registration with the SEC from engaging in general solicitation or advertising for their securities. In 2020, the SEC issued Securities Act Rule 148, which clarified that companies presenting at demo days are not in violation of general solicitation or advertising rules. On that basis, CBO estimates that any additional cost to amend Regulation D to comply with the requirements in the bill would be insignificant. 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. 1553 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. 1553 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