



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 12, 2014

H.R. 2629 **Fostering Innovation Act of 2013**

As ordered reported by the House Committee on Financial Services on June 11, 2014

CBO estimates that implementing H.R. 2629 would have a negligible effect on net discretionary costs over the 2015-2019 period, assuming appropriation of the necessary amounts. Enacting H.R. 2629 not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2629 would amend certain thresholds a company must exceed to be considered an “accelerated filer.” Accelerated filers must meet shorter deadlines for reporting quarterly and annual results to the Securities and Exchange Commission (SEC) and must produce an annual audit of both financial results and internal controls. Under current law, a company whose stock is valued between \$75 million and \$700 million can be considered for accelerated filer status. Under H.R. 2629, the minimum threshold would be increased to \$250 million. The bill would add a revenue component to the test as well: Only companies with annual revenues that exceed \$100 million that also meet the stock-value restriction would be considered accelerated filers.

Based on information from the SEC, CBO expects that completing the rulemaking activities required under H.R. 2629 and processing somewhat fewer filings would not significantly change the agency’s workload or costs. Further, under current law, the SEC is authorized to collect fees sufficient to offset its annual appropriation; therefore, CBO estimates that implementing H.R. 2629 would have a negligible effect on net discretionary costs over the 2015-2019 period.

H.R. 2629 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.