November 18, 2019

CBO’s Estimate of the Statutory Pay-As-You-Go Effects of H.R. 4344, the Investor Protection and Capital Market Fairness Act, as Ordered Reported by the House Committee on Financial Services on September 18, 2019

	By Fiscal Year, Millions of Dollars											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-2024	2020-2029
	Net Increase or Decrease (-) in the Deficit											
Pay-As-You-Go Effect	16	7	-7	-17	-58	-78	-78	-58	-28	-18	-59	-317
Memorandum:												
Changes in Outlays	16	7	3	3	2	2	2	2	2	2	31	43
Changes in Revenues	0	0	10	20	60	80	80	60	30	20	90	360

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those procedures are shown here.

Under H.R. 4344, the Securities and Exchange Commission (SEC) would have up to 14 years after an alleged violation in which to seek a disgorgement penalty (the repayment of ill-gotten gains to investors harmed by a securities law violator). The limit under current law is 5 years. CBO estimates that the bill would increase the number of such penalties, and that a portion of the funds collected would be remitted to the Treasury and recorded in the budget as revenues. CBO also anticipates that a small percentage of the new actions would stem from information provided by whistleblowers who would be eligible for payments from the SEC. Those payments would be recorded in the budget as additional direct spending.

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