

H.R. 935, Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2021

As ordered reported by the House Committee on Financial Services on July 29, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
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
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 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

H.R. 935 would exempt certain brokers that perform transactions related to ownership transfers of eligible privately held companies from the requirement to register with the Securities and Exchange Commission (SEC).

Using information from the SEC, CBO estimates that implementing H.R. 935 would cost less than \$500,000 for the agency to clarify the applicability of regulations regarding registration requirements for brokers of mergers and acquisitions. Moreover, 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 2022-2026 period would be negligible, assuming appropriation actions consistent with that authority.

If the SEC increased fees to offset the costs associated with implementing the bill, H.R. 935 would increase the cost of an existing mandate on private entities required to pay those fees. CBO estimates that, on average, the annual incremental cost of the mandate would be less than \$500,000—well below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates (\$170 million in 2021, adjusted annually for inflation).



H.R. 935 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contact for this estimate is David Hughes. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.