

H.R. 3624, Outsourcing Accountability Act of 2019

As ordered reported by the House Committee on Financial Services on July 16, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	*
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 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

H.R. 3624 would require public companies to annually disclose the number of people they employ in the United States (disaggregated by state) and in each foreign country. Emerging growth companies would be exempt from that requirement.

Using information from the Securities and Exchange Commission (SEC), CBO estimates that implementing H.R. 3624 would cost less than \$500,000 over the 2019-2024 period to issue new rules and process the new disclosures. Because the SEC is authorized to collect fees each year to offset its annual appropriation, CBO expects that any net change in discretionary spending over the 2019-2024 period would be negligible, assuming appropriation actions consistent with that authority.

H.R. 3624 contains private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the cost of the mandates would be well below the threshold established in UMRA (\$164 million in 2019, adjusted annually for inflation).

By requiring public companies to annually disclose the geographic location (international and domestic) of their employees, the bill would impose a mandate as defined in UMRA. The incremental cost of the mandate would be small because the mandated entities already collect or possess the information to be reported under the bill.



If the SEC increased fees to offset the costs associated with implementing the bill, H.R. 3624 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 less than \$500,000.

H.R. 3624 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 Assistant Director for Budget Analysis.