

H.R. 1087, Shareholder Political Transparency Act of 2021

As ordered reported by the House Committee on Financial Services on April 21, 2021

By Fiscal Year, Millions of Dollars	2021	2021-2026	2021-2031
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. 1087 would require public companies to disclose details about their expenditures for political activities in quarterly reports to the Security and Exchanges Commission (SEC) and to their investors. The bill also would require public companies to annually disclose to investors political expenditures in the previous year that were greater than \$10,000 as well as those made for any election where their total expenditures exceeded \$10,000. Companies with those expenditures would be required to include information on the amounts and nature of any political expenditures planned for the upcoming year. H.R. 1087 would require the SEC to report annually to the Congress on the compliance of public companies with those requirements and the Government Accountability Office (GAO) to report periodically on the SEC's enforcement efforts.

CBO estimates that implementing the reporting requirements would cost the SEC and GAO a total of \$1 million over the 2021-2026 period. However, because the SEC is authorized to collect fees each year to offset its annual appropriation, CBO expects that the net effect over the 2021-2026 period would be insignificant, assuming appropriation actions consistent with that authority.

H.R. 1087 contains private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the cost to comply with those mandates would be small



and would not exceed the threshold established in UMRA (\$170 million in 2021, adjusted annually for inflation).

By requiring publicly traded companies to annually disclose to the SEC their political contributions, H.R. 1087 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 and would use an established reporting process.

If the SEC increased fees to offset the costs associated with implementing the bill, H.R. 1087 would increase the cost of an existing mandate on private entities required to pay those fees. CBO estimates that the incremental cost of the mandate would be small.

H.R. 1087 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Sofia Guo (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.