

119TH CONGRESS
1ST SESSION

H. R. 3395

To require the Comptroller General of the United States to carry out a study of the costs associated with small- and medium-sized companies to undertake initial public offerings.

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 2025

Mr. HIMES introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Comptroller General of the United States to carry out a study of the costs associated with small- and medium-sized companies to undertake initial public offerings.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Middle Market IPO
5 Cost Act”.

6 **SEC. 2. STUDY ON IPO FEES.**

7 (a) STUDY.—The Comptroller General of the United
8 States, in consultation with the Securities and Exchange

1 Commission and the Financial Industry Regulatory Au-
2 thority, shall carry out a study of the costs associated with
3 small- and medium-sized companies to undertake initial
4 public offerings (“IPOs”). In carrying out such study, the
5 Comptroller General shall—

6 (1) consider the direct and indirect costs of an
7 IPO, including—

8 (A) fees of accountants, underwriters, and
9 any other outside advisors with respect to the
10 IPO;

11 (B) compliance with Federal and State se-
12 curities laws at the time of the IPO; and

13 (C) such other IPO-related costs as the
14 Comptroller General may consider;

15 (2) compare and analyze the costs of an IPO
16 with the costs of obtaining alternative sources of fi-
17 nancing and of liquidity;

18 (3) consider the impact of such costs on capital
19 formation;

20 (4) analyze the impact of these costs on the
21 availability of public securities of small- and me-
22 dium-sized companies to retail investors; and

23 (5) analyze trends in IPOs over a time period
24 the Comptroller General determines is appropriate to
25 analyze IPO pricing practices, considering—

1 (A) the number of IPOs;

2 (B) how costs for IPOs have evolved over
3 time for underwriters, investment advisory
4 firms, and other professions for services in con-
5 nection with an IPO;

6 (C) the number of brokers and dealers ac-
7 tive in underwriting IPOs;

8 (D) the different types of services that un-
9 derwriters and related persons provide before
10 and after a small- or medium-sized company
11 IPO and the factors impacting IPOs costs;

12 (E) changes in the costs and availability of
13 investment research for small- and medium-
14 sized companies; and

15 (F) the impacts of litigation and its costs
16 on being a public company.

17 (b) REPORT.—Not later than the end of the 360-day
18 period beginning on the date of the enactment of this Act,
19 the Comptroller General shall issue a report to the Con-
20 gress containing all findings and determinations made in
21 carrying out the study required under subsection (a) and
22 any administrative or legislative recommendations the
23 Comptroller General may have.

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