

Union Calendar No. 98

119TH CONGRESS
1ST SESSION

H. R. 3395

[Report No. 119–128]

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

JUNE 3, 2025

Additional sponsors: Mr. SESSIONS and Mr. LAWLER

JUNE 3, 2025

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on May 14, 2025]

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 Cost*
5 *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*
9 *Commission and the Financial Industry Regulatory Au-*
10 *thority, shall carry out a study of the costs associated with*
11 *small- and medium-sized companies to undertake initial*
12 *public offerings (“IPOs”). In carrying out such study, the*
13 *Comptroller General shall—*

14 (1) *consider the direct and indirect costs of an*
15 *IPO, including—*

16 (A) *fees of accountants, underwriters, and*
17 *any other outside advisors with respect to the*
18 *IPO;*

19 (B) *compliance with Federal and State se-*
20 *curities laws at the time of the IPO; and*

21 (C) *such other IPO-related costs as the*
22 *Comptroller General may consider;*

23 (2) *compare and analyze the costs of an IPO*
24 *with the costs of obtaining alternative sources of fi-*
25 *nancing and of liquidity;*

1 (3) consider the impact of such costs on capital
2 formation;

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

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

9 (A) the number of IPOs;

10 (B) how costs for IPOs have evolved over
11 time for underwriters, investment advisory
12 firms, and other professions for services in con-
13 nection with an IPO;

14 (C) the number of brokers and dealers active
15 in underwriting IPOs;

16 (D) the different types of services that un-
17 derwriters and related persons provide before
18 and after a small- or medium-sized company
19 IPO and the factors impacting IPOs costs;

20 (E) changes in the costs and availability of
21 investment research for small- and medium-sized
22 companies; and

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

1 **(b) REPORT.**—*Not later than the end of the 360-day*
2 *period beginning on the date of the enactment of this Act,*
3 *the Comptroller General of the United States shall issue a*
4 *report to the Congress containing all findings and deter-*
5 *minations made in carrying out the study required under*
6 *subsection (a) and any administrative or legislative rec-*
7 *ommendations the Comptroller General may have.*

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