

# Union Calendar No. 596

106TH CONGRESS  
2D SESSION

# H. R. 2441

**[Report No. 106-1034]**

To amend the Securities Exchange Act of 1934 to reduce fees on securities transactions.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 1, 1999

Mr. LAZIO (for himself, Mr. REYNOLDS, Mr. TOWNS, Mr. COOK, Mr. FORBES, Mr. BILBRAY, Mr. LARGENT, Mrs. KELLY, Mr. BAKER, Mr. SWEENEY, Mr. ENGEL, Mr. CROWLEY, Mr. SESSIONS, Mr. BARTON of Texas, Mr. SCHAFFER, Mr. DEAL of Georgia, Mr. RILEY, Mr. GILLMOR, Mrs. MALONEY of New York, Mr. BRYANT, Mr. DELAY, Mr. SHAYS, Mr. MEEKS of New York, Mr. PALLONE, Mr. BURR of North Carolina, Mr. ARMEY, Mr. TAUZIN, and Mr. HALL of Texas) introduced the following bill; which was referred to the Committee on Commerce

DECEMBER 15, 2000

Additional sponsors: Mr. HILL of Montana, Mr. BUYER, Mr. CUNNINGHAM, Mr. GEKAS, Mr. CALVERT, Mr. UPTON, Mr. COX, Mr. OWENS, Mr. BARRETT of Wisconsin, Mr. BARR of Georgia, Mr. SAM JOHNSON of Texas, Mr. COBURN, Mr. RUSH, and Mr. FRANKS of New Jersey

DECEMBER 15, 2000

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 italic]

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# A BILL

To amend the Securities Exchange Act of 1934 to reduce fees on securities transactions.

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 “Fairness in Securities  
5 Transactions Act”.

6 **SEC. 2. FEE REDUCTION.**

7       (a) ~~REDUCTIONS OF FEES.~~—Section 31 of the Secu-  
8 ~~rities Exchange Act of 1934 (15 U.S.C. 78ee)~~ is amended  
9 ~~by striking “1/300 of one percent” each place it appears~~  
10 ~~and inserting “1/500 of one percent”.~~

11       (b) ~~PREVENTION OF SHORTFALLS IN COMMISSION  
12 APPROPRIATIONS.~~—Section 31 of the Securities Exchange  
13 Act of 1934 is further amended by adding at the end the  
14 following new subsection:

15       “(h) INSUFFICIENT FEES.—In any year in which the  
16 total amount of fees collected under this section and sec-  
17 tion 6(b) of the Securities Act of 1933 (including any bal-  
18 ance in the account providing appropriations to the Com-  
19 mission) are insufficient to provide for the Commission’s  
20 budget authority as provided by an appropriations Act,

1 such appropriations Act may provide that the fee under  
2 this section shall be increased, with all such increased  
3 amounts deposited and credited as offsetting collections  
4 to the account providing appropriations to the Commis-  
5 sion.”.

6 **SEC. 3. REVISION OF SECURITIES TRANSACTION FEE PRO-**

7 **VISIONS.**

8 (a) AMENDMENTS.—Section 31 of the Securities Ex-  
9 change Act of 1934 (15 U.S.C. 78ee) is amended—

10 (1) in the last sentence of subsection (b), by in-  
11 serting before the period the following: “, except  
12 that 10 percent of such fees shall be deposited and  
13 credited as offsetting collections to the account pro-  
14 viding appropriations to the Commission”;

15 (2) in the last sentence of subsection (c), by in-  
16 serting before the period the following: “, except  
17 that 10 percent of such fees shall be deposited and  
18 credited as offsetting collections to the account pro-  
19 viding appropriations to the Commission”; and

20 (3) in subsection (d), by striking paragraphs  
21 (2) and (3) and inserting the following:

22 “(2) DEPOSIT OF FEES.—Fees collected pursu-  
23 ant to this subsection shall be deposited and col-  
24 lected as general revenue of the Treasury, except  
25 that 10 percent of such fees shall be deposited and

1       credited as offsetting collections to the account pro-  
2       viding appropriations to the Commission.”.

3 **SEC. 4. EFFECTIVE DATE.**

4       The amendments made by this Act—

5           (1) shall take effect on October 1, 1999; and  
6           (2) shall cease to be effective on October 1,  
7           2007.

8 **SECTION 1. SHORT TITLE.**

9       This Act may be cited as the “Fairness in Securities  
10      Transactions Act”.

11 **SEC. 2. FEE REDUCTION.**

12       (a) *REDUCTIONS OF FEES.*—Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended by striking “1/300 of one percent” each place it appears and inserting “1/500 of one percent”.

16       (b) *PREVENTION OF SHORTFALLS IN COMMISSION APPROPRIATIONS.*—Section 31 of the Securities Exchange Act of 1934 is further amended by adding at the end the following new subsection:

20       “(h) *INSUFFICIENT FEES.*—In any year in which the total amount of fees collected under this section and section 6(b) of the Securities Act of 1933 (including any balance in the account providing appropriations to the Commission) are insufficient to provide for the Commission’s budget authority as provided by an appropriation Act, such ap-

1 *propriation Act may provide that the fee under this section*  
 2 *shall be increased, with all such increased amounts depos-*  
 3 *ited and credited as offsetting collections to the account pro-*  
 4 *viding appropriations to the Commission.”.*

5 **SEC. 3. REVISION OF SECURITIES TRANSACTION FEE PRO-**  
 6 **VISIONS.**

7 *Section 31 of the Securities Exchange Act of 1934 (15*  
 8 *U.S.C. 78ee) is further amended—*

9 *(1) in subsection (b), by striking the last sen-*  
 10 *tence;*

11 *(2) in subsection (c), by striking the last sen-*  
 12 *tence;*

13 *(3) in subsection (d)—*

14 *(A) by striking paragraphs (2) and (3); and*

15 *(B) by striking the following:*

16 *“(d) OFF-EXCHANGE TRADES OF LAST-SALE-RE-*  
 17 *PORDED SECURITIES.—*

18 *“(1) COVERED TRANSACTIONS.—Each national*  
 19 *securities” and adding the following:*

20 *“(d) OFF-EXCHANGE TRADES OF LAST-SALE-RE-*  
 21 *PORDED SECURITIES.—Each national securities”; and*

22 *(4) by adding after subsection (h) (as added by*  
 23 *section 2(b) of this Act) the following new subsections:*

24 *“(i) DEPOSIT OF FEES.—*

1           “(1) *GENERAL REVENUES*.—*Fees collected pursuant*  
2           *to subsections (b), (c), and (d) shall be deposited*  
3           *and collected as general revenue of the Treasury, except*  
4           *that the amount deposited and collected as general*  
5           *revenues for any fiscal year shall not exceed the*  
6           *baseline amount for such fiscal year.*

7           “(2) *OFFSETTING COLLECTIONS*.—*Fees collected*  
8           *pursuant subsections (b), (c) and (d) for any fiscal*  
9           *year in excess of the baseline amount for such fiscal*  
10           *year—*

11           “(A) *shall not be collected or spent for any*  
12           *fiscal year except to the extent provided in ad-*  
13           *vance in appropriation Acts; and*

14           “(B) *shall be deposited and credited as off-*  
15           *setting collections to the account providing ap-*  
16           *propriations to the Commission.*

17           “(3) *BASELINE AMOUNT*.—*For purposes of this*  
18           *subsection, the baseline amount for any fiscal year is*  
19           *the amount projected by the Congressional Budget Of-*  
20           *fice pursuant to section 257 the Balanced Budget and*  
21           *Emergency Deficit Control Act of 1985, in its most*  
22           *recently published report of its baseline projection be-*  
23           *fore the date of enactment of the Fairness in Securi-*  
24           *ties Transactions Act, to be collected and deposited as*  
25           *general revenues pursuant to subsections (b) and (c)*

1       *of this section as in effect on the day before the date*  
2       *of enactment of such Act.*

3       “*(j) LAPSE OF APPROPRIATION.—If on the first day*  
4       *of a fiscal year a regular appropriation to the Commission*  
5       *has not been enacted, the Commission shall continue to col-*  
6       *lect fees under subsections (b), (c), and (d) at the rate in*  
7       *effect during the preceding fiscal year, until such a regular*  
8       *appropriation is enacted.”.*

9       **SEC. 4. EFFECTIVE DATE.**

10       *The amendments made by this Act—*

11           *(1) shall take effect on October 1, 2000; and*  
12           *(2) shall cease to be effective on October 1, 2006.*

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**A BILL**

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