

SCHWEIKERT) and the gentlewoman from Arizona (Ms. SINEMA) for their hard work on this bill. As was pointed out by Chairman GARRETT, all the votes in the committee were in support of the bill, except for two.

This legislation expands the definition of a "accredited investor," a status reserved for investors who possess the sophistication and financial means necessary to invest in private, unregistered securities offerings.

Many of these thresholds have not been updated, Mr. Speaker, since 1982, and the committee determined it was past time to do so.

It is important to note that the SEC Investor Advisory Committee as well issued bipartisan recommendations, which acknowledge that the current income and net worth tests "don't begin to measure the type or level of financial sophistication needed to evaluate the potential risks and benefits of private offerings."

We can all agree, and a vast majority of the members of the Financial Services Committee did agree, that an updated definition is long overdue. The authors of this legislation and the sponsors, Mr. SCHWEIKERT and Ms. SINEMA, have worked to consider the risks of private offerings to ensure that investors in those offerings can understand and bear those risks.

With those comments, Mr. Speaker, I reserve the balance of my time.

Mr. GARRETT. Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona (Mr. SCHWEIKERT), the sponsor of the underlying legislation, and the gentleman who has put all the time and hard work on this great bipartisan piece of legislation.

Mr. SCHWEIKERT. Mr. Speaker, I thank the chairman, and I also thank my friend, Mr. CARNEY.

This is one of those occasions where we actually get to show up here and have something that is bipartisan that we agree upon. But partially because being my piece of legislation, and something we have been working on for a while, I would like to tell a quick story of where this sort of came from conceptually.

About 4 years ago, we were doing a little townhall at that time before redistricting in Tempe, Arizona, and most of the discussion in this townhall was a discussion about the haves and have nots, and why do some people seem to be making wealth and others are not. We sort of tried to actually address it intellectually with some analysis of what are the barriers out there. You are a middle income, hardworking family, and you have some talents; what is your optionality to be able to grow into that next tier of assets, of wealth? This actually became part of that discussion, that we actually have had this barrier now for decades that say we are going to judge you on your income and your wealth and that income and wealth is your threshold that says you get to invest in something over here, not your knowledge.

There was a gentleman in the audience who stood up and said: I have got a story for you. I have a Ph.D. in electrical engineering. I work at the Intel plant in Chandler. I have some friends that started a business a year or two ago. I am an expert. I have a Ph.D. in electrical engineering and I worked with these guys for years. They started a business, and I am not allowed to invest in it because I don't meet the income and assets threshold.

That is partially what we have accomplished here. The neat thing that has gone back and forth in discussion with my Democrat friends and many of my friends on our side working the bill—it is not everything I wanted—but conceptually it is a terrific idea that income, your wealth is not the only prerequisite for your right to invest in something, that it also can be your knowledge and your talent. If we really care about everyone getting a fair chance at that American Dream, we need to do more like this where you get judged by what you know, your expertise, and not just the fact that you already have made it.

Mr. CARNEY. Mr. Speaker, I have no further requests for time.

I yield back the balance of my time.

Mr. GARRETT. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from New Jersey has 14½ minutes remaining.

Mr. GARRETT. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. HILL).

Mr. HILL. Mr. Speaker, I thank the chairman, and Mr. CARNEY, my colleague on the distinguished minority, for this bill. I also want to thank Mr. SCHWEIKERT for his work on developing H.R. 2187, Fair Investment Opportunities for Professional Experts Act, which makes reg D offerings and private placements more effective by broadening the definition of an accredited investor to account for educational or professional expertise.

Because of significant costs and barriers to raising capital in the U.S. public markets, many of our small companies raise start-up funds or expansion funds in the private market, and many of those private market transactions are through accredited investors.

The current definition focuses only on financial status of the investor, and as a result, only wealthy individuals typically can participate in reg D offerings.

H.R. 2187 expands the accredited investor definition, recognizing that the ability to participate is not based on an asset test, but on their sophistication and knowledge.

I have been in this business before I was in Congress on and off for three decades, and I know that many of our Nation's accountants, stock brokers, venture capitalists, and engineers have money management experience or have a series 7 FINRA license, they work in money management, they work in specific kinds of industries, but they are

not able to invest in private placements due to the fact that they don't meet this income or asset test.

Mr. SCHWEIKERT's bill revises these rules so that investment and finance professionals who have this kind of level of professional sophistication are now treated as accredited investors, irrespective of whether they meet an arbitrary test.

It is a matter, Mr. Speaker, of basic fairness. The government should not limit investing options to only investors they deem worthy.

Expanding the accredited investor definition will not only increase investment opportunities for more Americans, but will help us grow thousands of small and emerging markets that struggle to raise capital.

I thank the gentleman from Arizona for all of his work on this common-sense legislation. I enjoyed working with him on it.

I am proud to support this bill, and I urge my colleagues to do so.

Mr. GARRETT. Mr. Speaker, I yield myself 10 seconds to again thank Mr. CARNEY, and especially the gentleman from Arizona (Mr. SCHWEIKERT) for his work on this.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. GARRETT) that the House suspend the rules and pass the bill, H.R. 2187, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. SCHWEIKERT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

SEC SMALL BUSINESS ADVOCATE ACT OF 2016

Mr. GARRETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3784) to amend the Securities Exchange Act of 1934 to establish an Office of the Advocate for Small Business Capital Formation and a Small Business Capital Formation Advisory Committee, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3784

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "SEC Small Business Advocate Act of 2016".

SEC. 2. ESTABLISHMENT OF OFFICE OF THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION AND SMALL BUSINESS CAPITAL FORMATION ADVISORY COMMITTEE.

(a) OFFICE OF THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION.—Section 4 of the Securities Exchange Act of 1934 (15

U.S.C. 78d) is amended by adding at the end the following:

“(j) OFFICE OF THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION.—

“(1) OFFICE ESTABLISHED.—There is established within the Commission the Office of the Advocate for Small Business Capital Formation (hereafter in this subsection referred to as the ‘Office’).

“(2) ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION.—

“(A) IN GENERAL.—The head of the Office shall be the Advocate for Small Business Capital Formation, who shall—

“(i) report directly to the Commission; and

“(ii) be appointed by the Commission, from among individuals having experience in advocating for the interests of small businesses and encouraging small business capital formation.

“(B) COMPENSATION.—The annual rate of pay for the Advocate for Small Business Capital Formation shall be equal to the highest rate of annual pay for other senior executives who report directly to the Commission.

“(C) NO CURRENT EMPLOYEE OF THE COMMISSION.—An individual may not be appointed as the Advocate for Small Business Capital Formation if the individual is currently employed by the Commission.

“(3) STAFF OF OFFICE.—The Advocate for Small Business Capital Formation, after consultation with the Commission, may retain or employ independent counsel, research staff, and service staff, as the Advocate for Small Business Capital Formation determines to be necessary to carry out the functions of the Office.

“(4) FUNCTIONS OF THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION.—The Advocate for Small Business Capital Formation shall—

“(A) assist small businesses and small business investors in resolving significant problems such businesses and investors may have with the Commission or with self-regulatory organizations;

“(B) identify areas in which small businesses and small business investors would benefit from changes in the regulations of the Commission or the rules of self-regulatory organizations;

“(C) identify problems that small businesses have with securing access to capital, including any unique challenges to minority-owned and women-owned small businesses;

“(D) analyze the potential impact on small businesses and small business investors of—

“(i) proposed regulations of the Commission that are likely to have a significant economic impact on small businesses and small business capital formation; and

“(ii) proposed rules that are likely to have a significant economic impact on small businesses and small business capital formation of self-regulatory organizations registered under this title;

“(E) conduct outreach to small businesses and small business investors, including through regional roundtables, in order to solicit views on relevant capital formation issues;

“(F) to the extent practicable, propose to the Commission changes in the regulations or orders of the Commission and to Congress any legislative, administrative, or personnel changes that may be appropriate to mitigate problems identified under this paragraph and to promote the interests of small businesses and small business investors;

“(G) consult with the Investor Advocate on proposed recommendations made under subparagraph (F); and

“(H) advise the Investor Advocate on issues related to small businesses and small business investors.

“(5) ACCESS TO DOCUMENTS.—The Commission shall ensure that the Advocate for

Small Business Capital Formation has full access to the documents and information of the Commission and any self-regulatory organization, as necessary to carry out the functions of the Office.

“(6) ANNUAL REPORT ON ACTIVITIES.—

“(A) IN GENERAL.—Not later than December 31 of each year after 2015, the Advocate for Small Business Capital Formation shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the activities of the Advocate for Small Business Capital Formation during the immediately preceding fiscal year.

“(B) CONTENTS.—Each report required under subparagraph (A) shall include—

“(i) appropriate statistical information and full and substantive analysis;

“(ii) information on steps that the Advocate for Small Business Capital Formation has taken during the reporting period to improve small business services and the responsiveness of the Commission and self-regulatory organizations to small business and small business investor concerns;

“(iii) a summary of the most serious issues encountered by small businesses and small business investors, including any unique issues encountered by minority-owned and women-owned small businesses and their investors, during the reporting period;

“(iv) an inventory of the items summarized under clause (iii) (including items summarized under such clause for any prior reporting period on which no action has been taken or that have not been resolved to the satisfaction of the Advocate for Small Business Capital Formation as of the beginning of the reporting period covered by the report) that includes—

“(I) identification of any action taken by the Commission or the self-regulatory organization and the result of such action;

“(II) the length of time that each item has remained on such inventory; and

“(III) for items on which no action has been taken, the reasons for inaction, and an identification of any official who is responsible for such action;

“(v) recommendations for such changes to the regulations, guidance and orders of the Commission and such legislative actions as may be appropriate to resolve problems with the Commission and self-regulatory organizations encountered by small businesses and small business investors and to encourage small business capital formation; and

“(vi) any other information, as determined appropriate by the Advocate for Small Business Capital Formation.

“(C) CONFIDENTIALITY.—No report required by subparagraph (A) may contain confidential information.

“(D) INDEPENDENCE.—Each report required under subparagraph (A) shall be provided directly to the committees of Congress listed in such subparagraph without any prior review or comment from the Commission, any commissioner, any other officer or employee of the Commission, or the Office of Management and Budget.

“(7) REGULATIONS.—The Commission shall establish procedures requiring a formal response to all recommendations submitted to the Commission by the Advocate for Small Business Capital Formation, not later than 3 months after the date of such submission.

“(8) GOVERNMENT-BUSINESS FORUM ON SMALL BUSINESS CAPITAL FORMATION.—The Advocate for Small Business Capital Formation shall be responsible for planning, organizing, and executing the annual Government-Business Forum on Small Business Capital Formation described in section 503 of the Small Business Investment Incentive Act of 1980 (15 U.S.C. 80c-1).

“(9) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed as replacing or reducing the responsibilities of the Investor Advocate with respect to small business investors.”.

(b) SMALL BUSINESS CAPITAL FORMATION ADVISORY COMMITTEE.—Title I of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by adding at the end the following:

“SEC. 40. SMALL BUSINESS CAPITAL FORMATION ADVISORY COMMITTEE.

“(a) ESTABLISHMENT AND PURPOSE.—

“(1) ESTABLISHMENT.—There is established within the Commission the Small Business Capital Formation Advisory Committee (hereafter in this section referred to as the ‘Committee’).

“(2) FUNCTIONS.—

“(A) IN GENERAL.—The Committee shall provide the Commission with advice on the Commission’s rules, regulations, and policies with regard to the Commission’s mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation, as such rules, regulations, and policies relate to—

“(i) capital raising by emerging, privately held small businesses (‘emerging companies’) and publicly traded companies with less than \$250,000,000 in public market capitalization (‘smaller public companies’) through securities offerings, including private and limited offerings and initial and other public offerings;

“(ii) trading in the securities of emerging companies and smaller public companies; and

“(iii) public reporting and corporate governance requirements of emerging companies and smaller public companies.

“(B) LIMITATION.—The Committee shall not provide any advice with respect to any policies, practices, actions, or decisions concerning the Commission’s enforcement program.

“(b) MEMBERSHIP.—

“(1) IN GENERAL.—The members of the Committee shall be—

“(A) the Advocate for Small Business Capital Formation;

“(B) not fewer than 10, and not more than 20, members appointed by the Commission, from among individuals—

“(i) who represent—

“(I) emerging companies engaging in private and limited securities offerings or considering initial public offerings (‘IPO’) (including the companies’ officers and directors);

“(II) the professional advisors of such companies (including attorneys, accountants, investment bankers, and financial advisors); and

“(III) the investors in such companies (including angel investors, venture capital funds, and family offices);

“(ii) who are officers or directors of minority-owned small businesses or women-owned small businesses;

“(iii) who represent—

“(I) smaller public companies (including the companies’ officers and directors);

“(II) the professional advisors of such companies (including attorneys, auditors, underwriters, and financial advisors); and

“(III) the pre-IPO and post-IPO investors in such companies (both institutional, such as venture capital funds, and individual, such as angel investors); and

“(iv) who represent participants in the marketplace for the securities of emerging companies and smaller public companies, such as securities exchanges, alternative trading systems, analysts, information processors, and transfer agents; and

“(C) 3 non-voting members—

“(i) 1 of whom shall be appointed by the Investor Advocate;

“(ii) 1 of whom shall be appointed by the North American Securities Administrators Association; and

“(iii) 1 of whom shall be appointed by the Administrator of the Small Business Administration.

“(2) TERM.—Each member of the Committee appointed under subparagraph (B), (C)(ii), or (C)(iii) of paragraph (1) shall serve for a term of 4 years.

“(3) MEMBERS NOT COMMISSION EMPLOYEES.—Members appointed under subparagraph (B), (C)(ii), or (C)(iii) of paragraph (1) shall not be treated as employees or agents of the Commission solely because of membership on the Committee.

“(C) CHAIRMAN; VICE CHAIRMAN; SECRETARY; ASSISTANT SECRETARY.—

“(1) IN GENERAL.—The members of the Committee shall elect, from among the members of the Committee—

“(A) a chairman;

“(B) a vice chairman;

“(C) a secretary; and

“(D) an assistant secretary.

“(2) TERM.—Each member elected under paragraph (1) shall serve for a term of 3 years in the capacity for which the member was elected under paragraph (1).

“(d) MEETINGS.—

“(1) FREQUENCY OF MEETINGS.—The Committee shall meet—

“(A) not less frequently than four times annually, at the call of the chairman of the Committee; and

“(B) from time to time, at the call of the Commission.

“(2) NOTICE.—The chairman of the Committee shall give the members of the Committee written notice of each meeting, not later than 2 weeks before the date of the meeting.

“(e) COMPENSATION AND TRAVEL EXPENSES.—Each member of the Committee who is not a full-time employee of the United States shall—

“(1) be entitled to receive compensation at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day during which the member is engaged in the actual performance of the duties of the Committee; and

“(2) while away from the home or regular place of business of the member in the performance of services for the Committee, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

“(f) STAFF.—The Commission shall make available to the Committee such staff as the chairman of the Committee determines are necessary to carry out this section.

“(g) REVIEW BY COMMISSION.—The Commission shall—

“(1) review the findings and recommendations of the Committee; and

“(2) each time the Committee submits a finding or recommendation to the Commission, promptly issue a public statement—

“(A) assessing the finding or recommendation of the Committee; and

“(B) disclosing the action, if any, the Commission intends to take with respect to the finding or recommendation.

“(h) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Committee and its activities.”.

(C) ANNUAL GOVERNMENT-BUSINESS FORUM ON SMALL BUSINESS CAPITAL FORMATION.—Section 503(a) of the Small Business Investment Incentive Act of 1980 (15 U.S.C. 80c-1(a))

is amended by inserting “(acting through the Office of the Advocate for Small Business Capital Formation and in consultation with the Small Business Capital Formation Advisory Committee)” after “Securities and Exchange Commission”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. GARRETT) and the gentleman from Delaware (Mr. CARNEY) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey.

GENERAL LEAVE

Mr. GARRETT. Mr. Chairman, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include any extraneous material with regard to this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

□ 1530

Mr. GARRETT. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 3784, the SEC Small Business Advocate Act.

I would like to thank the gentleman from Delaware (Mr. CARNEY) and the gentleman from Wisconsin (Mr. DUFFY) of the Financial Services Committee, as well as the gentleman from Florida (Mr. CRENSHAW) and the gentleman from Illinois (Mr. QUIGLEY) of the Appropriations Committee, for working together in a bipartisan manner on this bill. In doing so, it has resulted in the Financial Services Committee's favorably reporting H.R. 3784 out of committee by a unanimous vote.

Mr. Speaker, the SEC has a three-part mission: to protect investors, to maintain fair and orderly and efficient markets, and to also facilitate capital formation. Yet, if you think about it, the SEC has really given a short shrift to the capital formation part of its statutory mandate, and it is to the detriment of entrepreneurs and to the startup ventures.

Although small companies are at the proverbial forefront of technological innovation and also of job creation, they often face significant obstacles in obtaining the necessary capital and funding. These obstacles, if you will, are often attributable to the proportionally large burden that security regulations place on them. They are often written for large public companies, and they are placed then on small companies which then seek to go public.

By failing to fulfill this important part of its mandated mission, the SEC is basically hurting the small companies. It is impeding economic growth, and it is basically hindering job creation, which is so desperately needed in this country. When the SEC has failed to advance its mission in facilitating capital formation, Congress has stepped into this vacuum, most notably through the enactment of the JOBS Act back in 2012. You see, while the JOBS Act has made it easier for these

companies to go public, the JOBS Act alone has not been enough. It has not been enough to entirely overcome all of the obstacles that the companies face in trying to go public.

So now we have H.R. 3784. It creates the SEC small business capital formation advocate, and he will provide an independent voice for small business capital formation on par with the SEC's investor advocate. This new advocate will support the interests of small businesses and provide guidance to the SEC on advancing a post-JOBS Act capital formation agenda, something that, unfortunately, if you look at the track record, the SEC has failed to do for years. The small business advocate will support the interests not only of entrepreneurs and of job creators, but they will do so also on behalf of investors.

Finally, it is clear that fundamental change is needed within the SEC in order to get this agency to focus on the capital formation mandate. H.R. 3784 will provide a permanent voice for small businesses at the SEC, and it will help them ensure that the SEC does not neglect, anymore, this important mandate in the future.

Again, I ask my colleagues to support H.R. 3784 in a bipartisan manner, just as was done in committee.

Mr. Speaker, I reserve the balance of my time.

Mr. CARNEY. Mr. Speaker, I yield myself such time as I may consume.

I begin by thanking all of those who have worked with us to introduce and to improve this legislation. I especially want to thank my colleague and friend, the gentleman from Wisconsin (Mr. DUFFY), the gentleman from Illinois (Mr. QUIGLEY), who will speak in a minute, the gentleman from Florida (Mr. CRENSHAW), and all of our other cosponsors, as well as the SEC, for their work on this bill. Due to their help and the bipartisan work on our committee, this legislation received a unanimous vote out of committee, as the gentleman from New Jersey pointed out.

Mr. Speaker, small businesses are the cornerstones of our communities, and they are a major driver of American economic job growth. In fact, small businesses create over 60 percent of new jobs in the United States, which is the main point here. If we want to help businesses create jobs, we need to help small businesses.

From one's employment to one's shopping needs, every American relies on small business in some way or another. Given the crucial part they play in our economy, ensuring their success just makes common sense. That is what this bill is—just a commonsense, bipartisan bill to help small businesses across our great country.

Despite the important role that small businesses have in driving economic growth and job creation, they can be underrepresented in conversations about regulations affecting them at every level of government, and their

concerns are not always heard. This doesn't just harm small businesses. It can also adversely impact investors and the public at large.

The SEC has done an admirable job in supporting and in advancing the priorities of small businesses. This bill, the SEC Small Business Advocate Act, simply gives the SEC more tools to understand their needs and concerns. The SEC Small Business Advocate Act mirrors provisions found in the Dodd-Frank bill, which created the current Office of the Investor Advocate.

This advocate would open clear avenues of communication to SEC leadership on issues affecting small-business owners, investors, and stakeholders. It would also help continue the reforms and progress that Congress made in passing the JOBS Act, which the gentleman from New Jersey mentioned, including with issues such as equity crowdfunding and ideas for venture exchanges and changes to tick size, which the gentleman from Wisconsin and I have worked on over the past year.

With the resources provided in H.R. 3784, the SEC will have the ability to pursue meaningful regulatory improvements that could significantly improve outcomes for small businesses and help them with their access to capital, which is needed to grow and create jobs.

I am very encouraged that the House has chosen to take up this bipartisan piece of legislation today and that we are moving forward to ensure a voice for small business at the SEC.

Again, I thank the SEC for its help on this issue and a special thanks to my friend and colleague, Congressman DUFFY.

I urge all of my colleagues, as the members of the Financial Services Committee have, to vote "yes" on this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. GARRETT. Mr. Speaker, I reserve the balance of my time.

Mr. CARNEY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. QUIGLEY).

Mr. QUIGLEY. Mr. Speaker, given that small businesses have accounted for over 60 percent of the net new jobs created since the end of the recession, we should be doing more to simplify regulatory compliance so that small businesses can direct their resources to what they do best: innovating and growing our economy.

Small businesses and small business investors were not the cause of the financial crisis and do not pose a significant risk to the rest of the economy. Yet, regulators like the SEC, which oversee the financial markets, too often craft regulations by which the costs to small businesses far outweigh the minimal benefits they may have on our economy. We need our regulators to take the concerns of small businesses seriously and to make small business growth a top priority.

That is why I was proud to coauthor the SEC Small Business Advocate Act,

which will establish an Office of the Advocate for Small Business Capital Formation within the SEC. This office will open a clear avenue of communication to the SEC leadership on issues affecting small businesses by maintaining a designated representative to advocate on their needs.

This advocate will be responsible for helping small businesses resolve problems with the SEC, analyzing the potential impact of proposed rules and regulations on small businesses, and reaching out to small businesses to understand issues related to capital formation. In addition, this bill formalizes the Advisory Committee on Small and Emerging Companies, which provides members of the small business community with another mechanism to communicate their concerns with the SEC. This legislation will not only improve the regulatory process for small-business owners, but also for the everyday investors and consumers who depend on them.

This legislation has widespread support from representatives of the business community, and it passed unanimously out of committee. I urge my colleagues to empower small-business owners and entrepreneurs and support this commonsense, bipartisan legislation.

Mr. GARRETT. Mr. Speaker, I reserve the balance of my time.

Mr. CARNEY. Mr. Speaker, I yield myself the balance of my time.

I close by again asking my colleagues to follow the example of the Financial Services Committee and vote unanimously to support this bill, which will help small businesses to access capital and to get the advice they need from the SEC.

I yield back the balance of my time.

Mr. GARRETT. Mr. Speaker, I yield myself the balance of my time.

Again, I commend the gentleman for his work on this legislation and for the bipartisan nature of this and of most of the bills, actually, that will be coming to the floor today that were passed out of committee in a bipartisan manner.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. GARRETT) that the House suspend the rules and pass the bill, H.R. 3784, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SMALL BUSINESS CAPITAL FORMATION ENHANCEMENT ACT

Mr. GARRETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4168) to amend the Small Business Investment Incentive Act of 1980 to require an annual review by the Securities and Exchange Commission of the annual government-business forum

on capital formation that is held pursuant to such Act.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4168

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Capital Formation Enhancement Act".

SEC. 2. ANNUAL REVIEW OF GOVERNMENT-BUSINESS FORUM ON CAPITAL FORMATION.

Section 503 of the Small Business Investment Incentive Act of 1980 (15 U.S.C. 80c-1) is amended by adding at the end the following:

"(e) The Commission shall—

"(1) review the findings and recommendations of the forum; and

"(2) each time the forum submits a finding or recommendation to the Commission, promptly issue a public statement—

"(A) assessing the finding or recommendation of the forum; and

"(B) disclosing the action, if any, the Commission intends to take with respect to the finding or recommendation."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. GARRETT) and the gentleman from Delaware (Mr. CARNEY) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey.

GENERAL LEAVE

Mr. GARRETT. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to include any extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. GARRETT. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 4168, the Small Business Capital Formation Enhancement Act.

I would like to thank the gentleman from Maine (Mr. POLIQUIN) and the gentleman from California (Mr. VARGAS) for their bipartisan work on this bill. I go off script here just to say thank you very much to Mr. POLIQUIN, who has been a very active member on this committee from the very beginning and has been very active in making sure this legislation has come to the floor today. I thank the gentleman.

As I said before, this bill came out of committee, due much in part to the gentleman's work, with an overwhelming bipartisan vote. I believe it was 55-1; so the gentleman just has that one to work on for his next piece of legislation that comes out of committee.

Mr. Speaker, Congress created the SEC Government-Business Forum on Small Business Capital Formation—to do what?—to provide a platform to identify unnecessary impediments to small business capital formation and to find ways to eliminate or to reduce them. Each forum seeks to develop recommendations for government and private action to improve and provide the