PROVIDING FOR CONSIDERATION OF H.R. 1675, ENCOURAGING EMPLOYEE OWNERSHIP ACT OF 2015, AND PROVIDING FOR CONSIDERATION OF H.R. 766, FINANCIAL INSTITUTION CUSTOMER PROTECTION ACT OF 2015

Mr. STIVERS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 595 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 595

Resolved, That at any time after adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1675) to direct the Securities and Exchange Commission to revise its rules so as to increase the threshold amount for requiring issuers to provide certain disclosures relating to compensatory benefit plans. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and amendments specified in this section and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text of Rules Committee Print 114-43. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed in part A of the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. At any time after adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 766) to provide requirements for the appropriate Federal banking agencies when requesting or ordering a depository institution to terminate a specific customer account, to provide for additional requirements related to subpoenas issued under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text of Rules Committee Print 114-41. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed in part B of the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Ohio is recognized for 1 hour.

Mr. STIVERS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Colorado (Mr. POLIS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Mr. STIVERS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks.

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

There was no objection.

Mr. STIVERS. Mr. Speaker, on Tuesday, the Rules Committee met and reported a rule for H.R. 1675, the Encouraging Employee Ownership Act of 2015, and for H.R. 766, the Financial Institution Customer Protection Act of 2015. House Resolution 595 provides for a structured rule for consideration of both H.R. 1675 and H.R. 766.

The resolution provides 1 hour of debate equally divided between the chair and ranking member of the Committee on Financial Services for H.R. 1675 and H.R. 766. Additionally, the resolution provides for consideration of all seven amendments which were offered to H.R. 1675, and two of the three amendments offered to H.R. 766. Finally, Mr. Speaker, the resolution provides for a motion to recommit for each bill.

Mr. Speaker, I rise today in support of the resolution and the underlying legislation. H.R. 1675 is a vehicle for a group of five legislative items, and I will speak about each one of them briefly by title.

Title I, the Encouraging Employee Ownership Act, would amend SEC rule 701, which hasn't been modified since 1999.

Although small companies are at the forefront of technological innovation and job growth, they often face significant obstacles that are often attributable to the proportionately larger burdens on them that securities regulations—written for large public companies—place on small companies when they seek to go public.

SEC rule 701 permits private companies to offer their own securities as part of written compensation agreements to employees, directors, general partners, trustees, officers, or even certain consultants without having to comply with very expensive and burdensome security registration requirements. SEC rule 701, therefore, allows small companies to reward their employees through employee stock ownership in a company. These ESOPs have been very successful.

The $5 million threshold in rule 701 has not been adjusted since 1999. If the disclosure threshold had been adjusted for inflation, it would be more than $7 million today. The SEC has authority to increase the $5 million disclosure threshold via rulemaking, but like the 500 shareholder rule that we had to fix—and my colleague from Colorado was very active in helping with—rule 701 has not been changed. It is unlikely to happen without congressional intervention. That is why this is so important.

This is about getting employees access to ownership in their companies. It is about building ownership structures that make these companies stable over time. It allows businesses to incentivize their employees with a direct stake in the ownership in their company. It will help with employee retention, makes sure that these firms have great opportunities for retirement programs, and helps employees reap some of the benefits of their life's work that they worked so hard for every day.

I will give an example, Mr. Speaker. There is a company in my district called Allied Mineral. I talked about this, as my colleague from Colorado may remember, yesterday in the Rules Committee.

Allied Mineral is a company in Hilliard, Ohio, that has an ESOP, or employee stock ownership model, and many of those folks who operate forklifts in their warehouse will retire with over $1 million in their 401(k). It really helps these folks want to stay in their company; therefore, it improves retention and cuts down on training new

employees, but it helps them in their retirement. It is a great vehicle to make these companies productive and stable, as well.

That is title I. Title I is really important. Title I is pretty universally agreed to.

Title II, the Fair Access to Investment Research Act, directs the SEC to create a safe harbor for certain publications or distributions of research reports by brokers or dealers distributing securities, such as exchange-traded funds.

An exchange-traded fund is an investment company whose shares are traded intraday on stock exchanges at market-determined prices. Investors can buy and sell exchange-traded funds through a broker or in a brokerage account, just as they would any other publicly traded company.

Over the past three decades, exchange-traded funds have grown from 100 funds with about $100 billion in assets to over 1,300 funds worth $1.8 trillion in assets. However, due to anomalies in our securities laws and regulations, most of the broker-dealers don't publish research about these exchange-traded funds, despite their growth in popularity.

The SEC has implemented similar safe harbors to what this bill would suggest for other asset classes, including listed equities, corporate debt, and closed-end funds. This section will help investors get access to useful information when deciding whether to invest in exchange-traded funds and similar products.

Title II, I think, is also pretty agreed to.

Title III, the Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act, amends the Securities Exchange Act to exempt merger and acquisition brokers from registration with the Securities and Exchange Commission. Merger and acquisition brokers perform services in connection with the transfer of ownership of mostly smaller privately held companies.

An estimated $10 trillion of privately owned companies will be sold or traded as baby boomers retire and folks want to figure out what to do with their life's work and how to move their company in a way that the company can continue to exist. But it is important for us to reduce the costs associated with this flow of capital because the registration with SEC for these M&A brokers can be very expensive.

M&A brokers currently help successful entrepreneurs take the capital out of their company and maybe move on to the next phase of their life, while simultaneously aiding new entrepreneurs in the ability to invest their capital in the continued success of their company. They foster economic development, growth, and innovation.

Despite the valuable services of these M&A brokers, the compliance costs for this new regulation with the SEC and FINRA can be very expensive. For each individual broker inside an organization, it can cost $150,000. Ongoing costs are about $75,000 a year.

Let's say somebody does four deals a year. Deals take a little while to happen, and they are not going to do a ton of deals. A small firm might do that few number of deals. If you do four deals a year, the first year you have just added $75,000 to the cost of each deal.

□ 1245

That is too high. It is causing problems. We need to make sure that we streamline this and allow these small companies to have access to the same type of access to capital that our big companies have.

The limit in this is up to $250 million in sales. As many people in this Congress know, up to about $500 million in sales is what we call middle-market companies.

Middle-market companies dot the maps of each one of our districts. These middle-market companies aren't necessarily names you might recognize or the American people would recognize, but they are the fastest growing part of our economy. They are major employers in our communities, and they deserve access to capital, just like the big companies do.

So that is why title III is so important. It will relieve some of the fees for these merger and acquisition brokerage houses that help these companies get access to capital.

Title IV, the Small Company Disclosure Simplification Act, provides a voluntary exemption for emerging growth companies, again, with annual revenues up to $250 million from the eXtensible Business Reporting Language.

Basically, it is exportable files. The data is still available. The point here in title IV is that the data will be available, but it might not be in a downloadable format that you can put in a spreadsheet. You might have to look at it in a PDF.

Investors look at a lot of things in PDF. I can look at PDFs on my phone, and it won't deny anybody information. But the cost of this new format is adding up to $50,000 in costs for these small companies. The question is: Does the cost really meet the benefit?

So it allows an exemption for these small companies. And, again, it is an optional exemption. It is not a mandatory exemption. It doesn't end this downloadable program, but it allows these small companies to be more flexible in the way they do it because of the cost.

Title IV requires the SEC to report to Congress on the XBRL requirements so that it can better analyze and understand how to utilize XBRL and structure data moving forward.

Finally, we have title V, the Streamlining Excessive and Costly Regulations Review Act, in the Securities and Exchange Commission. It actually is built on some executive orders. Title V is modeled after executive orders that the President did last year.

It would force the independent agencies and require the Federal Reserve, OCC, and FDIC to review regulations at least every 10 years and identify any outdated and unnecessary regulations that are imposed on depository institutions.

We need to do the same thing for the SEC. That is what this does. I think it will help streamline and make sure that paperwork is more reasonable over time, especially for duplicative, outdated, and overly burdensome regulations.

So that is H.R. 1675.

The other bill is H.R. 766, the Financial Institution Customer Protection Act.

You may have all heard about Operation Choke Point, where law enforcement, the Department of Justice, partnered with a lot of other agencies. Their plan was to ''choke off'' banking services from businesses that they found undesirable.

Rather than investigating and prosecuting companies that were alleged to have committed crimes like fraud and any other misdeeds, the Department of Justice issued subpoenas to financial institutions to ask about entire industries and effectively coerced financial institutions to cease offering banking services to many of those industries.

The Department of Justice partnered with the FDIC, the Federal Deposit Insurance Corporation, to identify merchants that they said posed high risk for consumers, notwithstanding the question of whether these merchants were operating under the law or illegally.

In doing so, the FDIC equated legitimate and regulated industries, such as coin dealers, firearms and ammunition sales industries, with inherently illegal activities, such as Ponzi schemes, debt consolidation scams, and drug paraphernalia.

So that is the real problem here, that they didn't separate out legal businesses with illegal businesses. If they want to do something with regard to businesses that are already illegal and make sure that those folks can't get access to banking services, that is a legitimate thing.

But the way they identified high risk made a lot of legal businesses lose their access to financial services. They were terminated by their banks and they had, in many cases, no place to turn.

This is a blatant overreach by our Federal regulators. And many of us, including me, believe this bill is an important step to make sure that businesses that are legally operating have confidence that they will have access to banking services. That is the key here.

This last section of this last bill makes sure that legally operating businesses have access to legal banking services and that the banks can't be intimidated by their regulators to make sure that legally operated businesses don't have access to banking services.

I look forward to debating these bills with our House colleagues. I urge support for both the rule and the underlying legislation.

I reserve the balance of my time.

Mr. POLIS. Mr. Speaker, I thank the gentleman from Ohio for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, I rise in reluctant opposition to this rule today because it is close—it is close—to a rule that would have substantial bipartisan support.

The rule today provides for consideration of H.R. 1675, the Encouraging Employee Ownership Act of 2015, and H.R. 766, the Financial Institution Customer Protection Act of 2015.

In terms of process, there is some credit to be given under this rule. The rule was very close, with one major fault, which I will discuss in detail, to fulfilling the promises laid out by the new Speaker of the House of Representatives.

As you might recall, Mr. Speaker, there was a promise to all Members that each Member of this body would have a chance to consider his or her ideas on the House floor through a more open amendment process.

And you know what? That is a good idea.

Of course, if it was an idea that didn't have a majority of support, that is fine. But there would be a vote. We could debate it. We could vote on it.

If ideas came to the floor, were debated and considered worthy by a majority of this body, they would pass. Even if a particular committee chair of jurisdiction didn't like the bill, even if leadership on either side didn't like the amendment, the will of the body could be heard for commonsense improvements.

Now, this promise of regular order is so simple, so attractive, so desirable, by the American people who let us do our job, yet, unfortunately, it still remains elusive.

Now, on the first bill here today, H.R. 1675, the Encouraging Employee Ownership Act, there were seven amendments submitted to the Rules Committee, four of which I was a cosponsor of.

I am proud to say all seven amendments were made in order to be considered on the House floor. If that was all that this rule contained, I would be proud to support that rule.

In addition to that, H.R. 1675 is actually good legislation. Look, any one of us can say we don't personally agree with every word, and there are amendments to address some of the deficiencies in the bill.

But in its total, it is a package that should be considered for an affirmative vote by Members of both parties. I am confident that it will have strong bipartisan support in the underlying bill.

It promotes and makes needed updates in employee ownership, which is a great form of corporate governance that I think each Member of this body should support. We have companies in my district that use it.

The legislation also clears away red tape for small- and middle-market companies, which my good friend from Ohio (Mr. STIVERS) spoke about here on the floor as well as in the Rules Committee.

I do believe that one of the bill's titles, in its current form, takes away and reduces market transparency in the wrong direction.

But I am proud to say, Mr. Speaker, we have amendments that will be considered today by Mr. ISSA and Mr. ELLISON, as well as cosponsored by myself, that would address that matter—to encourage transparency in financial markets—because financial markets are predicated on as-close-to-perfect information as we can achieve and step towards perfect information, enhance the efficiency of markets; steps away from perfect information, decreased efficiency of markets.

Now, the second bill, H.R. 766, unfortunately is a piece of legislation that again addresses a real need, but I can't support it.

Again, I would be proud to vote for the rule if it included a simple amendment which I will be talking about in a moment. But, unfortunately, the process through the Rules Committee shut that down.

I want to be clear. H.R. 766 takes a look at a critical, legitimate issue, the issue of the Justice Department and Operation Choke Point.

Now, unfortunately, what it does is it goes too far in limiting the tools that are available to DOJ to combat actual illegal activities, like Ponzi schemes, banking fraud, and situations where the banks themselves are complicit in committing the alleged fraud.

It also fails to deliver on what Mr. STIVERS indicated its goal was, to allow legally operating businesses to access the banking system.

It fails to deliver on that because, while there were nine amendments that were made in order, a critical amendment offered by my colleagues, Mr. PERLMUTTER of Colorado and Mr. HECK of Washington State, was not allowed, an amendment that would have furthered the goal of this bill to allow legally operating businesses to access banking services.

It was a germane amendment. There were no points of order. In fact, a majority of the Members of this body have supported this amendment, in full or in part, in various floor votes in earlier times.

A majority of this body supports a real-world solution to a real-world problem, not just one we face in Colorado, but many States face. The fact that legal, legitimate marijuana-related businesses cannot interact with legitimate banking institutions is an enormous problem for economic growth and a security risk.

It is a problem for law enforcement that we hear from police and sheriff departments back home every day, and it is a problem for the safety of our communities.

It is simply not acceptable to meet the standard of an open and transparent process that the Speaker has promised to eliminate from even consideration and a vote, this very important amendment that addresses the accessibility of banking services to companies that are engaged in a legal State business. For 23 States and the District of Columbia, this is an enormous problem right now.

To be clear, what we are talking about is not just people who run medical marijuana dispensaries, but also highly regulated growing operations. Even farmers producing industrial hemp are turned away from opening bank accounts, cannot accept credit cards, have to haul around large amounts of cash to pay their employees every day, placing themselves and their employees at enormous risk of physical assault and robbery, as well as detracting from the very law enforcement ability to trace transactions that our law enforcement officials are clamoring for.

Due to Congress' inaction, hundreds of businesses in Colorado and 22 other States are forced to operate on a dangerous, untrackable, cash-only system that raises serious public safety concerns, increases tax fraud, and is an enormous burden on our economy.

Now, those are facts that are not in dispute. I know that there are many Members on both sides of the debate about how we should treat hemp and marijuana, whether they should be legal or illegal. That is not the issue.

The issue is that 22 States and the District of Columbia have chosen to legalize it under State law. It is illegal under Federal law. We are not debating that here now either. That is fine. That wouldn't be germane for this bill, to say let's legalize it federally. That is not even what we are talking about here.

What we are talking about is, in the States that it is legal, it is absolutely critical from even a law enforcement perspective—even if you want it to continue to be illegal federally—that the interactions are through our normal banking system in a traceable way.

These are facts that are not in dispute. My good friend from Ohio knows these issues. In the lead-up to Ohio's possible consideration of legalization, I am confident that many Ohioans had conversations with law enforcement, walking through officials on the issue of making this a cash-based business.

That was a significant issue in the Ohio election and in other States.

□ 1300

The issues of taxation and recordkeeping are critical. But do you know what, that points to the necessity of this legislation. Do you know what, Mr. PERLMUTTER's amendment would likely have passed this body with Republican and Democratic support. It would have won a majority of bipartisan support this week. It is not the job of the Rules Committee to pick

winners and losers. If it is particularly objectionable for the Rules Committee to abuse its power to kill a measure that has demonstrated a bipartisan level of support, that is not an appropriate use of the discretion of our committee or our chair to have their personal opinions guide what amendments are forwarded to this body for full consideration.

What else can Members do? We write thoughtful amendments that solve real-world problems in our State. We garner support for these amendments year by year talking to Republicans and Democrats. And then what, it just dies because we can't get it to a floor vote? How is that an open and transparent process? It is not.

Mr. PERLMUTTER and Mr. HECK are fighters. They will keep working on this. We will win this debate eventually. This is simply a speed bump in making sure that we address this issue for which there are no legitimate arguments on the other side regardless of where one stands on the legal treatment or regulation of substances that are currently classified.

We should have won this week with this debate. This type of bipartisan work should be rewarded in this body, and the 23 States and the District of Columbia that face this issue deserve better. This amendment had no drafting error. There was no political gimmick to it. It wasn't nongermane. It didn't even rewrite in any substantial way the underlying bill. It was perfectly consistent. It wasn't even controversial. I can't understand why it didn't deserve consideration by this body—not even a 10-minute debate, not even a 1-minute debate.

Will the gentleman from Ohio amend the rule to allow at least a 1-minute debate on this amendment? I will yield for a ''yes'' or ''no.''

Reclaiming my time, I think the gentleman from Ohio won't even allow a 1-minute debate. The gentleman from Ohio said he wanted legally operating State businesses to have access to banking services which is the very purpose of this bill. It is a great shame that we cannot fix this issue now. Because you know what, otherwise I give credit to the gentleman from Ohio and my colleagues on the Rules Committee for allowing 9 of 10 amendments to be considered on the House floor under these two bills.

This is the rule that I am coming closest to supporting of any rule that we have debated thus far in the 114th Congress here on the floor, but because of this one glaring deficiency which prevents, through an open and transparent process, a real-world problem that Democrats and Republicans agree need to be solved from being addressed in any appropriate bill in an appropriate way, I cannot recommend to my colleagues that they support this rule.

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

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

Mr. Speaker, I would like quickly to respond to what the gentleman referred to, and he did change some of my words. I said that these are legally operating businesses. Mr. Speaker, by the gentleman from Colorado's own admission, these are not federally legal businesses. They are illegal under Federal law. Marijuana is illegal in U.S. Code 21, section 812. The gentleman knows that.

Maybe we should debate whether marijuana should be legal under Federal law. If he wants to debate that, that is okay. But this is a recognition for banking services of businesses that are operating lawfully under both Federal and State law, not ambiguous businesses that are legal under State law but illegal under Federal law. At the most, these businesses are ambiguous, but clearly they are illegal under Federal law. I didn't say businesses that are operating legally under State law in my comments. I said legally operating businesses. That means under Federal and State law.

We live in a Federal republic with a State and a Federal Government. If something is illegal under Federal law, under U.S. Code 21, section 812, then it is illegal. Those businesses are not legally operating businesses. That is the distinction. That is why the amendment from Mr. PERLMUTTER and Mr. HECK was not allowed, because these businesses—drug-related businesses—are illegal under Federal code. That is the reason we are not debating that amendment here.

I would say to the gentleman's point earlier where he wanted a minute of debate, I think he has gotten more than a minute on both sides on this. So he has done pretty well.

I yield 4 minutes to the gentleman from Georgia (Mr. COLLINS), a fellow from the Rules Committee.

Mr. COLLINS of Georgia. Mr. Speaker, I appreciate my friend from Ohio for the time today.

Mr. Speaker, I rise today in support of House Resolution 595 providing for consideration of H.R. 766, the Financial Institution Customer Protection Act and H.R. 1675, the Encouraging Employee Ownership Act of 2015. I strongly support this rule and the underlying measures.

H.R. 766 is a vitally important response to the administration's unacceptable executive overreach through Operation Choke Point. Operation Choke Point is another example of the administration's circumventing Congress. It is a disturbing abuse of authority to achieve politically motivated results, and the fine folks in northeast Georgia have made it clear that they won't stand for it.

Under the program, the Justice Department and Federal financial regulators have coerced banks and other financial institutions into cutting off relations with legal businesses simply because the administration does not like them.

The administration has painted a target on certain industries ranging from payment processors and short-term lenders to gun and ammunition stores to other small businesses. Again, it is the administration who has decided under the guise of customer protection to target entire industries simply because they deem them offensive.

This is not the way the government is supposed to operate, and it is time we prevent it from happening. I have had the opportunity to meet with some of the hardworking individuals in the industries affected, and it is clear action is needed.

A few weeks ago I met with several members of the electronic payments industry. This is an industry that promotes innovation, is rapidly growing, and plays a large and important role in Georgia's economy. To give you an idea of the enormity of this industry, the electronic consumer spending is projected to exceed $7.3 trillion in 2017. Yet the administration has been increasingly exerting pressure on this industry. They have increasingly tried to make the payments industry responsible in part for the misdeeds of bad actors in other segments of the industry.

Possibly even more disturbing, by forcing payments processors and banks to assume the role of regulators and police the industry for bad actors, known or unknown, the administration is promoting discrimination of legal businesses if they belong to a certain industry that isn't supported by the White House's political agenda. What has happened to fairness under the law? It is amazing to me. The administration is choking legitimate businesses off from needed capital and other resources by painting them with a scarlet letter, and they are burdening the payments industry by trying to use it as a means to carry out their own dirty work.

Another industry long targeted by Operation Choke Point is the gun industry. As Americans, we have a constitutional right to bear arms under the Second Amendment. Just this week I had the privilege of visiting Honor Defense, a gun manufacturer located in my hometown of Gainesville, Georgia. I talked with the owner, toured their facilities, and assembled actually one of their fine firearms.

These are hardworking American businesses operating legal businesses. The administration doesn't like this industry, though, so they have painted a target on their back. This is not right. We should be encouraging businessowners to grow their businesses and celebrating their success, not trying to force them out of business.

Stories of industries and legitimate small businesses that have been targeted are widespread. It is time for this to stop. The government has a legitimate role in protecting consumers and preventing fraud. But that necessary role should not be abused to achieve political goals. Financial regulators should not be able to target legal businesses by choking off their lines of

credit and forcing them out of business.

Mr. Speaker, Operation Choke Point is misguided and politically motivated, and it is time we rein it in to protect small businesses and legitimate enterprises of hardworking Americans.

Mr. Speaker, I urge my colleagues to support the rule and the underlying legislation.

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

Mr. Speaker, if we defeat the previous question, I will offer an amendment to the rule to bring up a bill to help prevent mass shootings by promoting research into the causes of gun violence and making it easier to identify and treat those prone to committing violent acts.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment in the RECORD, along with extraneous material, immediately prior to the vote on the previous question.

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

There was no objection.

Mr. POLIS. To further discuss our proposal, I yield 4 minutes to the distinguished gentleman from California (Mr. HONDA).

Mr. HONDA. Mr. Speaker, I thank my colleague.

Mr. Speaker, I rise in opposition to the previous question. If we defeat the previous question, Mr. POLIS will be able to offer an amendment to the rule to bring my Gun Violence Research Act to the floor for an immediate vote.

My Gun Violence Research Act would lift the over 19-year-old ban on the Centers for Disease Control and Prevention with respect to objectively studying the health aspects of gun violence.

Former Republican Congressman from Arkansas, the Honorable Jay Dickey, who was the author of the CDC ban, has gone on record regretting his decision—expressing that the prohibition was rooted in partisan politics, not sound public policy.

With well over 32,000 Americans killed by gunshots per year and roughly 88 Americans killed every day—every day—gun violence is undoubtedly a public health crisis that necessitates attention.

I represent Silicon Valley, and I have seen firsthand the role and value objective research plays in expanded knowledge and informed decisionmaking.

Research on gun violence should not be controversial or partisan. It is a commonsense tool to help us understand why tens of thousands of our fellow citizens are being killed every year by gunshots.

Without being able to adequately understand why the problem is occurring, we are unable to effectively tackle our Nation's gun violence epidemic and protect the American people whom we represent.

This is why I urge my Republican colleagues to allow a vote on this critical legislation and lift the ban on desperately needed gun violence research. When we understand the problem, we can make informed public policy decisions to keep Americans safe without eroding the Second Amendment and demonizing the millions of law-abiding gun owners.

Mr. Speaker, I urge a ''no'' vote on the previous question.

Mr. STIVERS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from California (Mr. ROHRABACHER). He is a member of the Foreign Affairs and Science, Space, and Technology Committees.

Mr. ROHRABACHER. Mr. Speaker, I rise today in support of the underlying rule and in support of H.R. 1675, a bill that aims to lessen many of the regulatory burdens that employers currently experience. Of particular interest to me and of interest to working men and women throughout America is title I of the bill entitled Encouraging Employee Ownership Act of 2015. This title would make it easier for private employers to grant their employees with greater ownership stake in their own companies without having to disclose certain sensitive information.

The consideration of the bill is but the latest in a long history of actions taken by the Federal Government to promote an ownership society. President Jefferson recognized ownership of private property as the keystone of a free society. President Lincoln pushed for, and Congress delivered, the Homestead Act of 1862 which has proven to be one of the most important manifestations of Jefferson's vision of a broad-based ownership property society. More recently, President Reagan supported employee stock ownership, labeled it ''the next logical step, a path that benefits a free people.''

In the near future, I will reintroduce legislation that incentivizes employee ownership even further than we currently have it by treating as tax-free any broad-based distribution of employer stock that is held by the employees for a certain period of time. Yes, it would be ESOPs on steroids. We would dramatically increase the amount of employee ownership in our country and all the benefits that go with that.

I would ask my colleagues to consider my bill. It will be proposed probably next week. My proposal is simple and easy to understand. No team of lawyers or accountants would be needed to be hired in order for an employer to participate in this expansion of employee ownership of his or her company. As such, it has great potential to give a shot in the arm to many small upstart companies that do not have significant sums of cash to offer employees or to attract the very people who actually have the skills necessary for their new company to succeed, but instead have an idea that if an employee is willing to work hard and make a company grow, prosper, and succeed that that company's benefits would be shared with the employee.

Mr. Speaker, I urge my colleagues to consider joining me in support of the working people of this country by giving them the opportunity to achieve the American Dream and make employees partners instead of adversaries to management.

One of the things in this bill that we are talking about today is taking a step forward in employee ownership. I certainly support that. The legislation I will propose takes another step.

I would like to congratulate my friends who have been involved with this bill today.

Mr. Speaker, I ask my colleagues to support the rule and the underlying bill.

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

Mr. Speaker, I thank the gentleman from California. I look forward to discussing with him his bill next week and seeing whether it is something that I can support.

I strongly believe in encouraging employee ownership through ESOPs options. This bill does part. We can do a lot more. It is a big thing that we can do to address the increasing income disparities that this country has in making sure that workers can participate in capital formation and capital growth along with owners and executives. We look forward to working with the gentleman on that bill and contacting the gentleman as well.

The gentleman from Ohio said that somehow legal operating businesses must have access to banking resources, the goal of this bill. He said, oh, wait a minute, I mean Federal ones not State ones, not Federal not State. This is where you have a difference. Of course, you won't have any disagreement that there is an ambiguity here with regard to types of businesses that are legal at the State level and are not legal federally. But this is where you will find that most Democrats believe very strongly in States' rights.

□ 1315

Most Republicans believe here, with the exception of the other gentleman from California who just spoke and a number of others who would allow a majority to support this bill, but apparently the gentleman from Ohio believes in an overarching Federal definition telling States what they can and can't do indirectly through the banking system, effectively constraining their ability to allow banks to serve businesses that might sell types of firearms that are illegal federally, or types of marijuana or hemp or other products that might be illegal federally. Effectively, they are arguing that the Federal Government should tell them what to do and impose a one-size-fits-all solution on States that are as diverse as Texas and California and Colorado and North Dakota.

I disagree with that premise, as do most of the Democrats here today. We feel that while this body, of course—and I agree with the gentleman—

should continue with the discussion about the regulatory structure of legal treatment of cannabis products federally, that should in no way, shape, or form stand in the way of a simple fix that says, whether you want it to be legal or illegal, transactions should be traceable, safe, through the banking system for businesses that are legal at the State level.

Let me address H.R. 1675, the Encouraging Employee Ownership Act, also being named the Capital Markets Improvement Act. It is a good piece of bipartisan legislation that I think can be made even better through the amendment process.

Title I of this bill, which will revise the SEC's rule 701 by raising and indexing for inflation the threshold under which companies can issue stock to employees without running into government red tape, is a commonsense, good piece of legislation. I hope it is something that most of my colleagues on both sides of the aisle agree with. I am an early cosponsor of this legislation, and I think we should promote and applaud the structure, the indexation, and, of course, allowing employees to have a stake in their companies.

That is not the only solution. The gentleman from California (Mr. ROHRABACHER) might have some other ideas I look forward to discussing, as do I. But if you want to help solve some of our Nation's issues with income inequality and the wealth gap, then we should applaud and promote companies that incorporate employee stock or option ownership.

Whether you issue stock in the manner under this bill or whether you operate in ESOP or any of the other forms that allow workers to benefit from the growth of your company, we should find ways to work together to promote and encourage this style of corporate governance.

Title II is a safe harbor for investment research, a bill that will help improve available market information for investors and something that has broad bipartisan support. I know my colleague from Delaware (Mr. CARNEY) will also be pleased to see this pass, as an original sponsor.

My colleague from Ohio, who is a cochair with me of the Congressional Caucus for Middle Market Growth, spoke yesterday and today about how this overall package of legislation will help grow companies in the all-important middle market. This is Main Street America. These are companies that might not be big enough to be multinational, multibillion-dollar brand names, and they are not startups or small companies, but it is the engine of our economy, the portion of the market that is a vital piece of our economic engine creating jobs on Main Street.

Title III of this bill will work to reduce red tape for these very middle market companies.

These provisions have broad bipartisan support, and I applaud them. The SEC has largely agreed with this. In fact, the only argument against it has been we already do this, and I think that is a weak argument because we ought to put it in statute. The SEC has agreed and has taken action, but, unfortunately, some of their actions have added in some increased investor impediments as well.

I hope the administration can work with Congress to improve this bill if there are specific issues they have with it. But the bill is necessary. It is better to fix things in statute. I think that we can work together to reduce red tape to grow small- and middle-sized companies.

Title V of the bill is another bipartisan piece of legislation that is in line with the sort of regulatory review that we already ask in many agencies. It is the sort of good government legislation I think both sides of the aisle can find agreement on and hopefully support now.

Title IV of H.R. 1675, unfortunately, is a bit of a step in the wrong direction, and it is something we discussed extensively in the committee yesterday. Fortunately, for this provision, there was an open process. Mr. ISSA and Mr. ELLISON have amendments that will be considered that improve the portion of the bill or remove it entirely. Unfortunately, the bill, as written, is a move away from searchable financial reporting that can be done digitally. It is a step away from sortable and downloadable formats. It is a return to the pen and paper and inefficient world of the 20th century rather than a step forward to the open data transparency world of the 21st century.

Across the board, market participants, investors, and regulators want information that is already required—we are not talking about any new requirements—information that is already required, financial information, to simply be available in a digital, searchable format. That is all we seek to preserve and not eliminate.

It is an odd and outdated use of government resources to deal with this information by hand, by pen, by paper. It puts investors and others at an enormous disadvantage, and it prevents and reduces the amount of information in the marketplace. Searchable and sortable data can be better used to track trends, find anomalies, find investment opportunities, and help regulators notice trouble spots in markets and hopefully catch the next Enron before it explodes.

Just as importantly, investors need information. So do entrepreneurial folks, who want to take this information and package it in new and interesting and exciting ways and sell it on to institutional and individual investors. We heard yesterday from detractors who said investors aren't asking for this information.

We also heard that the committee didn't include any investors in their testimony; they only included operating companies. I am not sure who they are speaking for; but in my conversations, I have never heard any investor say, ''I want less information,'' or, ''I want information to be harder to search or find.'' No investor says, ''I want to know less about a company's earnings. I want it to be in an archaic pen and paper format.'' That argument that this information isn't welcome by investors is simply incorrect, and it is counter to anything you will ever hear from anyone in the investment community.

Hopefully, we will fix these issues through amendment. Overall, I believe this package should merit serious consideration and support from my colleagues on both sides of the aisle.

H.R. 766, the Financial Institution Customer Protection Act, does address a very important issue, and that is the inexcusable actions of Operation Choke Point, which, at best, could be described as an overzealous use of the Department of Justice's power, or, at worst, as a pernicious attempt to root out activities that are determined to be politically unpopular.

Unfortunately, as we examine this bill, it looks like it has some unintended consequences which are not addressed through the amendment process. The amendment process also fails to include a simple amendment that would further the goals of this bill with regard to the regulated marijuana industry in 22 States.

I hope that we can address the Operation Choke Point issue. I hope we can prevent this administration and future administrations from engaging, having DOJ engage in this kind of troublesome use of authority to coerce closures of accounts for otherwise legitimate and legal customers of local financial institutions.

If a bank or credit union has a legal business, it is legal in the State, they deem it creditworthy, they are a good customer and they want to open an account with them, they should be able to serve that customer. The Federal Government should not use the bank itself as an intermediary in a dispute. If the DOJ has a dispute with a bank's customer, that should be resolved between the DOJ and the customer, not the bank.

I hope that there is groundwork for bipartisan legislation in this area that can ensure that this President and future Presidents and the future Department of Justices do not abuse their authority in this area.

One real-life, everyday issue where this concept comes up of the Department of Justice and the Federal Government interfering with the bank working with its legal customer would have been addressed by the Perlmutter amendment that I spoke about earlier. It is not just a Colorado issue. Frankly, if this bill addressed that issue, despite it being overarching in other areas, I would probably support it.

Thus is the importance of this issue from local law enforcement in our State. But, unfortunately, not even a

minute, not even a second of debate is allowed on the issue. The gentleman from Ohio claimed that we were having that debate.

To be clear, we are not. We are debating the underlying rule. There is no time for the sponsors of the amendment to make their case or for opponents of the amendment to make their case. We are outlaying the time for other amendments. Many amendments have 10 minutes; many amendments have more. There is not even a second for the debate of that amendment sponsored by Mr. PERLMUTTER. That is why I cannot support this rule.

213 million Americans live in a State or jurisdiction where the voters have allowed for some legal marijuana use. Colorado tried to solve the problem locally, but we were rejected by Federal banking regulators in courts, so Congress needs to be the one to make this change. Only Congress can address this issue.

While there remains a need to align Federal and State laws, while the DOJ and Treasury have issued some guidance, some institutions are providing banking services to the DOJ and Treasury guidance issues, the guidance does not solve the problem, which is why we need to change the law and provide certainty, which this very simple amendment that has bipartisan support and likely would have passed on the floor would have done. But it is completely shut down under this rule even though it furthers the actual goal of the legislation, is germane to the legislation, is consistent with the legislation, and yet it is completely shut down in a closed process that runs contrary to the Speaker's stated goal of allowing Members on both sides of the aisle to contribute to making things better.

I reserve the balance of my time.

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

I would like to address two quick points made by the gentleman.

With regard to H.R. 1675 and exportable data, the gentleman tries to claim that this data will not be available. It will be available in scanned-in information, so you can still look at it and see it. It is not pen and paper data the way he alleges. It is still very accessible on the electronic systems. It is just not exportable data.

The question is: Is that exportable data worth the $50,000 cost for these small companies? It is only a few small companies that will benefit from being relieved from this burden because the cost is more than the benefit.

Secondly, the gentleman continues to ignore the fact that marijuana businesses are not legal under Federal law. If he wants to have the debate about whether they should be legal under Federal law, we should have that debate. That is not germane in this bill.

What we are talking about are legal businesses that are legal under Federal and State law, not ambiguous businesses that are only legal one place or the other. In our Federal system, there is both a Federal and a State component. If he wants to debate making marijuana legal at the Federal level, that is legitimate; it is just not germane in this bill. This is for businesses that are legal at the State and Federal level.

I yield 2 minutes to the gentleman from Georgia (Mr. CARTER), who is a distinguished member of the Committee on Oversight and Government Reform that had a lot of hearings on Operation Choke Point.

Mr. CARTER of Georgia. Mr. Speaker, I thank the gentleman from Ohio for yielding and for his leadership on this important issue.

Mr. Speaker, I rise today in support of H.R. 766, the Financial Institution Customer Protection Act of 2015.

Over the past several years, the Obama administration's Department of Justice has strong-armed the financial industry in an attempt to cut off payment processors, short-term lenders, gun and ammunition stores, and other companies from banking services simply because they do not like their line of business.

Operation Choke Point is just another example of this administration trying to advance its radical leftist agenda through executive power overreach with a disregard for Americans' due process rights. In effect, these businesses are being treated as if they are guilty until proven innocent.

The bill before us today prevents Federal bureaucrats from abusing their executive power to prevent legitimate businesses from using depository banks. It also requires written justification of any request to terminate or restrict a business' account, unless the business poses a legitimate threat to national security.

In the First Congressional District of Georgia that I represent, we have a large, multi-State licensed consumer finance company that services more than 1,000 new customers every day. This is just another example of this administration working to limit economic growth and Americans' free will.

I urge my colleagues to support this bill so we can put an end to this administration's unconstitutional actions and restore the rule of law.

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

In closing, I appreciate the committee of jurisdiction's work and the Rules Committee's work to make 9 out of 10 amendments submitted in order today—that is 9 out of 10. But I have to reiterate again that the one that is most important to not only my home State, but the jurisdictions in which 213 million Americans live—22 States plus the District of Columbia—is omitted from consideration in its appropriate, germane bill.

I strongly object to the unnecessary gatekeeping of the Rules Committee and what they have engaged in and the way that they have treated this excellent idea and real-world solution from Mr. PERLMUTTER and Mr. HECK.

Access to banking services is an issue of fundamental importance for all businesses, as the proponents of this bill have argued. Do you know what? That includes State legal marijuana businesses. Just because some Members of Congress—and they are in the minority, by the way, and they are decreasing every day—object to the very existence of these businesses does not mean that they should obstruct the entire legislative process and shut down our ability to make it possible for these businesses to exist, grow, and succeed.

□ 1330

The Perlmutter-Heck amendment is a germane, thoughtful solution to a real-world problem, and I hope this House will atone for its error today by swiftly taking up legislation—and there is a stand-alone bill—to solve this banking issue once and for all.

This was a discussion that we had in our committee yesterday, but, unfortunately, it is a discussion that we are not allowed to have on the people's floor of the House of Representatives. There is not an amendment that would have somehow legalized or have made any judgment about the legality or the morality of marijuana. It simply would have addressed a banking issue that both proponents and opponents of marijuana law reform agree needs to be addressed. Now, I am happy to have that conversation about how we should treat marijuana federally at a separate point. That is fine. I have legislation to regulate marijuana like alcohol, and others have other ideas.

Those who are following at home need to know that the Perlmutter-Heck amendment is not that discussion. It was germane to the bill we were discussing, and it, frankly, gets at the issue of why our banks are being used as a chokepoint for doing business with otherwise legal and legitimate customers as determined by the States.

Mr. Speaker, for these reasons, while I support one of the two underlying bills—and I would like to be here to support the other if it would simply deal with the urgent issue of 213 million Americans who live in jurisdictions that face it—I urge my colleagues to vote ''no'' and defeat the previous question and to vote ''no'' on the rule.

I yield back the balance of my time.

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

I appreciate the gentleman from Colorado's points.

These two bills are great bills. The first bill helps to preserve and to incentivize employee stock ownership. It decreases burdensome regulations so as to allow these middle market companies, which I talked about earlier, to have access to capital and to continue to grow, and it ensures that entrepreneurs can have access to the capital markets in an affordable and efficient way.

H.R. 766 addresses legal businesses. Again, I want to stress ''legal'' businesses. The gentleman from Colorado,

Mr. Speaker, I think, would welcome the day of the Articles of Confederation. He wants to ignore that we have the State and the Federal governments. He wants the States to just make decisions and not allow the Federal Government to do anything. If marijuana is illegal at the Federal level, that is a fact. If he wants to have the debate about making marijuana legal at the Federal level, we should do that. That is not germane to this bill.

These businesses are, at best, ambiguously legal, and they are clearly illegal at the Federal level. So let's clear up the ambiguity. Then they can have the same access that other legal businesses have, like gun dealers and automotive dealers and short-term lenders, which are already legal at both the State and Federal levels. They need access to banking services. H.R. 766 makes sure they will continue to have access to banking services.

There are some amendments that I will be supporting and that others will be supporting. Make one's mind up on the amendments, but I think both of these bills are important. I urge my colleagues to support the rule and the underlying bills.

The material previously referred to by Mr. POLIS is as follows:

AN AMENDMENT TO H. RES. 595 OFFERED BY MR. POLIS

At the end of the resolution, add the following new sections:

SEC. 3. Immediately upon adoption of this resolution the Speaker shall, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3926) to amend the Public Health Service Act to provide for better understanding of the epidemic of gun violence, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on Energy and Commerce. After general debate the bill shall be considered for amendment under the five-minute rule. All points of order against provisions in the bill are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. If the Committee of the Whole rises and reports that it has come to no resolution on the bill, then on the next legislative day the House shall, immediately after the third daily order of business under clause 1 of rule XIV, resolve into the Committee of the Whole for further consideration of the bill.

SEC. 4. Clause 1(c) of rule XIX shall not apply to the consideration of H.R. 3926.

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the Democratic minority to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives (VI, 308–311), describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

The Republican majority may say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: ''Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

In Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: ''Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. STIVERS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. THOMPSON of Pennsylvania). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. POLIS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of adoption, if ordered.

The vote was taken by electronic device, and there were—ayes 240, noes 176, not voting 17, as follows:

[Roll No. 55]

AYES—240

Abraham
Aderholt
Allen
Amash
Babin
Barletta
Barr
Barton
Benishek
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Boustany
Brady (TX)
Brat
Bridenstine
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Burgess
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Chaffetz
Clawson (FL)
Coffman
Cole
Collins (GA)
Collins (NY)
Comstock
Conaway
Cook
Costello (PA)
Cramer
Crawford
Crenshaw
Culberson
Curbelo (FL)
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Dold
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Ellmers (NC)
Emmer (MN)
Farenthold
Fincher
Fitzpatrick
Fleischmann
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Garrett
Gibbs
Gibson
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guinta
Guthrie
Hanna
Hardy
Harper
Harris
Hartzler
Heck (NV)
Hensarling
Hill
Holding
Hudson
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurd (TX)
Hurt (VA)
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (OH)
Johnson, Sam
Jolly
Jones
Jordan
Joyce
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger (IL)
Kline
Knight
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
LoBiondo
Long
Love
Lucas
Luetkemeyer
Lummis
MacArthur
Marchant
Marino
Massie
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mica
Miller (FL)
Miller (MI)
Moolenaar
Mooney (WV)
Mullin
Mulvaney
Murphy (PA)
Neugebauer
Newhouse
Noem
Nugent
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Peterson
Pittenger
Pitts
Poe (TX)
Poliquin
Pompeo
Posey
Price, Tom
Ratcliffe
Reed
Reichert
Renacci
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney (FL)
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce
Russell
Salmon
Sanford
Scalise
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Stefanik
Stewart
Stivers
Stutzman
Thompson (PA)
Thornberry
Tiberi
Tipton
Trott
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Whitfield
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Young (IN)
Zeldin
Zinke

NOES—176

Adams	Garamendi	Napolitano
Aguilar	Graham	Neal
Ashford	Grayson	Nolan
Bass	Green, Al	Norcross
Beatty	Green, Gene	O'Rourke
Becerra	Grijalva	Pallone
Bera	Gutiérrez	Pascrell
Bishop (GA)	Hastings	Payne
Blumenauer	Heck (WA)	Pelosi
Bonamici	Higgins	Perlmutter
Boyle, Brendan F.	Himes	Peters
	Hinojosa	Pingree
Brady (PA)	Honda	Pocan
Brown (FL)	Hoyer	Polis
Brownley (CA)	Huffman	Price (NC)
Bustos	Israel	Quigley
Butterfield	Jackson Lee	Rangel
Capps	Jeffries	Rice (NY)
Cárdenas	Johnson (GA)	Richmond
Carney	Johnson, E. B.	Roybal-Allard
Cartwright	Kaptur	Ruiz
Castor (FL)	Keating	Ruppersberger
Chu, Judy	Kelly (IL)	Ryan (OH)
Cicilline	Kennedy	Sánchez, Linda T.
Clark (MA)	Kildee	
Clarke (NY)	Kilmer	Sanchez, Loretta
Clay	Kind	Schakowsky
Cleaver	Kirkpatrick	Schiff
Clyburn	Kuster	Schrader
Cohen	Langevin	Scott (VA)
Connolly	Larsen (WA)	Scott, David
Cooper	Larson (CT)	Serrano
Costa	Lawrence	Sewell (AL)
Courtney	Lee	Sherman
Crowley	Levin	Sinema
Cuellar	Lewis	Sires
Cummings	Lieu, Ted	Slaughter
Davis (CA)	Lipinski	Speier
Davis, Danny	Loebsack	Swalwell (CA)
DeFazio	Lofgren	Takai
DeGette	Lowenthal	Takano
Delaney	Lowey	Thompson (CA)
DeLauro	Lujan Grisham (NM)	Thompson (MS)
DelBene		Titus
DeSaulnier	Luján, Ben Ray (NM)	Tonko
Dingell		Torres
Doggett	Lynch	Tsongas
Doyle, Michael F.	Maloney, Carolyn	Van Hollen
		Vargas
Duckworth	Maloney, Sean	Veasey
Edwards	Matsui	Vela
Engel	McCollum	Velázquez
Eshoo	McDermott	Visclosky
Esty	McGovern	Walz
Farr	McNerney	Wasserman Schultz
Fattah	Meeks	
Foster	Meng	Waters, Maxine
Frankel (FL)	Moore	Watson Coleman
Fudge	Moulton	Welch
Gabbard	Murphy (FL)	Wilson (FL)
Gallego	Nadler	Yarmuth

NOT VOTING—17

Amodei	Deutch	Loudermilk
Beyer	Ellison	Rush
Capuano	Fleming	Sarbanes
Carson (IN)	Hahn	Smith (WA)
Castro (TX)	Herrera Beutler	Westmoreland
Conyers	Hice, Jody B.	

□ 1352

Ms. SPEIER changed her vote from ''aye'' to ''no.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

Stated for:

Mr. JODY B. HICE of Georgia. Mr. Speaker, on rollcall No. 55, I was unavoidably detained. Had I been present, I would have voted ''yes.''

Mr. LOUDERMILK. Mr. Speaker, on rollcall No. 55, I was unavoidably detained. Had I been present, I would have voted ''yea.''

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. POLIS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 242, noes 175, not voting 16, as follows:

[Roll No. 56]

AYES—242

Abraham	Graves (MO)	Palmer
Aderholt	Griffith	Pearce
Allen	Grothman	Perry
Amash	Guinta	Pittenger
Ashford	Guthrie	Pitts
Babin	Hanna	Poe (TX)
Barletta	Hardy	Poliquin
Barr	Harper	Pompeo
Barton	Harris	Posey
Benishek	Hartzler	Price, Tom
Bilirakis	Heck (NV)	Ratcliffe
Bishop (MI)	Hensarling	Reed
Bishop (UT)	Hice, Jody B.	Reichert
Black	Holding	Renacci
Blackburn	Hudson	Ribble
Blum	Huelskamp	Rice (SC)
Bost	Huizenga (MI)	Rigell
Boustany	Hultgren	Roby
Brady (TX)	Hunter	Roe (TN)
Brat	Hurd (TX)	Rogers (AL)
Bridenstine	Hurt (VA)	Rogers (KY)
Brooks (AL)	Issa	Rohrabacher
Brooks (IN)	Jenkins (KS)	Rokita
Buchanan	Jenkins (WV)	Rooney (FL)
Buck	Johnson (OH)	Ros-Lehtinen
Bucshon	Johnson, Sam	Roskam
Burgess	Jolly	Ross
Byrne	Jones	Rothfus
Calvert	Jordan	Rouzer
Carter (GA)	Joyce	Royce
Carter (TX)	Katko	Russell
Chabot	Kelly (MS)	Salmon
Chaffetz	Kelly (PA)	Sanford
Clawson (FL)	King (IA)	Scalise
Coffman	King (NY)	Schweikert
Cole	Kinzinger (IL)	Scott, Austin
Collins (GA)	Kline	Sensenbrenner
Collins (NY)	Knight	Sessions
Comstock	Labrador	Shimkus
Conaway	LaHood	Shuster
Cook	LaMalfa	Simpson
Costello (PA)	Lamborn	Sinema
Cramer	Lance	Smith (MO)
Crawford	Latta	Smith (NE)
Crenshaw	LoBiondo	Smith (NJ)
Culberson	Long	Smith (TX)
Curbelo (FL)	Loudermilk	Stefanik
Davis, Rodney	Love	Stewart
Denham	Lucas	Stivers
Dent	Luetkemeyer	Stutzman
DeSantis	Lummis	Thompson (PA)
DesJarlais	MacArthur	Thornberry
Diaz-Balart	Marchant	Tiberi
Dold	Marino	Tipton
Donovan	Massie	Trott
Duffy	McCarthy	Turner
Duncan (SC)	McCaul	Upton
Duncan (TN)	McClintock	Valadao
Ellmers (NC)	McHenry	Wagner
Emmer (MN)	McKinley	Walberg
Farenthold	McMorris Rodgers	Walden
Fincher		Walker
Fitzpatrick	McSally	Walorski
Fleischmann	Meadows	Walters, Mimi
Fleming	Meehan	Weber (TX)
Flores	Messer	Webster (FL)
Forbes	Mica	Wenstrup
Fortenberry	Miller (FL)	Westerman
Foxx	Miller (MI)	Whitfield
Franks (AZ)	Moolenaar	Williams
Frelinghuysen	Mooney (WV)	Wilson (SC)
Garrett	Mullin	Wittman
Gibbs	Mulvaney	Womack
Gibson	Murphy (PA)	Woodall
Gohmert	Neugebauer	Yoder
Goodlatte	Newhouse	Yoho
Gosar	Noem	Young (AK)
Gowdy	Nugent	Young (IA)
Granger	Nunes	Young (IN)
Graves (GA)	Olson	Zeldin
Graves (LA)	Palazzo	Zinke

NOES—175

Adams	Bera	Boyle, Brendan F.
Aguilar	Bishop (GA)	
Bass	Blumenauer	Brady (PA)
Beatty	Bonamici	Brown (FL)
Becerra	Bustos	Brownley (CA)
Bishop (GA)	Butterfield	Bustos
Blumenauer	Capps	Butterfield
Bonamici	Cárdenas	Capps
Boyle, Brendan F.	Carney	Cárdenas
	Cartwright	Carney
Brady (PA)	Castor (FL)	Cartwright
Brown (FL)	Chu, Judy	Castor (FL)
Brownley (CA)	Cicilline	Chu, Judy
Bustos	Clark (MA)	Cicilline
Butterfield	Clarke (NY)	Clark (MA)
Capps	Clay	Clarke (NY)
Cárdenas	Cleaver	Clay
Carney	Clyburn	Cleaver
Cartwright	Cohen	Clyburn
Castor (FL)	Connolly	Cohen
Chu, Judy	Conyers	Connolly
Cicilline	Cooper	Conyers
Clark (MA)	Costa	Cooper
Clarke (NY)	Courtney	Costa
Clay	Crowley	Courtney
Cleaver	Cuellar	Crowley
Clyburn	Cummings	Cuellar
Cohen	Davis (CA)	Cummings
Connolly	Davis, Danny	Davis (CA)
Conyers	DeFazio	Davis, Danny
Cooper	DeGette	DeFazio
Costa	Delaney	DeGette
Courtney	DeLauro	Delaney
Crowley	DelBene	DeLauro
Cuellar	DeSaulnier	DelBene
Cummings	Dingell	DeSaulnier
Davis (CA)	Doggett	Dingell
Davis, Danny	Doyle, Michael F.	Doggett
DeFazio		Doyle, Michael F.
DeGette	Duckworth	
Delaney	Edwards	Duckworth
DeLauro	Engel	Edwards
DelBene	Eshoo	Engel
DeSaulnier	Esty	Eshoo
Dingell	Farr	Esty
Doggett	Fattah	Farr
Doyle, Michael F.	Foster	Fattah
	Frankel (FL)	Foster
Duckworth	Fudge	Frankel (FL)
Edwards	Gabbard	Fudge
Engel	Gallego	Gabbard
Eshoo	Garamendi	Gallego
Esty	Graham	Garamendi
Farr	Grayson	Graham
Fattah	Green, Al	Grayson
Foster	Green, Gene	Green, Al
Frankel (FL)	Grijalva	Green, Gene
Fudge	Gutiérrez	Grijalva
Gabbard	Hahn	Hahn
Gallego	Hastings	Hastings
Garamendi	Heck (WA)	Heck (WA)
Graham	Higgins	Higgins
Grayson	Himes	Himes
Green, Al	Hinojosa	Hinojosa
Green, Gene	Honda	Honda
Grijalva	Hoyer	Hoyer
Hahn	Huffman	Huffman
Hastings	Israel	Israel
Heck (WA)	Jackson Lee	Jackson Lee
	Jeffries	Jeffries
	Johnson (GA)	Johnson (GA)
	Johnson, E. B.	Johnson, E. B.
	Kaptur	Kaptur
	Keating	Keating
	Kelly (IL)	Kelly (IL)
	Kennedy	Kennedy
	Kildee	Kildee
	Kilmer	Kilmer
	Kind	Kind
	Kirkpatrick	Kirkpatrick
	Kuster	Kuster
	Langevin	Langevin
	Larsen (WA)	Larsen (WA)
	Larson (CT)	Larson (CT)
	Lee	Lee
	Levin	Levin
	Lewis	Lewis
	Lieu, Ted	Lieu, Ted
	Lipinski	Lipinski
	Loebsack	Loebsack
	Lofgren	Lofgren
	Lowenthal	Lowenthal
	Lowey	Lowey
	Lujan Grisham (NM)	Lujan Grisham (NM)
	Luján, Ben Ray (NM)	Luján, Ben Ray (NM)
	Lynch	Lynch
	Maloney, Carolyn	Maloney, Carolyn
	Maloney, Sean	Maloney, Sean
	Matsui	Matsui
	McCollum	McCollum
	McDermott	McDermott
	McGovern	McGovern
	McNerney	McNerney
	Meeks	Meeks
	Meng	Meng
	Moore	Moore
	Moulton	Moulton
	Murphy (FL)	Murphy (FL)
	Nadler	Nadler
	Napolitano	Napolitano
	Neal	Neal
	Nolan	Nolan
	Norcross	Norcross
	O'Rourke	O'Rourke
	Pallone	Pallone
	Pascrell	Pascrell
	Payne	Payne
	Pelosi	Pelosi
	Perlmutter	Perlmutter
	Peters	Peters
	Peterson	Peterson
	Pingree	Pingree
	Pocan	Pocan
	Polis	Polis
	Price (NC)	Price (NC)
	Quigley	Quigley
	Rangel	Rangel
	Rice (NY)	Rice (NY)
	Richmond	Richmond
	Roybal-Allard	Roybal-Allard
	Ruiz	Ruiz
	Ruppersberger	Ruppersberger
	Ryan (OH)	Ryan (OH)
	Sánchez, Linda T.	Sánchez, Linda T.
	Sanchez, Loretta	Sanchez, Loretta
	Schakowsky	Schakowsky
	Schiff	Schiff
	Schrader	Schrader
	Scott (VA)	Scott (VA)
	Scott, David	Scott, David
	Serrano	Serrano
	Sewell (AL)	Sewell (AL)
	Sherman	Sherman
	Sires	Sires
	Slaughter	Slaughter
	Speier	Speier
	Swalwell (CA)	Swalwell (CA)
	Takai	Takai
	Takano	Takano
	Thompson (CA)	Thompson (CA)
	Thompson (MS)	Thompson (MS)
	Titus	Titus
	Tonko	Tonko
	Torres	Torres
	Tsongas	Tsongas
	Van Hollen	Van Hollen
	Vargas	Vargas
	Veasey	Veasey
	Vela	Vela
	Velázquez	Velázquez
	Visclosky	Visclosky
	Walz	Walz
	Wasserman Schultz	Wasserman Schultz
	Waters, Maxine	Waters, Maxine
	Watson Coleman	Watson Coleman
	Welch	Welch
	Wilson (FL)	Wilson (FL)
	Yarmuth	Yarmuth

NOT VOTING—16

Amodei	Ellison	Rush
Beyer	Gutiérrez	Sarbanes
Capuano	Herrera Beutler	Smith (WA)
Carson (IN)	Hill	Westmoreland
Castro (TX)	Lawrence	
Deutch	Paulsen	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SMITH of Nebraska) (during the vote). There are 2 minutes remaining.

□ 1359

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. HILL. Mr. Speaker, on rollcall No. 56, I was unavoidably detained with constituents. Had I been present, I would have voted ''yes.''

Mr. PAULSEN. Mr. Speaker, on rollcall No. 56, I was not present due to a meeting with constituents. Had I been present, I would have voted ''aye.''

PERSONAL EXPLANATION

Mr. CASTRO of Texas. Mr. Speaker, my vote was not recorded on rollcall No. 55 on the Motion on Ordering the Previous Question on the Rule providing for consideration of H.R. 1675 and H.R. 766. I am not recorded because I was absent due to the birth of my son in San Antonio, Texas. Had I been present, I would have voted ''nay.''

Mr. Speaker, my vote was not recorded on rollcall No. 56 on H. Res. 595, the Rule providing for consideration of both H.R. 1675, Encouraging Employee Ownership Act of 2015 and H.R. 766, Financial Institution Customer Protection Act of 2015. I am not recorded because I was absent due to the birth of my son in San Antonio, Texas. Had I been present, I would have voted "nay."

ENCOURAGING EMPLOYEE OWNERSHIP ACT OF 2015

GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and submit extraneous materials on the bill, H.R. 1675, to direct the Securities and Exchange Commission to revise its rules so as to increase the threshold amount for requiring issuers to provide certain disclosures relating to compensatory benefit plans.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 595 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 1675.

The Chair appoints the gentleman from Pennsylvania (Mr. THOMPSON) to preside over the Committee of the Whole.

□ 1402

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 1675) to direct the Securities and Exchange Commission to revise its rules so as to increase the threshold amount for requiring issuers to provide certain disclosures relating to compensatory benefit plans, with Mr. THOMPSON of Pennsylvania in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. HENSARLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 1675, the Encouraging Employee Ownership Act.

I do this because, as you know, Mr. Chairman, regrettably, we saw that in the last quarter this economy grew at a paltry seven-tenths of 1 percent. On an annualized basis, this economy is limping along at roughly half the normal growth rate.

That means that this economy is not working for working families, who under 8 years of Obamanomics have found themselves with smaller paychecks and smaller bank accounts and greater anxiety about how are they going to make their mortgage payments, how are they going to make their car payments, are they going to be able to save enough to send somebody to college.

This economy is still underperforming for American families. So it is critical that we help our small businesses, which are truly the job engine in our economy, Mr. Chairman, as you well know.

I want to commend the sponsors of the five bills that make up H.R. 1675, Representatives HULTGREN, HILL, HUIZENGA, and HURT. Their work has resulted in a bipartisan bill that we think will help create a healthier economy.

Again, we know that 60 percent of the Nation's new jobs over the past couple decades have come from our small businesses. If we are going to have a healthier economy that offers more opportunity, we have to offer more opportunities for small business growth and small business startups. We have to ensure that they have capital and the credit they need to grow. You can't have capitalism without capital, Mr. Chairman.

Yet, we have heard from countless witnesses in our committee—from community banks to credit unions, the primary source of small business loans—that they are drowning, drowning in a sea of complex, complicated, expensive regulations, many of them emanating from the Dodd-Frank Act, which is causing a huge burden on the economy and working families.

The same is true of many of our burdensome security regulations as well. Many of them are well intentioned, but, Mr. Chairman, they were written with our largest public companies in mind, but they end up hurting our smaller companies. It is time that we help level that playing field for small businesses with smarter regulations that will still maintain our fair and efficient markets, protect investors, but allow small competitors the chance to succeed. We make some progress today on this bipartisan bill, H.R. 1675.

Now, it is a modest bill, Mr. Chairman. It is only 20 pages long—anybody can read it—but it provides many overdue improvements that will help spur capital formation, and the legislation gives companies options and choices on how to best attract investment and capital. In a free society, isn't that where we should be?

It updates rules to allow small businesses to better compensate their employees with ownership in the business. Let them have a piece of the American Dream. In so doing, it strengthens provisions enacted into law in the bipartisan JOBS Act and the FAST Act to give employees a greater opportunity to share in the success of their employer.

It codifies no action relief issued by the SEC to remove regulatory burdens for individuals who assist with the transfer of ownership of small- and mid-sized privately held companies.

It will provide investors with more research on exchange-traded funds, or ETFs, by extending a liability safe harbor consistent with other securities offerings.

It provides a voluntary, Mr. Chairman—I repeat voluntary—exemption from reporting in XBRL data format for emerging growth companies and smaller public companies, the cost and use of which have continually been questioned in our committee.

The committee received testimony from a biotechnology executive who said that outreach to his analyst investors yielded a consensus response that they weren't even aware of XBRL, but the witness went on to say that his company is having to spend $50,000 annually in compliance costs that obviously could have been better spent in productivity and job creation.

Finally, it requires the SEC to conduct a retrospective review every 10 years to update or eliminate outdated, unnecessary, and duplicative regulations. This is also known, Mr. Chairman, as common sense. The administration claims that this provision is duplicative because the SEC is already encouraged to review their regulations. Well, encouragement doesn't quite get the job done. We need to ensure that these regulations are looked at and at least looked at on an every-decade basis.

You will hear some say that, well, the SEC's resources are stretched too thin. I am happy to go back and amend Dodd-Frank so that they have more resources to devote to capital formation. By the way, they just got a big, fat raise in the latest omnibus. Mr. Chairman, I don't think that argument holds much water.

By enacting H.R. 1675, we are going to ease the burdens on small businesses and job creators. Isn't that what we ought to be about? We will help foster capital formation so that Americans can go back to work, have better careers, pay their mortgages, pay their healthcare premiums, and ultimately give their families a better life.

I urge my colleagues to join me in supporting H.R. 1675.

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

Ms. MAXINE WATERS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today in strong opposition to H.R. 1675. It is really a package of five bills which will harm investors and, perversely, the very small businesses Republicans say they want to help. It does so by ignoring and supplanting the good judgment of the Securities and Exchange Commission, which has already sought to provide small businesses with regulatory relief in these same areas while also ensuring that investors in those businesses have the protections they deserve.

The SEC's balanced approach makes sense as investors who are not confident in the integrity of our markets