

community celebrates a new year and new beginnings. We honored the progress of the Sikh community that first came to California at the turn of the 20th century for their shared values, their family, their history, and the culture of Sikhism.

This holiday also recognizes the best of what all cultures strive for, and it is time that we celebrate the common bonds that we share as Americans. Notwithstanding our differences, we know at the end of the day that bonds that we as Americans share are far stronger than whatever differences we may have.

So I ask my colleagues to please join in celebrating this special tradition in the Sikh community.

#### HOUSE NEEDS TO STAY IN SESSION

(Mr. GALLAGHER asked and was given permission to address the House for 1 minute.)

Mr. GALLAGHER. Mr. Speaker, in just a few hours, Members of this body are leaving for a 2-week recess without having resolved the significant question of funding the government.

Funding expires only 3 days after we return—3 days—yet we are leaving. We are skipping town, but just yesterday, the chiefs of all of the military branches testified before this body about the damage another continuing resolution would do to our military.

The leaders of the Army, the Navy, the Marine Corps, and the Air Force all testified that a continuing resolution would put our warfighters in greater danger, our Nation at greater risk, and the world less secure; yet we are leaving with our work unfinished. Our troops continue to serve, but we are leaving.

In what other profession would you take a 2-week pause without actually finishing the job?

Now, I know I am new to the House, but someone please tell me how this makes sense. We should stay in session and do what the American people sent us here to do: our jobs.

□ 0915

#### SUPPORTING AMERICA'S INNOVATORS ACT OF 2017

Mr. HUIZENGA. Mr. Speaker, pursuant to House Resolution 242, I call up the bill (H.R. 1219) to amend the Investment Company Act of 1940 to expand the investor limitation for qualifying venture capital funds under an exemption from the definition of an investment company, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to House Resolution 242, the bill is considered read.

The text of the bill is as follows:

H.R. 1219

*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 “Supporting America’s Innovators Act of 2017”.

#### SEC. 2. INVESTOR LIMITATION FOR QUALIFYING VENTURE CAPITAL FUNDS.

Section 3(c)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(1)) is amended—

(1) in the matter preceding subparagraph (A), by inserting “(or, in the case of a qualifying venture capital fund, 250 persons)” after “one hundred persons”; and

(2) by adding at the end the following:

“(C)(i) The term ‘qualifying venture capital fund’ means a venture capital fund that has not more than \$10,000,000 in aggregate capital contributions and uncalled committed capital, with such dollar amount to be indexed for inflation once every 5 years by the Commission, beginning from a measurement made by the Commission on a date selected by the Commission, rounded to the nearest \$1,000,000.

“(ii) The term ‘venture capital fund’ has the meaning given the term in section 275.203(1)–1 of title 17, Code of Federal Regulations, or any successor regulation.”.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. HUIZENGA) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Michigan.

#### GENERAL LEAVE

Mr. HUIZENGA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to submit extraneous materials on the bill under consideration.

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

There was no objection.

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

Mr. Speaker, we all know that small businesses and entrepreneurs are the heartbeat of the American economy. Access to financial capital is vital for entrepreneurs seeking to start up, operate, or expand their businesses. However, gaining access to capital has remained an enduring challenge for many small businesses.

The financial crisis and the Great Recession made the situation worse, frankly, as capital became increasingly hard to access from institutional banks and various capital market players. While conditions have improved somewhat in recent years, many entrepreneurs continue to struggle with accessing the capital they need to compete and to grow.

In order to succeed, these companies need capital and credit, the lifeblood for growth, expansion, and job creation. Yet the government continues to construct arbitrary walls that cut them off from essential financing, as smaller companies are caught in a sea of regulatory red tape created by Washington bureaucrats.

We know that 60 percent of all net new jobs that have come into this country, that have been created here in the United States, come from these small businesses. They are oftentimes

S corporations, LLCs, sole proprietorships. Small companies often have such owners also be operators. They are working alongside their fellow employees.

That 60 percent of those jobs that have been created here in the United States isn’t just a one-time blip. That is over the last 20 years, the last two decades, that we have seen that trend.

Congress has made strides in tailoring the regulatory environment for smaller companies, no doubt, most notably when we passed, with strong bipartisan support, the Jumpstart Our Business Startups, or JOBS, Act in 2012. This was a bipartisan bill that was signed into law by President Obama. The JOBS Act’s benefits are notable as more and more companies use its provisions to raise investment capital in both the public and private markets.

The JOBS Act has raised the cap on investors in a privately held company from 500 to 2,000 investors, but the limit on the number of investors acting as a coordinated group to invest in a company remained at 100, where it has been since 1940, some 77 years ago.

As noted by Kevin Laws of AngelList in his written testimony before our Capital Markets Subcommittee: “With online fundraising and general solicitation becoming more common because of the JOBS Act, companies are bumping up against the limit more frequently. The current limit . . . now acts as a brake on the amount of money the company wanted to raise, leaving tens of millions of dollars on the table that did not go into startups.”

While H.R. 1219, the Supporting America’s Innovators Act, a bipartisan bill introduced by the vice chairman of our Financial Services Committee, Representative PATRICK MCHENRY, and NYDIA VELÁZQUEZ of New York, would amend the cap currently contained in the Investment Company Act to allow 250 investors for a “qualified venture capital fund,” therefore enhancing angel investors’ ability to provide important funding to small businesses.

This bill is a very modest increase to the current exemption that has been in place for nearly 77 years. Modernizing this cap is long overdue and reflects today’s capital markets and the reality of the increasingly important role that angel investors and others play as they commit the funds necessary to help small businesses grow.

The Securities and Exchange Commission, unfortunately, continues to ignore the backlog of good ideas to spur capital formation, which is recommended by entrepreneurs, small businesses, and market participants from their annual SEC Government-Business Forum on Capital Formation. This is a forum that is put together annually. They take and solicit ideas. They want to hear from people that are in the marketplace to figure out what ways they could go to improve that. Unfortunately, they have not acted on

this, and in the SEC's absence, Congress must act to promote market efficiency and capital formation.

I think we can all agree that we support smart regulation that protects investors and maintains orderly and efficient markets. But outdated, excessive, and unnecessary regulation whose costs outweigh benefits is dumb regulation that overburdens smaller companies. Let's provide some regulatory relief by enacting the bipartisan bill that will ease the burdens on small businesses and job creators and help foster capital formation and get Americans back to work.

Mr. Speaker, I would also like to note, in a hearing that we had on this bill last Congress, it passed our committee 52-2, including the ranking member voting for it. There were no dissenting minority views that were offered, and no amendments were offered at the Rules Committee on this. We have got a lot of consensus. I believe this is the right thing to do to move forward.

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

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

Mr. Speaker, H.R. 1219, the Supporting America's Innovators Act, is legislation that certainly shows that sometimes we can get together and we can support a good idea. This act is such a thing. It shows how well we can work together to craft bipartisan solutions that support our Nation's innovators and the jobs that they create.

Last Congress, Mr. MCHENRY came to me with a problem: Sophisticated angel investors who fund promising startup businesses want to pool their money together, but the law effectively caps them at 100 investors per fund. If more than 100 people want to invest, the fund is forced to exclude some of them from the deal to avoid registration and regulation as an "investment company" under the securities laws. That means investors willing to commit capital are being turned away and startups are losing out on important early-stage funding.

Because of Congresswoman NYDIA VELÁZQUEZ and Mr. PATRICK MCHENRY working together, working out any concerns that had been identified on either side of the aisle, we now, today, have a piece of legislation, a bill, that would narrowly increase the investor limitation from 100 to 250 persons for certain venture capital funds, provided that the fund does not have more than \$10 million in total investor capital.

This type of fund structure is used today by AngelList, an angel investing platform that connects investors meeting certain income and asset thresholds with one another so they can pool their money into special-purpose funds which then invest them in a particular startup company. Importantly, both the companies and the investors benefit from this structure.

Compared with making hundreds of smaller direct investments, a company, for example, only has as a single point of contact, the angel fund advised by a fiduciary, rather than hundreds of investors who must all individually approve corporate actions such as mergers and acquisitions and expanding ownership.

Investors also like this structure because they can delegate monitoring the startups they invest in to the investment adviser to the fund. Such monitoring may be significant, considering that investors, recognizing that most early-stage companies fail, typically diversify their investments among 30 to 80 companies.

H.R. 1219 reasonably promotes this fund structure for startup investments by providing a narrowly tailored exemption for certain venture capital funds which must invest at least 80 percent of their funds in small businesses. Under the bill, the venture capital funds must have no more than 250 investors and no more than \$10 million in investor capital, ensuring that they are small enough that investors are able to monitor and manage their investments.

The bill's limits also ensure that we aren't creating a loophole for other investment companies, like mutual funds, to avoid regulation; nor are we providing relief to other private funds, like hedge funds or private equity funds, that have very little restriction and investor protection.

Mr. Speaker, too often Congress seeks to help small businesses by repealing sensible guardrails and rules of the road with little to no thought of the impact on investors or market integrity. This is a mistake since it is investors that provide the money necessary for small businesses to grow. If investors don't trust the markets to operate fairly, they will decline to invest or raise costs on the very businesses we want to help. H.R. 1219 is different and reflects a measured, bipartisan approach to promoting our Nation's startups and the investors who take a chance on them.

I thank Mr. MCHENRY and Ms. VELÁZQUEZ for their leadership on this bill. I urge all of my colleagues to vote "yes."

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

Mr. HUIZENGA. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. MCHENRY), our vice chairman and the sponsor of this bill.

Mr. MCHENRY. Mr. Speaker, it is an honor to be here today, the day after the fifth anniversary of the JOBS Act.

Five years ago, yesterday, in a bipartisan way, this divided House, this divided government that got next to nothing done, in a bipartisan way, was able to achieve a huge bipartisan victory to help small businesses raise capital. In light of that and in that history, in that spirit, we have reached across the aisle, and Representative VELÁZQUEZ and Ranking Member

WATERS worked with me to craft a very good bill here today.

This bill is targeted at small businesses across the rest of the country. We know that 78 percent of venture capital goes to just three States. If you are in Austin, Boston, or the Silicon Valley, you have capital flowing to you; you have funds for your idea. The rest of the country, whether you are in an urban area or rural area, is starved for capital.

In light of that problem, we are trying to work for a solution for those small businesses, those innovators with good ideas that maybe don't have the best access to capital. We raised the cap on angel investing, thereby allowing more people to participate at a lower threshold dollar amount while still including important investor protection.

Today is a great victory for small-business folks that need access, that need capital to take their idea to market. Mr. Speaker, I urge my colleagues to support this measure.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield as much time as she may consume to the gentlewoman from New York (Ms. VELÁZQUEZ).

Ms. VELÁZQUEZ. Mr. Speaker, let me take this opportunity to thank the ranking member for yielding me time.

Mr. Speaker, I rise in support of H.R. 1219, the Supporting America's Innovators Act of 2017, which I am proud to cosponsor with Mr. MCHENRY.

Throughout my career here in Congress, I have always supported and encouraged legislation that creates jobs and fosters innovation for America's entrepreneurs and small businesses. The bill we are considering today will further that goal.

Mr. Speaker, I always say access to capital is access to opportunity. That is exactly what this legislation does.

The Investment Company Act of 1940 currently limits the number of accredited investors in a venture fund to no more than 100 individuals, but most funds try not to reach that limit in order to adjust for unforeseen circumstances. This artificially low limit restricts the number of individuals that can invest in small businesses and startups. That means less opportunity for entrepreneurs.

Our bill will address this problem by allowing up to 250 accredited investors to participate in venture funds with up to \$10 million in capital.

□ 0930

It is important to stress that these are accredited investors. They have at least \$200,000 in minimum income or \$1 million in net assets. These are sophisticated investors comfortable with the risks involved in the startup sector.

Many of these investors pool their money together either in local or national groups. More recently, many have gotten involved in online crowdfunding platforms, which were created through the JOBS Act, to funnel more capital to small businesses and startups.

Our bill will create greater access for women-owned and women-led businesses. The types of funds empowered to attract more investors under this bill are often a good capital source for women-owned firms.

I am proud that our bipartisan legislation has garnered a wide range of attention and support from the industry. The Angel Capital Association and the Internet Association have endorsed the bill. These are groups dedicated to expanding capital opportunities for small businesses.

This bill has also moved through the legislative process with strong bipartisan support every step of the way. Last month, we passed this bill out of the Financial Services Committee with a broad bipartisan vote of 54-2. The same day, the Senate Banking Committee was busy passing its bipartisan companion version, S. 444, sponsored by Senators Heitkamp and Heller. It is also important to recognize that, last year, this Chamber passed a nearly identical version of our bill by a vote of 388-9.

It is time to see this legislation enacted. It will create more capital for small businesses and it will mean more jobs throughout the Nation.

Let me take a moment to thank Mr. MCHENRY for working with me on this bill, as well as Chairman HENSARLING. And let me also thank Ranking Member WATERS for her leadership and hard work.

Again, a vote for this bill is a vote for America's entrepreneurs. I urge my colleagues to vote "yes."

Mr. HUIZENGA. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. CHABOT), the chairman of the Committee on Small Business here in the House of Representatives and a strong supporter of this bill.

Mr. CHABOT. Mr. Speaker, I thank the gentleman from North Carolina (Mr. MCHENRY) for the work that he has done on H.R. 1219, the Supporting America's Innovators Act, and the entire Financial Services Committee for their work on this important topic.

As chairman of the House Small Business Committee—and I would note that you have here not only the Republican chair, but we just heard speak the ranking member of the Small Business Committee, Ms. VELÁZQUEZ; both in support of this legislation. It is bipartisan, which, as PATRICK MCHENRY mentioned, doesn't happen around here often enough, but it did in this case.

I often hear from entrepreneurs and small-business folks that the process to obtain capital is too rigid for them to expand and create jobs. Access to capital is a major issue that we need to address, and that is what we are doing here.

When it comes to helping small businesses get off the ground, no effort we can make is too small. The Supporting America's Innovators Act could make all the difference for an entrepreneur, and that is why, again, we are here to support it.

Commonsense reforms like this one, which raises the cap on the number of people who can invest in a venture fund, can go a long way for the Nation's entrepreneurs, startups, and small businesses. With 28 small businesses in the United States and nearly half of all private sector workers employed by one, the Nation's economic future lies squarely with this Nation's smallest companies and firms.

Those who risk everything and sacrifice much to take a shot at building the next great American company should be operating in a business environment that is free from overly burdensome rules and regulations. They should be able to concentrate on expanding their companies, gaining more customers, and job creation, not compliance issues and outdated capital formation rules that prevent the largest pool of investors from investing in these companies.

As this economic recovery continues to take shape, let's stand with our small businesses and create an environment for growth. This bill is another important step in that direction.

Mr. Speaker, I urge my colleagues on both sides of the aisle to support this very good legislation.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 4 minutes to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY), the ranking member of the Financial Services Committee's Subcommittee on Capital Markets, Securities, and Investments.

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, I thank the ranking member for her leadership on this bill and in so many other areas. I also thank Chairmen Hensarling and Huizenga; and, of course, my good friend and colleague from the great State of New York, NYDIA VELÁZQUEZ, the champion for small businesses; and Mr. MCHENRY, who has spent a great deal of his time focusing on job creation and access to capital for small businesses.

This bill passed in the last Congress under suspension with overwhelming bipartisan support. This bill is intended to make it easier for startup companies to raise money from sophisticated investors by allowing sophisticated angel investors to pool their money into a single venture capital fund, which allows them to leverage their resources and make investments more effectively.

The bill does this by increasing the number of investors who can invest in venture capital funds that are exempt from SEC oversight.

Under current law, a fund can be exempt from SEC oversight if it has fewer than 100 investors and its securities are not offered publicly. This is the exemption that the majority of venture capital funds currently rely on.

Venture capital funds are long-term investors that provide much-needed equity capital to startups and other small companies. The fact that venture capital funds are subject to the same

limitation on the number of investors they can have as other private funds, like hedge funds and private equity funds, has limited the growth of venture capital funds.

Specifically, it has limited the ability of angel investors—all of whom are sophisticated, accredited investors—to coordinate their investments by grouping together into a single venture capital fund in order to invest in a promising startup company.

This bill will accommodate these types of angel investors who want to coordinate their investments by increasing the number of accredited investors they can have before they are required to register with the SEC—from 100 investors to 250 investors.

The bill is also narrowly tailored to avoid raising investor protection concerns. It only raises the investor threshold to 250 for venture capital funds that meet the SEC's rigorous five-part definition of a venture capital fund.

Finally, the bill is limited to funds that have less than \$10 million in capital invested. So we are only providing relief to relatively small venture capital funds that do not pose a huge risk to the capital markets.

This bill is the product of genuine hard work and bipartisan compromise. Again, I thank Mr. MCHENRY for his leadership, along with Ms. VELÁZQUEZ, Ranking Member WATERS, and Chairman HENSARLING for their hard work on this bill.

I urge my colleagues to join me—and I believe the majority in this body—in supporting this important bill to provide easier and better access to capital for small businesses.

Mr. HUIZENGA. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. HULTGREN), the vice chairman of our Subcommittee on Capital Markets, Securities, and Investments.

Mr. HULTGREN. Mr. Speaker, I rise today to speak in support of H.R. 1219, the Supporting America's Innovators Act of 2017. This is another example of great bipartisan legislation that has been produced by the House Financial Services Committee. Mr. MCHENRY and Ms. VELÁZQUEZ should be commended for their hard work on this important piece of legislation.

Startups and small businesses are the primary job creators and engines for growth in our economy. Unfortunately, the Securities and Exchange Commission has not been focused enough on capital formation aspects of its tripartite mission. This has left thousands of companies interested in raising capital stuck complying with outdated regulations that make it more difficult for them to invest in growing their businesses. This means job creation and wealth building are not reaching their full potential.

Certainly, the SEC should not overlook investor protection, but the number one concern of my constituents is jobs. This directly impacts their ability to put food on the table, get the car repaired, and pay for college.

Today we have the opportunity to consider a noncontroversial bill that will make it easier for companies to raise capital without undermining investor production.

The Supporting America's Innovators Act of 2017 increases the limit on the number of individuals who can invest in certain venture capital funds before those funds must register with the SEC as investment companies. Currently, the Investment Company Act limits the number of investors in an investment company fund to 100 if the fund is to be exempt from registration with the SEC, a burdensome requirement.

This would permit angel funds, which run syndicates that allow accredited investors to participate in investing in startups, to obtain funds from a greater number of investors. As a result, investors will benefit from investment opportunities that otherwise they would have no access to.

As noted by Kevin Laws of AngelList in written testimony before the Subcommittee on Capital Markets, Securities and Investments:

"With online fundraising and general solicitation becoming more common because of the JOBS Act, companies are bumping up against the limit more frequently. The current limit now acts as a brake on the amount of money the company wanted to raise, leaving tens of millions of dollars on the table that did not go into startups."

Mr. Speaker, I urge all of my colleagues to vote in support of this legislation. A nearly identical bill passed the House last Congress with 388 votes in support, and we passed the bill out of the Financial Services Committee with almost no opposition.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. FOSTER), a member of the Subcommittee on Capital Markets, Securities, and Investments.

Mr. FOSTER. Mr. Speaker, I rise today in support of H.R. 1219, the Supporting America's Innovators Act of 2017.

This bill will increase the number of accredited investors who can invest in an angel or venture fund before requiring the fund to register as an investment company. This will encourage capital formation in one of the major types of funds that seed startups and helps bring new ideas to market.

Innovation and invention are integral to economic growth, but new ideas are only the first step in the type of businesses that can grow the economic pie. It is crucial that these companies have access to capital to grow and to bring the product to market. Competition from startups, bolstered by access to funding, creates jobs and forces incumbent firms to stay aggressive in their own research and development.

H.R. 1219 is exactly the type of bipartisan legislation that Congress should be considering to facilitate capital formation.

This bill will make it easier to form a fund made up of sophisticated inves-

tors who can assess and bear the risks that come with investing in startups. These funds are capped at \$10 million in paid-in and callable capital. This means the funds will largely be engaged in angel investing that helps early-stage investors build a better mousetrap. These funds can often be cheaper for the company and can be structured as equity debt or a combination of both.

A fund like this can bring expertise and connections that increase the likelihood of success for the inventor. It can also spread the risk and rewards for investors because it is important to note that not every invention will turn into the next big thing.

We need a startup ecosystem that encourages the testing of new ideas and products with a wide range of risks and rewards. This bill is a targeted measure to help create that ecosystem by enhancing the ability of early-stage companies to get funding.

Mr. Speaker, I urge my colleagues to support the bill today.

Mr. HUIZENGA. Mr. Speaker, I yield 2 minutes to the gentleman from Maine (Mr. POLIQUIN).

Mr. POLIQUIN. Mr. Speaker, the responsibility of those of us in Congress is to create a predictable and streamlined set of regulations, such that we have an environment for the private sector, for businesses to invest, to grow, and to hire more of our constituents. And when that happens, Mr. Speaker, the folks in America live better lives with fatter paychecks and better futures.

Now, we all know that small businesses need more help than large companies when it comes to dealing with the regulatory environment because they don't have the firepower, the horsepower, the manpower to deal with these complex regulations.

When you start a small business, one of the most important ingredients is access to capital. You need investment funds, whether you are starting a bakery in Lewiston, Maine, or an auto body shop in Oxford, Maine. Now, that is why H.R. 1219 is important, and I want to congratulate Congressman PATRICK MCHENRY for bringing this to the floor.

By increasing the number of investors capped from 100 to 250 individuals who are qualified to make these investments to help small businesses, it will provide more money, more funding, more capital for small businesses and startups to grow, to start, and to create more jobs for folks back home.

Government is in the business and should be in the business to help our families, not hurt them. That is why I encourage all of my fellow colleagues here in the House, Republicans and Democrats, to support this good, commonsense bill.

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

Mr. Speaker, we have received tremendous support for this legislation,

and we are extremely hopeful that we will be able to come together on both sides of the aisle and continue to give support to our small businesses. As a matter of fact, we have a lot of those in the Congress of the United States—a lot of Members, rather—who talk about supporting small businesses, but we don't often see real legislation that can do that. This is such legislation, and I cannot thank Ms. VELÁZQUEZ and Mr. MCHENRY enough for the way that they have worked on this legislation together.

□ 0945

Mr. Speaker, I include in the RECORD some of the letters of support that we have received from the Center for American Entrepreneurship, the Internet Association, TechNet, Angel Capital Association, and AngelList.

CENTER FOR  
AMERICAN ENTREPRENEURSHIP,  
April 25, 2016.

Hon. JEB HENSARLING,  
Chairman, Committee on Financial Services,  
House of Representatives, Washington, DC.

Hon. MAXINE WATERS,  
Ranking Member, Committee on Financial Services,  
House of Representatives, Washington, DC.

DEAR CHAIRMAN HENSARLING AND RANKING MEMBER WATERS: On behalf of the Center for American Entrepreneurship, I write today to express our strong support for legislation offered by Rep. Patrick McHenry: H.R. 4854, the "Supporting America's Innovators Act of 2016," and H.R. 4855, the "Fix Crowdfunding Act of 2016." Both bills will significantly enhance American entrepreneurs' access to the capital they need to launch and grow new businesses and, in doing so, accelerate economic growth and job creation.

CAE is a nonpartisan policy and advocacy organization whose mission is to engage policymakers in Washington and across the nation regarding the critical importance of entrepreneurs and start-ups to innovation, economic growth, and job creation, and to pursue a comprehensive policy agenda intended to significantly enhance the circumstances for new business formation, survival, and growth.

As you may know, recent research has demonstrated that start-ups are disproportionately responsible for the innovations that drive economic growth and account for virtually all net new job creation. Alarming, recent research has also demonstrated that, despite impressive strength in certain cities around the country, rates of new business formation in America have been declining for 30 years, and the decline is occurring in all 50 states, in all but a handful of the 360 metro areas examined, and across a broad range of industry sectors, including high-technology. Given the importance of thriving entrepreneurship to innovation, economic growth, and job creation, such circumstances amount to nothing less than a national emergency.

When asked or surveyed, entrepreneurs across the country report that access to sufficient capital on affordable terms remains among their principal challenges. The legalization of crowdfunding by way of the Jumpstart Our Business Start-ups (JOBS) Act in 2012 was a major step forward in meaningfully enhancing innovators' access to investment capital. But further reforms are necessary to realize the Act's full potential to promote entrepreneurship, growth, greater opportunity, and job creation.

H.R. 4854, the "Supporting America's Innovators Act" would amend an exemption

under the Investment Company Act of 1940 by increasing the investor limitation from 100 to 500 persons for qualifying venture capital funds that purchase no more than \$10 million in securities in any one issuer, adjusted for inflation. Lifting the current arbitrary cap would not only increase entrepreneurs' access to additional investors, but will protect investors through a greater diversification of risk.

H.R. 4855, the "Fix Crowdfunding Act" would amend the crowdfunding aspects of the JOBS Act in a number of important ways:

Raising the annual issuance amount from \$1 million to \$5 million;

Exempting the beneficial owners of crowdfunding securities from counting towards the Exchange Act 12(g) requirement triggering public reporting;

Exempting special purpose vehicles (SPVs) created for the purpose of investing in a single issuer of crowdfunding securities from registration as investment companies under the Investment Company Act, and permitting SPVs considered as "venture capital funds" to offer crowdfunding securities;

Revising the investment cap so that investors earning \$100,000 or less may invest up to 5 percent of their annual income or net worth, and investors earning more than \$100,000 to invest up to 10 percent of their annual income or net worth;

Defining the requirements for a crowdfunding intermediary to disqualify an issuer when the intermediary, through a background check or other means, determines that the issuer knowingly made untrue statements or omissions related to material facts, or engaged in fraud;

Defining a crowdfunding intermediary's potential liability to include only instances when the intermediary knowingly makes untrue statements or omissions related to material facts or knowingly engages in fraud;

Permitting an issuer to "test the waters" by soliciting non-binding commitments of interest from potential investors without filing information with the SEC, provided that no funds are accepted by the issuer and any material changes that occur between the solicitation and the offer are highlighted to potential investors; and,

Providing a 5-year grace period for portals to make a good-faith effort to comply with all crowdfunding rules, and prohibits the SEC from bringing any enforcement actions during that period.

Both bills help strike a more appropriate balance between the twin priorities of capital formation and investor protection. In doing so, these reforms significantly enhance the prospects for new business formation, survival, and growth at a time when faster economic growth is necessary to address challenges such as underemployment, stagnant middle-class wages, the income and wealth gaps, and alarmingly high levels of poverty and dependence.

CAE commends you for your leadership to promote American entrepreneurship and innovation and greatly appreciates your thoughtful consideration of the reforms in H.R. 4854 and H.R. 4855. We look forward to continuing to work with you, the bills' sponsors, and the Committee's distinguished members on behalf of American entrepreneurs and start-ups.

Sincerely,

ROBERT E. LITAN,  
Chairman, Center for American  
Entrepreneurship.

INTERNET ASSOCIATION,  
June 10, 2016.

Hon. JEB HENSARLING,  
Chairman, Committee on Financial Services,  
House of Representatives, Washington, DC.  
Hon. MAXINE WATERS,  
Ranking Member, Committee on Financial Services,  
House of Representatives, Washington, DC.

DEAR CHAIRMAN HENSARLING AND RANKING MEMBER WATERS: The Internet Association appreciates your attention to the issues impacting startups, and urges support for the Supporting America's Inventors Act of 2016 (H.R. 4854) and Fix Crowdfunding Act (H.R. 4855). Both bills are common-sense, meaningful reforms that will improve startups' access to capital across the United States. There are a number of internet based funding platforms that will benefit directly from this legislation as well as the broader internet ecosystem.

The Internet Association works to advance policies that foster innovation, promote economic growth, and empower people through the free and open internet. Access to capital funding is critical to internet companies as they scale innovative business models that now account for six percent, or nearly \$1 billion, of our GDP. Empowering startups through efficient mechanisms for investors and innovators to access capital will ultimately grow our economy and help create the internet industry leaders of tomorrow. The internet industry is unique in the low barrier to entry for new ideas and increased competition. Legislation that promotes growth through internet platforms and for internet startups will benefit the economy at large.

The Supporting America's Inventors Act of 2016 and Fix Crowdfunding Act both take common sense steps to empower innovators through access to capital. The Supporting America's Inventors Act of 2016 raises the number of investors permitted in qualifying venture capital funds from 100 to 500 persons, eliminating an arbitrary cap and instead creating a more efficient environment for investors to grow startups. The Fix Crowdfunding Act would make necessary reforms to Title III of the JOBS Act allowing for more efficient and attractive investment crowdfunding, including raising the annual limit on issuers and clarifying certain definitions.

We commend Representative McHenry for his commitment to create a thriving startup ecosystem by enhancing the opportunity for investment in our innovation economy. We urge the Committee to support these bills.

Respectfully Submitted,

MICHAEL BECKERMAN,  
President & CEO.

TECHNET,  
Washington, DC, June 10, 2016.

Hon. PATRICK MCHENRY,  
House Majority Chief Deputy Whip,  
Washington, DC.

DEAR REPRESENTATIVE MCHENRY: TechNet, the national, bipartisan network of innovation economy CEOs and senior executives, is pleased to offer our support for your efforts to provide American innovators with the tools necessary to launch, fund, and scale their companies.

In particular, we are pleased to support the Supporting America's Innovators Act of 2016 (H.R. 4854) and the Fix Crowdfunding Act (H.R. 4855), both of which provide much needed reforms to the laws governing early stage financing of dynamic startups.

The Supporting America's Innovators Act will expand the pool of investors eligible to participate in venture capital funds, creating a more robust venture funding marketplace and increasing the amount of capital startups can potentially raise.

The Fix Crowdfunding Act contains a number of sensible and timely reforms to the recently finalized Title III crowdfunding rules of the JOBS Act. In particular, the legislation defines the requirements and authority by which intermediaries can disqualify issuers who make untrue statements or engage in fraud. The legislation also makes important reforms that will allow more companies to "test the waters" and solicit non-binding commitments from potential crowdfunding investors without filing with the Securities and Exchange Commission. Finally, the legislation creates a powerful incentive for more crowdfunding portals to enter the marketplace by providing a 5-year grace period for portals to make a good-faith effort to comply with all crowdfunding rules.

Taken together, these bills will expand access to early-stage funding, improving the process by which innovators scale their companies and create American jobs.

Thank you for your leadership on these important issues affecting the innovation economy. TechNet looks forward to working with you to advance this legislation.

Sincerely,

LINDA MOORE,  
President and CEO.

ANGEL CAPITAL ASSOCIATION,  
Overland Park, KS, March 7, 2017.

Hon. JEB HENSARLING,  
Chairman, Committee on Financial Services,  
Washington, DC.

DEAR CHAIRMAN HENSARLING: On behalf of the 13,000 members of the Angel Capital Association representing accredited individual angel investors, accredited on-line platforms and family offices, we write in support of H.R. 1219, Supporting America's Innovators Act of 2017 sponsored by Reps. Patrick T. McHenry (R-NC) and Nydia M. Velázquez (D-NY).

Angel investors are directly engaged in supporting American startup companies and providing much needed early stage capital and mentoring to emerging businesses and entrepreneurs. Angel investors invest their capital in new ways, with many now choosing to pool their money in an angel fund or syndicate on an online investing platform for accredited investors. Two of the most well-known are the Golden Seeds fund which invests nationally in women-led companies and AngelList, which supports numerous investor syndicates on its platform. Changes created in the JOBS Act have allowed angel funds and online platforms of accredited investors to catalyze investors across the country to support startups. Platforms such as AngelList, FundersClub and CircleUp have opened opportunities for entrepreneurs to reach more investors and have expanded the capital opportunities for startups.

The ability of these venture funds has been limited by out-of-date regulations which have restricted these funds to no more than 99 investors. This 99-investor cap is in reality more like 90 investors because fund managers need to take into effect potential splitting of assets in divorce, death or other unforeseen circumstances.

H.R. 1219 will allow up to 250 accredited investors—investors with at least \$200,000 in minimum income (or \$300,000 for a couple or \$1,000,000 in net worth, not including their residence—to invest in an angel fund or syndicate with a maximum of \$10 million in assets. This change in legislation will allow more investors to invest in these venture funds, creating more capital opportunities for American entrepreneurs and more American jobs.

The Angel Capital Association worked closely with the Investment Company Institute and other stakeholders to craft what has become bi-partisan legislation by Representatives McHenry and Velázquez. We

urge the Members of the Committee to support this legislation and seek quick consideration by the broader House of Representatives.

Sincerely,

MARIANNE HUDSON,  
*Executive Director.*

ANGELLIST,  
*San Francisco, CA, June 9, 2016.*

Hon. JEB HENSARLING,  
*Chairman, Committee on Financial Services,  
House of Representatives, Washington, DC.*

Hon. MAXINE WATERS,  
*Ranking Member, Committee on Financial Services,  
House of Representatives, Washington, DC.*

DEAR CHAIRMAN HENSARLING AND RANKING MEMBER WATERS: Thank you for your recent hearings on "The JOBS Act at Four: Examining Its Impact and Proposals to Further Enhance Capital Formation." I was honored to testify on the positive impacts the JOBS Act has had on startup capital formation and the potential improvements to the JOBS Act.

AngelList helps early stage companies raise financing based on the statutes laid out in the JOBS Act and subsequent SEC no-action letters. To date, we have helped over a quarter billion dollars from accredited investors reach almost one thousand companies using the online portal provisions to make such financings much more efficient.

We have learned a great deal about the early stage capital markets and how they function online. From that perspective, we believe that several of the bills under consideration would improve startup financing.

H.R. 4854, the "Supporting America's Innovators Act of 2016", lifts the investor limit on LLCs created to finance companies. One very good outcome of the move online has been that more investors can invest smaller amounts. This allows diversification for investors and more access to capital for companies. However, smaller investors often band together in a formal vehicle (usually a limited liability company or LLC). This means the company deals with a single investor (the LLC) and the investors can rely on a trusted lead to review the documents and make decisions on behalf of the investors. The JOBS Act lifted the shareholder limit to 2,000, but left in place the 99 limit on organized investors that the LLC is subject to. This act lifts that limit to 499 to allow more investors in and more capital be raised by the companies.

As an online platform, most of our investors expect our investments to be structured that way, and many angel groups also form them to invest in startups. We believe this law allows more sophisticated accredited investor activity.

H.R. 4855, the "Fix Crowdfunding Act", takes into account much of what has been learned in the accredited investor space in the last 3 years and applies it to the recently released crowdfunding regulations. There are three areas in particular this bill addresses that we believe are important. First, it fixes the so-called "12g" problem by which crowdfunding companies are subject to public reporting requirements at a very low asset threshold. That issue makes it difficult for crowdfunding companies to raise subsequent financing rounds and would dissuade many high growth companies from using the provision. Fixing that problem makes it more likely that high growth companies will consider crowdfunding as an option. Second, the act allows special purpose vehicles (like those LLCs referred to above in the paragraph on H.R. 4854) to be used for crowdfunding offerings. These benefit both investors and the companies. Finally, we believe the "test the waters" provision is crit-

ical. Most companies do not know whether they will be attractive to investors beforehand; imposing high costs prior to finding that out serves as a deterrent without any offsetting investor protection benefit. The "test the waters" provision will allow a crowdfunded company to incur the legal costs only after it knows that it is likely to raise (but still prior to accepting any investor funds).

Finally, we feel that H.R. 4852, the "Private Placement Improvement Act of 2016" addresses several issues that affect the startup community. It clarifies that the JOBS Act was intended to remove burdensome filing requirements that would be difficult for early stage startups without full-time lawyers to help. We at AngelList believe transparency has a very positive effect on markets. We have made several suggestions in a letter to the SEC (<https://www.sec.gov/comments/s7-06-13/s70613-37.pdf>) as to how this can be achieved without significant burden through use of modern technology. We believe this act would provide good guidelines to the SEC about the intent of the JOBS Act in ways that would encourage that avenue to transparency rather than additional burden that we do not believe helps investors.

We look forward to engaging where we can to help further both investor protections and capital formation.

Thank You,

KEVIN LAWS,  
*Chief Investments Officer.*

Ms. MAXINE WATERS of California.  
Mr. Speaker, I reserve the balance of my time.

Mr. HUIZENGA. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Arkansas (Mr. HILL).

Mr. HILL. Mr. Speaker, I rise in strong support today of H.R. 1219, the Supporting America's Innovators Act, introduced by the gentleman from North Carolina (Mr. MCHENRY), the chief deputy whip. I am proud to have his leadership in promoting capital formation in our country.

Yesterday, as he has noted, marks the fifth anniversary of the JOBS Act, which has had a positive impact on easing capital formation woes for small businesses and startups.

I am proud to represent and have the opportunity to work every day with The Venture Center in Little Rock and its FinTech Accelerator program, and the innovation hub in North Little Rock and its medical technology innovation hub. These high-tech innovations, combined with angel funds, give good-paying job opportunities to people out in the heartland and not just on the East and West Coasts.

But in order for these innovative startups to grow, they have got to have access to greater sources of angel capital, and raising capital in rural America is a challenge.

Having helped design and offer private placements for emerging companies during my whole career, and participating in angel funds in 2 decades prior to coming to Congress, I know firsthand the importance of having a multitude of options for our small businesses to raise capital, no matter what their stage of formation.

This bill builds on the success of the JOBS Act by providing an update to a limit set in 1940, Mr. Speaker, limiting

the number of accredited investors that can participate in a qualified venture fund. I am glad we are rushing to a change since 1940. And this simple change from 100 to 250 really allows more angel investors to participate in funds of this nature across the country and gives particular advantage off the East and West Coasts.

I thank the chairman for the time and my good friend from North Carolina for his leadership. I urge my colleagues on both sides of the aisle to support this worthy measure.

Ms. MAXINE WATERS of California.  
Madam Speaker, I continue to reserve the balance of my time.

Mr. HUIZENGA. Madam Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. EMMER).

Mr. EMMER. Madam Speaker, I rise today in support of the Supporting America's Innovators Act of 2017.

Far too often, during my travels throughout Minnesota's Sixth District, I hear frustrations from small-business owners and entrepreneurs about the difficulties they face gaining access to working capital.

With Dodd-Frank's one-size-fits-all regulation being imposed on the banks and credit unions that drive America, our Nation's job creators struggle to grow existing businesses and to even start new ones.

Today's small business is tomorrow's big business, and if our entrepreneurs and job creators are to succeed, we must remove the roadblocks currently standing in their way.

Companies that started in a garage are now Fortune 500 companies and global giants that provide goods and services across the globe. These include many brands and companies we all use each and every day such as Apple, Amazon, Microsoft, and even Minnesota's own, Medtronic. They all started with a dream, a lot of hope, and necessary access to tools, resources, and, most importantly, working capital.

Not only does the limited access to working capital affect our State and local economies, it impacts opportunities and jobs for hardworking Americans. Small businesses are responsible for nearly 70 percent of new jobs in this country. This legislation will help put Americans to work.

The Supporting America's Innovators Act updates current law to increase the number of individuals who are able to invest in and support startups and small businesses across the country. This bill will help jump-start capital formation for local businesses and entrepreneurs, enabling Main Street America to not just survive but to, once again, thrive.

I want to thank Congressman MCHENRY for introducing this bill that received, again, near unanimous support in the committee, and I encourage all my colleagues on both sides of the aisle to support this important legislation.

Ms. MAXINE WATERS of California.  
Madam Speaker, I continue to reserve the balance of my time.



Mr. HUIZENGA. Madam Speaker, may I inquire as to the balance of time each side has left?

The SPEAKER pro tempore (Ms. FOXX). The gentleman from Michigan has 14 minutes remaining. The gentleman from California has 15 minutes remaining.

Mr. HUIZENGA. Madam Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. DAVIDSON).

Mr. DAVIDSON. Madam Speaker, I thank Chairman HUIZENGA for the work on this with PATRICK MCHENRY and the folks on the other side of the aisle. It is nice to come here and see something that is truly collaborative and underway that helps businesses.

Prior to coming to Congress last year, I spent the past 16 years growing manufacturing companies in Ohio, so I know firsthand how difficult it is to acquire capital to start and operate and grow small businesses. Businesses that overcome the challenges are faced with numerous regulatory roadblocks that further hinder their growth. Many of those have come at the hands of regulatory frame works like Dodd-Frank.

But this bipartisan measure that we are talking about today has the opportunity to help the challenges with capital acquisition that government has created and continues to create. Currently, the Investment Company Act of 1940 requires any qualified venture fund over 100 to register with the Securities and Exchange Commission.

The real burden of these regulations hits small companies in middle America like Ohio's Eighth District where, unlike major cities, particularly on the coast, we do not have as many options for raising capital.

Not every company seeks to become the next billion-dollar blockbuster, but some of them do. All these companies offer great jobs and give many people the dignity of work, but they can also provide great returns. So we are crowding out investment opportunities, and we are crowding out job opportunities.

This is why I am pleased to support H.R. 1219, the Supporting America's Innovators Act of 2017, which simply increases the cap to allow up to 250 investors to be exempt from registration for qualified venture capital funds, allowing America's small businesses the flexibility to operate and grow their companies, hire employees, and innovate.

Last year, this Congress passed legislation similar to H.R. 1219 on a bipartisan vote of 388-9. I urge my colleagues to vote "yes" on H.R. 1219 and, perhaps, increase its margin of victory.

Ms. MAXINE WATERS of California. Madam Speaker, I continue to reserve the balance of my time.

Mr. HUIZENGA. Madam Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HOLLINGSWORTH), a new member of our Financial Services Committee.

Mr. HOLLINGSWORTH. Madam Speaker, I also rise in support of H.R. 1219. I absolutely believe that the time

has come for us to modernize how capital gets to our small businesses.

Prior to Congress, I have a history in business, so I fundamentally understand that having a better mousetrap is not enough. Small businesses need capital, need access to more capital in order to grow and get their innovations out to market. They also need access to these sophisticated, accredited investors so that they can get the advice that they need in order to get those better mousetraps out to the people who need them, want to buy them, and want to use them to better their lives.

Fundamentally, everybody can agree that we want Americans to have more economic opportunity, and many Americans find that economic opportunity by starting small businesses or by being a part of small businesses, by investing in small businesses, by working for and with small businesses.

Whether it is a startup in New Albany, Indiana, or a small company growing in Franklin, Indiana, these businesses need access to capital to realize the dreams of their founders, the dreams of their investors, and the dreams of their employees.

Quite simply, H.R. 1219 provides them with the access to more accredited investors, enabling them and empowering them to bring their innovations to market. I am excited to be a cosponsor of this important legislation, and I thank all of my colleagues in the Financial Services Committee, as well as, hopefully, on the floor later today, for their support of this important legislation.

Ms. MAXINE WATERS of California. Madam Speaker, I continue to reserve the balance of my time.

Mr. HUIZENGA. Madam Speaker, I yield as much time as he may consume to the gentleman from Texas (Mr. HENSARLING), chairman of the Financial Services Committee.

Mr. HENSARLING. Madam Speaker, first, I want to thank the gentleman from Michigan, not only for yielding but, more importantly, for his leadership in helping improve our capital markets and our economy here.

I want to thank all of the Republican and Democrat cosponsors of H.R. 1219, particularly our vice chairman of the full committee Mr. MCHENRY of North Carolina, for his leadership and also Ms. VELÁZQUEZ on the other side of the aisle for her leadership on this issue as well. Both of these colleagues are senior members of the committee which I have the honor of chairing.

Madam Speaker, we know that while optimism and confidence in our economy are up considerably over the last few months, our Nation still has a way to go to experience the robust economic growth the American people have experienced in the past of which they also deserve.

One obvious reason that the economy continues to limp along is bureaucratic burdens imposed by Washington's top-down regulations on America's small businesses on Main Street.

I got a message from a gentleman by the name of Larry, a small-business owner in Mabank, Texas, who I have the privilege of representing here in Congress, and he summed it up fairly well. He said: "So many businesses have to deal with regulations and taxes that didn't exist a few years ago. It is especially hard on smaller businesses. While large companies have their own staff of attorneys and the capital to comply with regulations, small businesses don't."

So, Madam Speaker, as my colleagues on the Financial Services Committee know all too well, because we have had countless witnesses before our committee to attest to such, Washington has inflicted upon Main Street America a complex set of burdensome and expensive and confusing regulations.

□ 1000

Many were written, again, with the largest public companies in mind, but they burden small companies and hurt their ability to access capital. That is exactly what Larry of Mabank, Texas, has told me, and I believe it.

So, clearly, Congress should work, preferably on a bipartisan basis, to level the playing field while maintaining fair and efficient capital markets, protecting investors, and allowing small companies the chance to succeed.

We can make progress on these goals today by advancing this bipartisan bill, the Supporting America's Innovators Act. This bill was approved by the Financial Services Committee with the overwhelming support of Republicans and Democrats. The vote in committee was 54-2. In addition, a similar bill passed the House last year overwhelmingly on a bipartisan basis.

Madam Speaker, these vote totals demonstrate that just about everyone—Republican and Democrat—agrees that this commonsense legislation will indeed help grow our economy.

H.R. 1219 specifically increases the limits on the number of individuals from 100 to 250 who invest in certain venture capital funds before those funds are forced to register with the SEC as "investment companies." This change would permit angel and venture funds to better help accredited investors invest in small-business startups. These early stage investors play a vital role in helping many small businesses get their start. In 2015, angel investors deployed nearly \$25 billion to 71,000 different startups across our Nation. In the first quarter of 2017, venture capital invested more than \$16 billion in almost 1,800 startups.

If anyone here, for some reason, doubts the impact these investors can have on our Nation's economic growth, let me remind them that companies such as Amazon, Costco, Google, Facebook, and Starbucks were all first funded by angel investors. Let's also remember, Madam Speaker, that almost half of the people who work in this country own or work for small

businesses. They create nearly historically two-thirds of the new jobs in America. So clearly our economy works better for working Americans when small businesses thrive and have access to capital and credit they need to innovate, expand, and create jobs.

The Supporting America's Innovators Act modernizes a regulation to enhance the ability for startups and small businesses to receive critical funding and capital from the private markets and, in particular, angel investors and venture capital. Undoubtedly it will help today's small-business startups become the next great American entrepreneurial success story and, in doing so, help invigorate economic growth and help create more American jobs.

I urge the adoption of H.R. 1219.

Ms. MAXINE WATERS of California. Madam Speaker, I have no further requests for time, and I yield myself the balance of my time.

Madam Speaker, I am pleased that, for the first time this Congress, committee Republicans have brought to the House floor a bill that has broad bipartisan support. Oftentimes, the opposite side of the aisle on our committee take a partisan approach to legislation and sometimes do not express a lot of interest in the views of the opposite side of the aisle or the millions of Americans whom they represent. However, in contrast, this bill before us today is the product of thoughtful, bipartisan compromise and will help startup companies and their investors equally. Madam Speaker, this is how laws should be made.

Indeed, last Congress, Mr. MCHENRY and I worked together to promote liquidity in the secondary market for startup company stock by creating a clearer path for startup investors to resell their stock. The result of our bipartisan efforts was the Reforming Access for Investments in Startup Enterprises Act, which became law in 2015, along with seven other bipartisan, financial services bills included in the Fixing America's Surface Transportation Act.

Going forward, I hope that my friends on the opposite side of the aisle will remember what we can achieve when we work together. So, again, I thank both Mr. MCHENRY for reaching across the aisle and Ms. VELÁZQUEZ for working with me on H.R. 1219, the Supporting America's Innovators Act of 2017. I urge all of my colleagues to join me and vote "yes."

Madam Speaker, I yield back the balance of my time.

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

Madam Speaker, as I close on this very important bill that we have been talking about, H.R. 1219, I just want to say congratulations to our sponsors, Congressman MCHENRY and Congresswoman VELÁZQUEZ, for their leadership on this, as well as my Capital Markets, Securities, and Investments Sub-

committee ranking member, Representative MALONEY, for working together to advance this commonsense bill.

As was pointed out by both the chairman and the ranking member, there is strong bipartisan consensus that this bill is a winner for the American people. Some people today, as they tee off the Masters, we might say it is a 6-inch putt for the American people knowing that this is good for them and good for the economy.

I want to encourage all of my colleagues on both sides of the aisle to support this bill, H.R. 1219.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 242, the previous question is ordered on the bill.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

Mr. HUIZENGA. Madam 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, this 15-minute vote on passage of the bill will be followed by a 5-minute vote on agreeing to the Speaker's approval of the Journal, if ordered.

The vote was taken by electronic device, and there were—yeas 417, nays 3, not voting 9, as follows:

(Roll No. 221)

YEAS—417

Abraham	Brown (MD)	Cook	Ellison	LaMalfa	Renacci
Adams	Brownley (CA)	Cooper	Emmer	Lamborn	Rice (NY)
Aderholt	Buchanan	Correa	Engel	Lance	Rice (SC)
Aguilar	Buck	Costa	Eshoo	Langevin	Richmond
Allen	Buchson	Costello (PA)	Espallat	Larsen (WA)	Roby
Amodei	Budd	Courtney	Esty	Larson (CT)	Roe (TN)
Arrington	Burgess	Cramer	Farenthold	Latta	Rogers (AL)
Babin	Bustos	Crawford	Faso	Lawrence	Rogers (KY)
Bacon	Butterfield	Crist	Ferguson	Lawson (FL)	Rohrabacher
Banks (IN)	Byrne	Crowley	Fitzpatrick	Lee	Rokita
Barletta	Calvert	Cuellar	Fleischmann	Levin	Rooney, Francis
Barr	Carbajal	Culberson	Flores	Lewis (GA)	Rooney, Thomas
Barragán	Cárdenas	Cummings	Fortenberry	Lewis (MN)	J.
Barton	Carson (IN)	Curbelo (FL)	Foster	Lieu, Ted	Ros-Lehtinen
Bass	Carter (GA)	Davidson	Fox	Lipinski	Rosen
Beatty	Carter (TX)	Davis (CA)	Frankel (FL)	LoBiondo	Roskam
Bera	Cartwright	Davis, Rodney	Franks (AZ)	Loeb	Ross
Bergman	Castor (FL)	DeFazio	Frelinghuysen	Lofgren	Rothfus
Beyer	Castro (TX)	DeGette	Fudge	Long	Rouzer
Biggs	Chabot	Delaney	Gabbard	Loudermilk	Roybal-Allard
Blirakis	Chaffetz	DeLauro	Gaetz	Love	Royce (CA)
Bishop (GA)	Cheney	DelBene	Gallagher	Lowenthal	Ruiz
Bishop (MI)	Chu, Judy	Demings	Gallego	Lowey	Ruppersberger
Bishop (UT)	Cicilline	Denham	Garamendi	Lucas	Rush
Black	Clark (MA)	Dent	Garrett	Luetkemeyer	Russell
Blackburn	Clarke (NY)	DeSantis	Gibbs	Lujan Grisham,	Rutherford
Blum	Clay	DeSaulnier	Gohmert	M.	Ryan (OH)
Blumenauer	Clyburn	DesJarlais	Gonzalez (TX)	Luján, Ben Ray	Sánchez
Blunt Rochester	Coffman	Deutch	Goodlatte	MacArthur	Sanford
Bonamici	Cohen	Diaz-Balart	Gosar	Maloney, Sean	Sarbanes
Bost	Cole	Dingell	Gottheimer	Carolyn B.	Scalise
Boyle, Brendan	Collins (GA)	Doggett	Gowdy	Maloney, Sean	Schakowsky
F.	Collins (NY)	Donovan	Granger	Marchant	Schiff
Brady (PA)	Comstock	Doyle, Michael	Graves (GA)	Marino	Schneider
Brady (TX)	Conaway	F.	Graves (LA)	Marshall	Schrader
Brat	Connolly	Duffy	Graves (MO)	Massie	Schweikert
Brooks (AL)	Conyers	Duncan (SC)	Green, Al	Mast	Scott (VA)
Brooks (IN)		Dunn	Green, Gene	Matsui	Scott, Austin
			Griffith	McCarthy	Scott, David
			Grijalva	McCaul	Sensenbrenner
			Grothman	McClintock	Serrano
			Guthrie	McCollum	Sessions
			Gutiérrez	McGovern	Sewell (AL)
			Hanabusa	McHenry	Shea-Porter
			Harper	McKinley	Sherman
			Harris	McMorris	Shimkus
			Hartzler	Rodgers	Shuster
			Hastings	McNerney	Simpson
			Heck	McSally	Sinema
			Hensarling	Meadows	Sires
			Herrera Beutler	Meehan	Smith (MO)
			Hice, Jody B.	Meeks	Smith (NE)
			Higgins (LA)	Meng	Smith (NJ)
			Higgins (NY)	Messer	Smith (TX)
			Hill	Mitchell	Smith (WA)
			Himes	Mooney, Jr.	Smucker
			Holding	Mooney (WV)	Soto
			Hollingsworth	Moore	Speier
			Hoyer	Moulton	Stefanik
			Hudson	Mullin	Stewart
			Huffman	Murphy (FL)	Stivers
			Huizenga	Murphy (PA)	Suozy
			Hultgren	Nadler	Swalwell (CA)
			Hunter	Napolitano	Takano
			Hurd	Neal	Taylor
			Issa	Newhouse	Tenney
			Jackson Lee	Noem	Thompson (CA)
			Jayapal	Nolan	Thompson (MS)
			Jeffries	Norcross	Thompson (PA)
			Jenkins (KS)	Nunes	Thornberry
			Jenkins (WV)	O'Halleran	Tiberi
			Johnson (GA)	O'Rourke	Tipton
			Johnson (LA)	Olson	Titus
			Johnson (OH)	Palazzo	Tonko
			Johnson, E. B.	Pallone	Torres
			Johnson, Sam	Palmer	Trott
			Jones	Panetta	Turner
			Jordan	Pascrell	Upton
			Joyce (OH)	Paulsen	Valadao
			Kaptur	Payne	Vargas
			Katko	Pearce	Veasey
			Keating	Pelosi	Vela
			Kelly (IL)	Perlmutter	Velázquez
			Kelly (MS)	Perry	Visclosky
			Kelly (PA)	Peters	Wagner
			Kennedy	Peterson	Walberg
			Khanna	Pingree	Walden
			Kihuen	Pittenger	Walker
			Kildee	Pocan	Walorski
			Kilmer	Poe (TX)	Walters, Mimi
			Kind	Poliquin	Walz
			King (IA)	Polis	Wasserman
			Kinziger	Posey	Schultz
			Knight	Price (NC)	Waters, Maxine
			Krishnamoorthi	Quigley	Watson Coleman
			Kuster (NH)	Raskin	Weber (TX)
			Kustoff (TN)	Ratcliffe	Webster (FL)
			Labrador	Reed	Welch
			LaHood	Reichert	Wenstrup



Westerman	Womack	Young (AK)
Williams	Woodall	Young (IA)
Wilson (FL)	Yarmuth	Zeldin
Wilson (SC)	Yoder	
Wittman	Yoho	

## NAYS—3

Amash	Capuano	Lynch
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## NOT VOTING—9

Bridenstine	Duncan (TN)	McEachin
Cleaver	Evans	Slaughter
Davis, Danny	King (NY)	Tsongas

□ 1031

Mr. CAPUANO changed his vote from "yea" to "nay."

Mses. SANCHEZ and SCHAKOWSKY changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## PERSONAL EXPLANATION

Ms. SLAUGHTER. Madam Speaker, I was unavoidably detained and missed rollcall vote Nos. 217, 218, 219, 220, 221, and 222. Had I been present, I would have voted "aye" on votes 220 and 221. I would have voted "nay" on votes 217, 218, 219, and 222.

## THE JOURNAL

The SPEAKER pro tempore. The unfinished business is the question on agreeing to the Speaker's approval of the Journal, which the Chair will put de novo.

The question is on the Speaker's approval of the Journal.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Mariel Ridgway, one of his secretaries.

## REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H. RES. 246

Mr. CONYERS. Madam Speaker, I ask unanimous consent that the gentleman from Connecticut (Mr. COURTNEY) be removed as a cosponsor from H. Res. 246.

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

There was no objection.

## PROVIDING FOR THE REAPPOINTMENT OF A CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. HARPER. Madam Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the joint resolution (S.J. Res. 30) providing for the reappointment of Steve Case as a citizen regent of the Board of Regents of the Smithsonian Institution, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

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

There was no objection.

The text of the joint resolution is as follows:

## S.J. RES. 30

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 5581 of the Revised Statutes (20 U.S.C. 43), the vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, occurring by reason of the expiration of the term of Steve Case of Virginia on April 25, 2017, is filled by the reappointment of the incumbent. The reappointment is for a term of 6 years, beginning on the later of April 26, 2017, or the date of the enactment of this joint resolution.*

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## PROVIDING FOR THE APPOINTMENT OF A CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. HARPER. Madam Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the joint resolution (S.J. Res. 35) providing for the appointment of Michael Govan as a citizen regent of the Board of Regents of the Smithsonian Institution, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

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

There was no objection.

The text of the joint resolution is as follows:

## S.J. RES. 35

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 5581 of the Revised Statutes (20 U.S.C. 43), the vacancy of the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, occurring by reason of the expiration of the term of Dr. Shirley Ann Jackson of New York on May 5, 2017, is filled by the appointment of Michael Govan of California. The appointment is for a term of 6 years, beginning on May 6, 2017, or the date of the enactment of this joint resolution, whichever occurs later.*

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## PROVIDING FOR THE APPOINTMENT OF A CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. HARPER. Madam Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of

the joint resolution (S.J. Res. 36) providing for the appointment of Roger W. Ferguson as a citizen regent of the Board of Regents of the Smithsonian Institution, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

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

There was no objection.

The text of the joint resolution is as follows:

## S.J. RES. 36

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 5581 of the Revised Statutes (20 U.S.C. 43), the vacancy of the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, occurring by reason of the expiration of the term of Robert P. Kogod of the District of Columbia on May 5, 2017, is filled by the appointment of Roger W. Ferguson of the District of Columbia. The appointment is for a term of 6 years, beginning on May 6, 2017, or the date of the enactment of this joint resolution, whichever occurs later.*

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## PRIVILEGED REPORT ON RESOLUTION OF INQUIRY TO THE PRESIDENT

Mr. GOODLATTE, from the Committee on the Judiciary, submitted an adverse privileged report (Rept. No. 115-83) on the resolution (H. Res. 203) of inquiry requesting the President, and directing the Attorney General, to transmit, respectively, certain documents to the House of Representatives relating to certain communications by the President of the United States, which was referred to the House Calendar and ordered to be printed.

## CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO SOMALIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 115-28)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

*To the Congress of the United States:*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, within 90 days prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent to the *Federal Register* for publication the