

leadership on the Committee on the Judiciary, fighting for criminal justice reforms as well as diversion programs.

Lastly, I thank all the organizations, both veterans service organizations and criminal justice professionals, that have helped build support for this over the past 2 years and that have worked tirelessly in our districts to make veterans treatment courts so successful.

This includes the National Military and Veterans Alliance, the National Veterans Court Alliance, and the National District Attorneys Association, all of which have endorsed the legislation, along with 19 veteran groups total.

When a veteran suffering because of their service makes a mistake, we have a duty as a country to do all we can to give them the very best possible outcome. We have a duty to fight for those who fought for our freedoms.

Mr. Speaker, I ask my colleagues to support this legislation.

Mr. COLLINS of Georgia. Mr. Speaker, if the gentlewoman has no more speakers, I am prepared to close.

Mr. Speaker, this is a good bill. I appreciate everybody and all the hard work that has gone into it.

When we take time to come together and lock arms to do these kinds of bills, these are things that actually move the needle for people back home, the reason we are here. This is very easy to support. This should be a simple voice vote. Get it done, and get this done.

Mr. Speaker, I appreciate the gentlewoman from California, and I yield back the balance of my time.

Ms. BASS. Mr. Speaker, I thank the ranking member for his brevity.

Mr. Speaker, this bill would help provide support to more than 1 million veterans diagnosed with service-connected disabilities, as well as the thousands who are undiagnosed who have been and will be exposed to the criminal justice system.

Supporting rehabilitative veterans courts programs is the least we can do to acknowledge their sacrifice and treat our veterans involved with the criminal justice system with compassion and care.

Mr. Speaker, for these reasons, I urge my colleagues to join me in supporting this bill, and I yield back the balance of my time.

Miss GONZÁLEZ-COLÓN of Puerto Rico. Mr. Speaker, today I rise in strong support of H.R. 886, the Veteran Treatment Court Coordination Act of 2019.

Our men and women in uniform often struggle with physical and mental remnants of their time in service. According to the VA, over 1.7 million veterans received treatment through a VA mental health specialty program in 2018.

Additionally, close to 20 percent of service members returning from Iraq or Afghanistan experience depression or have a Post-Traumatic Stress Disorder diagnosis.

Mr. Speaker, we want our veterans to thrive. They listened to their Nation's call and served when needed. It is now our responsibility to address every single issue that stops them

from living a full life and continue to contribute to their country as a civilian.

Veterans' Treatment Courts are a valuable tool that assists veterans facing non-violent criminal charges resulting from mental illness, substance abuse or other adverse behavior.

They provide alternatives at the state and county level that focus on rehabilitation and reintegration in part by facilitating programs that provide support and resources to veterans.

H.R. 886 directs the Department of Justice to establish a Veterans Treatment Court Program that provides grants and technical assistance for local governments to develop and maintain veteran treatment courts.

State circuits that have either adopted a Veterans Treatment Court or have filed a notice of intent to establish a Veterans Treatment Court would be eligible.

I am a proud cosponsor of this bill. I genuinely believe veterans are an asset to our communities and as such should be given all available help and assistance.

I thank my colleague, Mr. CRIST from Florida for his leadership on this issue and encourage my colleagues to vote in favor.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. BASS) that the House suspend the rules and pass the bill, H.R. 886, as amended.

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

A motion to reconsider was laid on the table.

□ 1630

PREVENTING ONLINE SALES OF E-CIGARETTES TO CHILDREN ACT

Ms. BASS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3942) to apply requirements relating to delivery sales of cigarettes to delivery sales of electronic nicotine delivery systems, and for other purposes, as amended.

The Clerk read the title of the bill. The text of the bill is as follows:

H.R. 3942

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 "Preventing Online Sales of E-Cigarettes to Children Act".

SEC. 2. AMENDMENTS TO THE JENKINS ACT.

(a) IN GENERAL.—The Act entitled "An Act to assist States in collecting sales and use taxes on cigarettes", approved October 19, 1949 (commonly known as the "Jenkins Act") (15 U.S.C. 375 et seq.), is amended—

(1) in section 1 (15 U.S.C. 375)—

(A) in paragraph (2)(A)(ii)—

(i) by striking "includes roll-your-own tobacco" and inserting the following: "includes—

"(I) roll-your-own tobacco";

(ii) in subclause (I), as so designated, by striking the period at the end and inserting ";" and ";" and

(iii) by adding at the end the following:

"(II) an electronic nicotine delivery system";

(B) by redesignating paragraphs (7) through (14) as paragraphs (8) through (15), respectively; and

(C) by inserting after paragraph (6) the following:

"(7) ELECTRONIC NICOTINE DELIVERY SYSTEM.—The term 'electronic nicotine delivery system'—

"(A) means any electronic device that, through an aerosolized solution, delivers nicotine, flavor, or any other substance to the user inhaling from the device;

"(B) includes—

"(i) an e-cigarette;

"(ii) an e-hookah;

"(iii) an e-cigar;

"(iv) a vape pen;

"(v) an advanced refillable personal vaporizer;

"(vi) an electronic pipe; and

"(vii) any component, liquid, part, or accessory of a device described in subparagraph (A), without regard to whether the component, liquid, part, or accessory is sold separately from the device; and

"(C) does not include a product that is—

"(i) approved by the Food and Drug Administration for—

"(I) sale as a tobacco cessation product; or

"(II) any other therapeutic purpose; and

"(ii) marketed and sold solely for a purpose described in clause (i)."; and

(2) in section 2A(b)(1) (15 U.S.C. 376a(b)(1)), by inserting "NICOTINE/" after "CIGARETTES/".

(b) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect on the date that is 90 days after the date of enactment of this Act.

SEC. 3. NONMAILABILITY OF ELECTRONIC NICOTINE DELIVERY SYSTEMS.

(a) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the United States Postal Service shall promulgate regulations to clarify the applicability of the prohibition on mailing of cigarettes under section 1716E of title 18, United States Code, to electronic nicotine delivery systems, in accordance with the amendment to the definition of "cigarette" made by section 2.

(b) EFFECTIVE DATE.—The prohibition on mailing of cigarettes under section 1716E of title 18, United States Code, shall apply to electronic nicotine delivery systems on and after the date on which the United States Postal Service promulgates regulations under subsection (a) of this section.

SEC. 4. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled "Budgetary Effects of PAYGO Legislation" for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Ms. BASS) and the gentleman from North Dakota (Mr. ARMSTRONG) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

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

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

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

Mr. Speaker, H.R. 3942, the Preventing Online Sales of E-Cigarettes to Children Act, is an important bill to protect our young people. I applaud the gentlewoman from Connecticut (Ms. DELAUR) for taking the lead on this issue and introducing this bipartisan legislation.

This bill addresses a very serious public health crisis in our country, one which is tragically affecting our children. Since last summer, a mysterious and severe pulmonary disease associated with the use of e-cigarettes and the practice of vaping has sickened over 1,000 mostly young and otherwise healthy people, 18 of whom have died.

Public health advocates place the blame for this crisis on the aggressive marketing of vaping products that appeal to kids, including e-liquids with fruit, bubble gum, or even cotton candy flavors in packaging that features superhero or cartoon characters. Advocates also cite the mushrooming popularity of USB flash drive-like e-cigarettes, which have a high nicotine content, appealing flavors, and can easily be concealed.

Evidence of the attractiveness of these products to young people is reflected in some staggering statistics. According to the 2018 National Youth Tobacco Survey, between 2017 and 2018 there was a 78 percent increase in e-cigarette use among high school students and a 48 percent increase among middle school students. H.R. 3942 will play an important role in addressing this crisis.

Congress regulates the sales of tobacco products via interstate shipment through the 1949 Jenkins Act. In 2010, Congress extended the Jenkins Act to regulate delivery sales of tobacco products over the internet through the Prevent All Cigarette Trafficking Act, or PACT Act.

Among other things, the PACT Act curbed internet sales of cigarettes to underage people by encouraging and requiring that delivery agents check identification in person when the product is delivered.

H.R. 3942 amends current law to curb online sales of e-cigarettes to minors. It amends the definition of "cigarette" to extend to any electronic nicotine delivery system, which includes e-cigarettes, vape pens, and other electronic devices.

A violation of the provisions of the Jenkins Act is a Federal felony, punishable by up to 3 years in prison. Amending current law to extend these protections to e-cigarettes is the right thing to do.

Mr. Speaker, I urge my colleagues to join me in supporting this important bill, and I reserve the balance of my time.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND REFORM,
Washington, DC, October 28, 2019.

Hon. JERROLD NADLER,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you concerning H.R. 3942, the Preventing Online Sales of E-Cigarettes to Children Act. There are certain provisions in the legislation which fall within the Rule X jurisdiction of the Committee on Oversight and Reform.

In the interest of permitting your Committee to proceed expeditiously on this bill, I am willing to waive this Committee's right to sequential referral. I do so with the understanding that by waiving consideration of the bill, the Committee on Oversight and Reform does not waive any future jurisdictional claim over the subject matters contained in the bill which fall within its Rule X jurisdiction. I request that you urge the Speaker to name Members of this Committee to any conference committee which is named to consider such provisions.

Please place this letter into the Congressional Record during consideration of the measure on the House floor. Thank you for the cooperative spirit in which you have worked regarding this matter and others between our respective Committees.

Sincerely,
CAROLYN B. MALONEY,
Acting Chairwoman.

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

Mr. Speaker, I rise today in support of H.R. 3942, the Preventing Online Sales of E-Cigarettes to Children Act.

This bill can be summarized in this way: If minors can't buy e-cigarettes in a store, they shouldn't be able to buy e-cigarettes online.

Today, anyone who purchases alcohol or tobacco at a brick-and-mortar retail store is subject to age verification requirements. Online retailers of alcohol must also verify a purchaser's age to ensure the sales comply with State and Federal law. However, online retailers of e-cigarettes are exempted from verifying the age of their customers.

When the PACT Act was passed in 2010, it did a great job of curbing youth smoking. Unfortunately, e-cigarettes were not in existence yet.

This loophole exists at a time when youth vaping is at epidemic levels. Today, one in five high school students is using e-cigarettes. Kids can have e-cigarettes delivered right to their door without requiring an adult signature.

Teen vaping rates have doubled since 2017, and over 3 million minors used e-cigarettes last year. The lack of age verification requirements is hurting kids.

The Preventing Online Sales of E-Cigarettes to Children Act would require age verification upon delivery of online purchases of e-cigarettes and other vapor products. It closes the online delivery loophole and will prevent the underage purchase of e-cigarettes online.

This bill has a broad coalition of support.

I thank Representative ROSA DELAUR for her partnership on this legislation to protect the next generation, as well as House Judiciary Committee Ranking Member DOUG COLLINS.

This bill also has bipartisan support in the Senate, with Senators DIANNE FEINSTEIN, JOHN CORNYN, and CHRIS VAN HOLLEN all on board.

Patient advocacy organizations like the American Cancer Society Cancer Action Network and the American Lung Association also support this legislation.

Business and trade associations like the National Association of Convenience Stores, the Petroleum Marketer Association of America, and the Convenience Distribution Association all also support this bill.

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

Ms. BASS. Mr. Speaker, I notice that there are a number of young people who are in the gallery, so I am hoping that they pay close attention to this debate since it is all about you guys.

The SPEAKER pro tempore. The Chair would remind Members to avoid referencing occupants of the gallery.

Ms. BASS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Ms. MUCARSEL-POWELL).

Ms. MUCARSEL-POWELL. Mr. Speaker, today I rise in support of H.R. 3942, the Preventing Online Sales of E-Cigarettes to Children Act.

The spread of e-cigarettes is a public health crisis. I have had multiple conversations with parents who are seeing their children become addicted to tobacco products, and, as a mom, I refuse to stand idly by as a new generation of children become addicted to this substance.

We have seen multiple deaths from the use of vaping products and several hundred lung disease cases in Florida alone. Approximately 5,600 kids in Florida are becoming new daily smokers each year. This is affecting children regardless of ZIP Code or income level.

For years, e-cigarette companies have targeted our children using specialty flavors like cotton candy and made their products easy to purchase online without any age verification.

We have the responsibility to do everything we can to keep this addictive substance out of the hands of our kids, including requiring online and in-person verification for e-cigarette purchases.

The health of our Nation's children is at risk because of e-cigarettes and vaping products. The time to act is now.

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

Ms. BASS. Mr. Speaker, H.R. 3942 is an important measure to address a threat to the health of our children and young people.

For the reasons discussed here today, I urge my colleagues to join me in supporting this bipartisan legislation, and I reserve the balance of my time.

Mr. ARMSTRONG. Mr. Speaker, I have a 12-year-old daughter; I have a 9-year-old son. There are schools across the country that are removing doors on bathroom stalls and banning hoodies. Teen vaping and youth vaping is a real

issue. This bill is a small step forward to start canceling that.

At its simplest, this bill works to modernize Federal law to treat e-cigarettes the same as any other nicotine product, and that is a good thing.

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

Ms. BASS. Mr. Speaker, I urge my colleagues to join me in supporting this bipartisan legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. BASS) that the House suspend the rules and pass the bill, H.R. 3942, as amended.

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

A motion to reconsider was laid on the table.

CROWDFUNDING AMENDMENTS ACT

Mr. DAVID SCOTT of Georgia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4860) to amend the Securities Act of 1933 to subject crowdfunding vehicles to the jurisdiction of the Securities and Exchange Commission, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4860

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 “Crowdfunding Amendments Act”.

SEC. 2. CROWDFUNDING VEHICLES.

(a) AMENDMENTS TO THE SECURITIES ACT OF 1933.—The Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended—

(1) in section 2(a) (15 U.S.C. 77b(a)), by adding at the end the following:

“(20) The term ‘crowdfunding vehicle’ has the meaning given the term in section 3(c)(15)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(15)(B));”;

(2) in section 4(a)(6) (15 U.S.C. 77d(a)(6))—

(A) in subparagraph (A)—

(i) by inserting “, other than a crowdfunding vehicle,” after “sold to all investors”; and

(ii) by inserting “other than a crowdfunding vehicle,” after “the issuer”; and

(B) in subparagraph (B), in the matter preceding clause (i), by inserting “, other than a crowdfunding vehicle,” after “any investor”; and

(3) in section 4A(f) (15 U.S.C. 77d-1(f))—

(A) in the matter preceding paragraph (1), by striking “Section 4(6)” and inserting “Section 4(a)(6)”;

(B) in paragraph (3), by inserting “by any of paragraphs (1) through (14) of” before “section 3(c)”.

(b) AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940.—Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)) is amended by adding at the end the following:

“(15)(A) Any crowdfunding vehicle.

“(B) For purposes of this paragraph, the term ‘crowdfunding vehicle’ means a company—

“(i) the purpose of which (as set forth in the organizational documents of the company) is limited to acquiring, holding, and disposing of securities issued by a single company in one or more transactions made under section 4(a)(6) of the Securities Act of 1933 (15 U.S.C. 77d(a)(6));

“(ii) that issues only 1 class of securities;

“(iii) that receives no compensation in connection with the acquisition, holding, or disposition of securities described in clause (i);

“(iv) no investment adviser or associated person of which receives any compensation on the basis of a share of capital gains upon, or capital appreciation of, any portion of the funds of an investor of the company;

“(v) the securities of which have been issued in a transaction made under section 4(a)(6) of the Securities Act of 1933 (15 U.S.C. 77d(a)(6)), where both the crowdfunding vehicle and the company whose securities the crowdfunding vehicle holds are co-issuers;

“(vi) that is current with respect to ongoing reporting requirements under section 227.202 of title 17, Code of Federal Regulations, or any successor regulation;

“(vii) that holds securities of a company that is subject to ongoing reporting requirements under section 227.202 of title 17, Code of Federal Regulations, or any successor regulation;

“(viii) that is advised by an investment adviser that is—

“(I) registered under the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.); and

“(II) required to—

“(aa) disclose to the investors of the company any fees charged by the investment adviser; and

“(bb) obtain approval from a majority of the investors of the company with respect to any increase in the fees described in item (aa); and

“(ix) that meets such other requirements as the Commission may, by rule, determine necessary or appropriate in the public interest and for the protection of investors.”.

(c) AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940.—The Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.) is amended—

(1) in section 202(a) (15 U.S.C. 80b-2(a))—

(A) by redesignating the second paragraph

(29) as paragraph (31); and

(B) by adding at the end the following:

“(32) The term ‘crowdfunding vehicle’ has the meaning given the term in section 3(c)(15)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(15)(B)).

“(33)(A) The term ‘crowdfunding vehicle adviser’ means an investment adviser that acts as an investment adviser solely with respect to crowdfunding vehicles.

“(B) A determination, for the purposes of subparagraph (A), regarding whether an investment adviser acts as an investment adviser solely with respect to crowdfunding vehicles shall not include any consideration of the activity of any affiliate of the investment adviser.”;

(2) in section 203 (15 U.S.C. 80b-3), by adding at the end the following:

“(o) CROWDFUNDING VEHICLE ADVISERS.—

“(1) IN GENERAL.—A crowdfunding vehicle adviser shall be required to register under this section.

“(2) TAILORED REQUIREMENTS.—As necessary or appropriate in the public interest and for the protection of investors, and to promote efficiency, competition, and capital formation, the Commission shall tailor the requirements under section 275.206(4)-2 of title 17, Code of Federal Regulations, with respect to the application of those requirements to a crowdfunding vehicle adviser.”;

(3) in section 203A(a) (15 U.S.C. 80b-3a(a))—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “or” at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting “; or”; and

(iii) by adding at the end the following:

“(C) is a crowdfunding vehicle adviser.”;

and

(B) in paragraph (2)—

(i) in subparagraph (A), by inserting “a crowdfunding vehicle adviser,” after “unless the investment adviser is”; and

(ii) in subparagraph (B)(ii), in the matter preceding subclause (I), by inserting “except with respect to a crowdfunding vehicle adviser,” before “has assets”.

SEC. 3. CROWDFUNDING EXEMPTION FROM REGISTRATION.

Section 12(g)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(g)(6)) is amended—

(1) by striking “The Commission” and inserting the following:

“(A) IN GENERAL.—The Commission”;

(2) in subparagraph (A), as so designated, by striking “section 4(6)” and inserting “section 4(a)(6)”;

(3) by adding at the end the following:

“(B) TREATMENT OF SECURITIES ISSUED BY CERTAIN ISSUERS.—

“(i) IN GENERAL.—An exemption under subparagraph (A) shall be unconditional for securities offered by an issuer that had a public float of less than \$75,000,000, as of the last business day of the most recently completed semiannual period of the issuer, which shall be calculated in accordance with clause (ii).

“(ii) CALCULATION.—

“(I) IN GENERAL.—A public float described in clause (i) shall be calculated by multiplying the aggregate worldwide number of shares of the common equity securities of an issuer that are held by non-affiliates by the price at which those securities were last sold (or the average bid and asked prices of those securities) in the principal market for those securities.

“(II) CALCULATION OF ZERO.—If a public float calculation under subclause (I) with respect to an issuer is zero, an exemption under subparagraph (A) shall be unconditional for securities offered by the issuer if the issuer had annual revenues of less than \$50,000,000, as of the most recently completed fiscal year of the issuer.”.

SEC. 4. RULE OF CONSTRUCTION.

Nothing in this Act or the amendments made by this Act may be construed to allow an issuer or a crowdfunding vehicle to offer or sell securities in excess of the limitation described under section 4(a)(6) of the Securities Act of 1933 (15 U.S.C. 77d(a)(6)).

SEC. 5. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. DAVID SCOTT) and the gentleman from North Carolina (Mr. MCHENRY) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia.

GENERAL LEAVE

Mr. DAVID SCOTT of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative