

reconfirms Congress' mandate to the SEC that it must adjust the wealth and income thresholds to account for inflation. This is the right balance.

I look forward to passing this bill, and I look forward to our subcommittee and the full committee making other changes in the definition of "accredited investor."

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mrs. WAGNER. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. HILL), who is the chairman of the Financial Services Committee and the author of this bill.

Mr. HILL of Arkansas. Mr. Speaker, I certainly thank our distinguished chair of the subcommittee, Mrs. WAGNER of Missouri, for her daily leadership of our agenda to make America more competitive by having the most liquid, competitive capital markets in the world. These bills certainly take a step in that direction to support that goal. I thank my friend from California (Mr. SHERMAN) for his comments in support of the bill.

The gentleman is right, Mr. Speaker. I think we have all learned in our lives that intelligence and wealth aren't directly correlated. This is another example of that, where people are held back from their ability to use their expertise and their knowledge just because they don't have a specific net worth. That is what H.R. 3394, the Fair Investment Opportunities for Professional Experts Act seeks to clarify.

Many individuals, whether through work, education, or other experience, have the knowledge to make an informed investment decision, but they are excluded simply because of an income or net worth test.

Before I was in Congress, I helped investors and founders start new companies and raise funds through regulation D private placements.

I witnessed firsthand on an annual basis routinely how the current accredited investor definition impaired talented, knowledgeable innovators from fully participating up front in their business formation dream.

This bill, with my good friend from California, Representative VARGAS, would expand the definition of an "accredited investor" and allow Americans who can demonstrate education, professional experience, or other similar credentials the opportunity to invest in a private offer.

It passed out of our Financial Services Committee 45-1, Mr. Speaker, demonstrating clear, bipartisan support. I agree with my friend from California. This bill is a step in the right direction, offering more Americans a chance to participate in the American Dream, build capital, help start a business, and use their God-given talent, skills, ability, and professional expertise to help that company be successful.

Mr. Speaker, I urge a "yes" vote from all the Members on both sides of the aisle.

Mr. SHERMAN. Mr. Speaker, I have no speakers on my side, and I yield myself the balance of my time.

Mr. Speaker, I rise in support of Chairman HILL's bill, H.R. 3394. This bill will improve the definition of "accredited investor."

Mr. Speaker, I urge a "yes" vote, and I yield back the balance of my time.

Mrs. WAGNER. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. HARIDOPOLOS).

Mr. HARIDOPOLOS. Mr. Speaker, I will be brief with this explanation. I will first say that it is so nice to see our economy moving in the right direction. This bill will give more opportunities to Americans to invest with not as many regulations in their way. With these challenging times overseas, it is nice to see that we recognize that economic security equals national security, and by expanding the qualified investor rule, which will give exactly that: more opportunity to others.

This bill, led by our chairman, expands access to private capital markets with those who have proven expertise. The bill allows investors to qualify based on licenses, education, and job experience, not just net worth.

It truly modernizes our investor standards to reflect today's knowledge-based economy by widening their pool for investors who are qualified. It fuels private investment and business growth while at the same time keeping protections in place by the SEC and FINRA.

For these reasons, I support the good bill by our chairman.

Mrs. WAGNER. In closing, Mr. Speaker, the Fair Investment Opportunities for Professional Experts Act maintains investor protections while removing arbitrary barriers that have held back individual investors and early-stage entrepreneurs alike.

Mr. Speaker, I urge my colleagues to support H.R. 3394, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. WAGNER) that the House suspend the rules and pass the bill, H.R. 3394, as amended.

The question was taken.

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

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

The yeas and nays were ordered.

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

ENCOURAGING LOCAL EMERGING VENTURES AND ECONOMIC GROWTH ACT OF 2025

Mrs. WAGNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3301) to amend the Securities Exchange Act of 1934 to specify certain registration statement contents for

emerging growth companies, to permit issuers to file draft registration statements with the Securities and Exchange Commission for confidential review, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3301

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 "Encouraging Local Emerging Ventures and Economic Growth Act of 2025" or the "ELEVATE Act of 2025".

SEC. 2. REGISTRATION STATEMENTS.

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

(1) in paragraph (1)(K), by striking "years," and inserting "years (or, in the case of an emerging growth company, not more than the two preceding years)," ; and

(2) by adding at the end the following:

"Any issuer may confidentially submit to the Commission a draft registration statement for confidential nonpublic review by the staff of the Commission prior to public filing, provided that the initial confidential submission and all amendments thereto shall be publicly filed with the Commission not later than 10 days before listing on a national securities exchange. Notwithstanding any other provision of this title, the Commission shall not be compelled to disclose any information provided to or obtained by the Commission pursuant to this subsection. For purposes of section 552 of title 5, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552. Information described in or obtained pursuant to this subsection shall be deemed to constitute confidential information for purposes of section 24.".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Missouri (Mrs. WAGNER) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentlewoman from Missouri.

GENERAL LEAVE

Mrs. WAGNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on this bill.

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

There was no objection.

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

Mr. Speaker, I rise today in strong support of H.R. 3301, the ELEVATE Act, and thank Congressman NUNN for his leadership on this forward-looking and bipartisan bill.

One of the key successes of the JOBS Act of 2012 was the creation of emerging growth companies, or EGCs, small and midsize firms given tailored disclosure requirements to encourage them to go public. These companies are a major source of innovation, job creation, and economic growth.

Today, over 90 percent of initial public offerings are filed by EGCs, but when an EGC spins off part of its business to create a new public company, that spinoff does not currently get the same treatment, despite originating

from a company already recognized as an emerging growth company.

H.R. 3301 fixes this inconsistency. It ensures that spinoffs from EGCs are allowed to provide 2 years of audited financials, just like when a standard EGC goes public. This helps reduce redundant compliance costs while maintaining full investor protections.

This is a smart and targeted update to our securities laws. It honors the original intent of the JOBS Act: to make it easier, not harder, for innovative companies to enter the public markets.

Mr. Speaker, I urge my colleagues to support Mr. NUNN's ELEVATE Act, and I reserve the balance of my time.

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

This bill illustrates what I said earlier today, that the most fascinating issues are those that involve accounting and auditing.

Mr. Speaker, I rise in support of H.R. 3301, the ELEVATE Act of 2025, sponsored by the gentlewoman from Iowa (Mr. NUNN).

Emerging growth companies, also known as EGCs, are a special type of public company that we created during the bipartisan JOBS Act of 2012. Unlike full-fledged public companies, EGCs only need to provide 2 years of audited financials when they conduct their initial public offering, also known as an IPO.

Despite this special 2-year accommodation, there are some instances where an EGC, emerging growth company, is still required to provide 3 years of financials, still required under present law. One such instance is when the EGC conducts a spinoff, which is a transaction in which one company creates a new, independent company by selling new shares of its existing business. So the one company becomes two separate companies through a spinoff transaction.

Mr. NUNN's bill reduces this obligation for EGC spinoffs to 2 years. That is only 2 years of audited financials, keeping in line with what is required when the EGC itself goes public.

In doing so, this bill streamlines the financial disclosure obligations for emerging growth companies across the board making it easier for them to raise capital from the public.

Mr. Speaker, I urge my colleagues to vote "yes" on this important bill, and I reserve the balance of my time.

□ 1700

Mrs. WAGNER. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. NUNN), my friend.

Mr. NUNN of Iowa. Mr. Speaker, I thank Chairwoman WAGNER for leading this charge on a bipartisan effort.

I rise today to support our bipartisan ELEVATE Act. I helped lead this Small Business effort to help not only the heartland but also our entrepreneurs and innovators across the country.

Let me start by saying we all know this to be true: The American capital markets are the envy of the world. Part of that strength comes from the bipartisan work of this very Chamber, particularly with the passage of the JOBS Act 13 years ago.

One of the biggest successes of that law was the creation of the emerging growth companies, or EGCs, to encourage smaller companies to go public here right in the United States.

The JOBS Act didn't expand just that opportunity, it created new jobs. In the 4 years after that change, EGCs made up 90 percent of our initial public offerings. Moreover, it created 82,000 new jobs, new careers, right here in the U.S.

I believe we can't stop there. Across Iowa's Third District, my home district, I hear from small business owners who want to reinvest in new equipment, help expand their workforce, and give back to their communities through new innovation.

The question remains: What is holding them back? Well, Mr. Speaker, it is quite simply a deck that has been stacked against them by SEC rules that make accessing investment capital complex, more expensive, and harder for those who don't live on the East or West Coast who snap up the lion's share of investment dollars before it can even get to the heart of the heartland.

Iowa's businesses, America's businesses, deserve an equal opportunity to access the capital they need to grow right on Main Street. These businesses are not backed by billion-dollar valuations or teams of high-powered lawyers. What they do have is grit, innovation, and the drive to succeed. They are not asking for special treatment, Mr. Speaker, just a fair chance to compete.

Imagine the economic momentum we could unleash right here if we made it easier for those businesses to connect with investors and bring them to the rest of America.

That is why I introduced the ELEVATE Act. This bill makes a simple, commonsense fix to help level the playing field for growing businesses. In Iowa, you know baseball is big business. When you have the opportunity to build it, Mr. Speaker, they will come, just like "Field of Dreams."

It allows EGC spinoffs to file confidentially with the SEC, requiring 24 months of audited financials rather than the historic 36 months that had red tape and additional costs. This ensures quality while minimizing the impact.

These changes align to the rules so that all EGCs, whether standalone or part of a larger spinoff, can compete.

Mr. Speaker, quite simply, this is about fairness. It allows small businesses in rural America to play by the same rules as companies on Wall Street. It is about giving a startup in Pella the same shot as a company in Palo Alto.

It is about jobs, real jobs right here at home.

We know the JOBS Act worked. Now, we have a chance to build on that success. By passing the ELEVATE Act, we make it easier for Main Street businesses to get access to the capital they need.

I thank my colleagues on the other side of the aisle, particularly Representative BYNUM, for working with me to ensure that we give every American business a fair chance at success. I thank Chairman HILL for his leadership on the Financial Services Committee, and I thank subcommittee chairwoman ANN WAGNER who knows capital markets probably better than anyone on this House floor.

Mr. Speaker, I urge my colleagues to support the bipartisan ELEVATE Act.

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

I commend the gentleman from Iowa (Mr. NUNN) on this bill. I urge my colleagues to support the ELEVATE Act of 2025, which would streamline accounting disclosure requirements and auditing requirements for emerging growth companies, also known as EGCs, so those EGCs only need to provide 2 years of audited financial statements across the board.

Like other bills that Democrats and Republicans have come to bipartisan agreement on, this bill balances the concern of those trying to raise capital while also maintaining disclosures and financial transparency that benefit and protect investors and thereby protect our capital markets, which so many speakers have pointed out are the envy of the world.

Mr. Speaker, I ask my colleagues to vote "yes" on this bill, and I yield back the balance of my time.

Mrs. WAGNER. Mr. Speaker, Mr. NUNN's ELEVATE Act is a smart, targeted update to our securities law.

I urge all my colleagues to support H.R. 3301, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WILLIAMS of Texas). The question is on the motion offered by the gentlewoman from Missouri (Mrs. WAGNER) that the House suspend the rules and pass the bill, H.R. 3301, 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.

ENCOURAGING PUBLIC OFFERINGS ACT OF 2025

Mrs. WAGNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3381) to amend the Securities Act of 1933 to expand the ability to use testing the waters and confidential draft registration submissions, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3381

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