

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,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Encouraging Public Offerings Act of 2025”.

**SEC. 2. EXPANDING TESTING THE WATERS.**

Section 5(d) of the Securities Act of 1933 (15 U.S.C. 77e(d)) is amended—

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

“(1) *IN GENERAL.*—Notwithstanding”;

(2) by striking “an emerging growth company or any person authorized to act on behalf of an emerging growth company” and inserting “an issuer or any person authorized to act on behalf of an issuer”; and

(3) by adding at the end the following:

“(2) *ADDITIONAL REQUIREMENTS.*—

“(A) *IN GENERAL.*—The Commission may promulgate regulations, subject to public notice and comment, to impose such other terms, conditions, or requirements on the engaging in oral or written communications described under paragraph (1) by an issuer other than an emerging growth company as the Commission determines appropriate.

“(B) *REPORT TO CONGRESS.*—Prior to any rulemaking described under subparagraph (A), the Commission shall submit to Congress a report containing a list of the findings supporting the basis of the rulemaking.”.

**SEC. 3. CONFIDENTIAL REVIEW OF DRAFT REGISTRATION STATEMENTS.**

Section 6(e) of the Securities Act of 1933 (15 U.S.C. 77f(e)) is amended—

(1) in the heading, by striking “EMERGING GROWTH COMPANIES” and inserting “CONFIDENTIAL REVIEW OF DRAFT REGISTRATION STATEMENTS”;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by striking paragraph (1) and inserting the following:

“(1) *IN GENERAL.*—Any issuer may, with respect to an initial public offering, initial registration of a security of the issuer under section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(b)), or follow-on offering, 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—

“(A) in the case of an initial public offering, 10 days before the effective date of such registration statement;

“(B) in the case of an initial registration of a security of the issuer under such section 12(b), 10 days before listing on an exchange; or

“(C) in the case of any offering after an initial public offering or an initial registration under such section 12(b), 48 hours before the effective date of such registration statement.

“(2) *ADDITIONAL REQUIREMENTS.*—

“(A) *IN GENERAL.*—The Commission may promulgate regulations, subject to public notice and comment, to impose such other terms, conditions, or requirements on the submission of draft registration statements described under this subsection by an issuer other than an emerging growth company as the Commission determines appropriate.

“(B) *REPORT TO CONGRESS.*—Prior to any rulemaking described under subparagraph (A), the Commission shall submit to Congress a report containing a list of the findings supporting the basis of the rulemaking.”.

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 support of my bill, H.R. 3381, the Encouraging Public Offerings Act.

This legislation builds on the success of the JOBS Act by making it easier for companies of all sizes to go public while maintaining the transparency and investor protections our markets depend on.

H.R. 3381 allows any company, not just emerging growth companies, to test the waters by gauging investor interest before or after filing with the SEC. It also ensures that an issuer can submit a confidential draft registration statement before making it public, giving companies more flexibility and clarity as they prepare to go public.

These tools, Mr. Speaker, testing the waters and confidential filings, have proven valuable since the JOBS Act, especially for smaller companies navigating the complexities of going public. My bill makes them available to all issuers with consistent timelines tied to when a registration statement becomes effective, not when a road show begins.

This bill is about giving growing businesses the confidence to enter the public markets and helping them reach new investors, expand operations, and create jobs across our country.

I thank my colleagues on both sides of the aisle and my Democratic cosponsor, Mr. MEEKS, for supporting these efforts to modernize our capital markets.

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

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

Mr. Speaker, I rise today in support of H.R. 3381, the Encouraging Public Offerings Act of 2025, sponsored by the chair of the relevant subcommittee, the Capital Markets Subcommittee, that being the gentlewoman from Missouri (Mrs. WAGNER). I commend her for her bill and her work in general on these issues.

This bill codifies an SEC rule that allows any issuer to submit a confidential draft of the registration statement for review by the SEC staff. In doing so, it allows companies seeking to access public markets more time to carefully draft their registration statements under SEC’s guidance without needing to worry about the contents of their registration statement being made public before they have had a chance to cross all their t’s and dot all their i’s.

Mrs. WAGNER’s bill also codifies a 2019 SEC rulemaking that allows any issuer to test the waters before going public, which would allow any issuer to gauge institutional investor interest in

their offering without first needing to file a registration statement with the SEC.

Overall, this makes it easier for companies to access our capital markets and to go public.

I urge my colleagues to support this bill. I think it is important that we encourage companies to go public both so that they can get the capital they need to expand their business and so that any person has a chance to invest in these businesses and diversify their own portfolio.

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

Mrs. WAGNER. Mr. Speaker, I am prepared to close, and I reserve the balance of my time.

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

I urge my colleagues to vote “yes” on H.R. 3381, the Encouraging Public Offerings Act of 2025 sponsored by the chair of our subcommittee, the gentlewoman from Missouri (Mrs. WAGNER), which would allow issuers to take advantage of confidential draft registration statements that are currently available only to EGCs. It also makes it easier for companies to have access to capital by giving them the ability to gauge interest from institutional investors without added regulatory requirements of registration.

Mr. Speaker, I ask my colleagues to support this bill, and I yield back the balance of my time.

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

In closing, the Encouraging Public Offerings Act is about giving growing businesses the confidence to enter the public markets and helping them reach new investors, expand operations, and create jobs across the country.

I ask my colleagues to support my bill, H.R. 3381, 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. 3381, 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.

## EXPANDING ACCESS TO CAPITAL FOR RURAL JOB CREATORS ACT

Mrs. WAGNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1190) to amend the Securities Exchange Act of 1934 to expand access to capital for rural-area small businesses, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1190

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