

HR 4855

Fix Crowdfunding Act

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Mar 23, 2016

Current Status: Received in the Senate.

Latest Action: Received in the Senate. (Jul 6, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/4855>

Sponsor

Name: Rep. McHenry, Patrick T. [R-NC-10]

Party: Republican • **State:** NC • **Chamber:** House

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Schweikert, David [R-AZ-6]	R · AZ		Jun 8, 2016

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Hearings By (subcommittee)	Apr 14, 2016

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
114 HR 5983	Related bill	Dec 20, 2016: Placed on the Union Calendar, Calendar No. 693.
114 HR 6427	Related bill	Dec 6, 2016: Received in the Senate.
114 S 3453	Related bill	Sep 28, 2016: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Sponsor introductory remarks on measure: CR S6238; text of measure as introduced: CR S6238)

Fix Crowdfunding Act

(Sec. 2) This bill amends the Securities Act of 1933 to allow a crowdfunding issuer to sell shares through a crowdfunding vehicle.

(Crowdfunding is a method of capital formation in which groups of people pool money, typically composed of small individual contributions, and often via Internet platforms, either to invest in a company or to support an effort by others to accomplish a specific goal.)

A "crowdfunding vehicle" is a company that:

- has purposes limited to acquiring, holding, and disposing securities issued by a single company in one or more transactions and made pursuant to crowdfunding exemption transaction requirements;
- issues only one class of securities;
- receives no compensation for such acquisition, holding, or disposition of securities;
- is a co-issuer with the company whose securities it holds; and
- meets specified requirements related to disclosure obligations and the use of investment advisers.

(Sec. 3) The bill amends the Securities Exchange Act of 1934 to revise the conditions upon which the Securities and Exchange Commission (SEC) shall exempt securities issued in crowdfunding transactions from SEC registration requirements.

Under current law, holders of crowdfunded shares do not count toward the shareholder threshold beyond which an issuer is required to register its securities with the SEC, provided that the issuer: (1) is current in its annual reporting obligations, (2) retains the services of a registered transfer agent, and (3) has less than \$25 million in assets. The bill maintains this exemption but removes and replaces the conditions upon which it applies. Specifically, holders of crowdfunded shares shall not count toward the shareholder threshold if the issuer has: (1) a public float of less than \$75 million, and (2) annual revenues of less than \$50 million.

Actions Timeline

- **Jul 6, 2016:** Received in the Senate.
- **Jul 5, 2016:** Reported (Amended) by the Committee on Financial Services. H. Rept. 114-661.
- **Jul 5, 2016:** Placed on the Union Calendar, Calendar No. 512.
- **Jul 5, 2016:** Mr. Garrett moved to suspend the rules and pass the bill, as amended.
- **Jul 5, 2016:** Considered under suspension of the rules. (consideration: CR H4236-4240)
- **Jul 5, 2016:** DEBATE - The House proceeded with forty minutes of debate on H.R. 4855.
- **Jul 5, 2016:** At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed.
- **Jul 5, 2016:** Considered as unfinished business. (consideration: CR H4244-4245)
- **Jul 5, 2016:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 394 - 4 (Roll no. 350).(text: CR H4237)
- **Jul 5, 2016:** On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 394 - 4 (Roll no. 350). (text: CR H4237)
- **Jul 5, 2016:** Motion to reconsider laid on the table Agreed to without objection.
- **Jun 16, 2016:** Committee Consideration and Mark-up Session Held.
- **Jun 16, 2016:** Ordered to be Reported (Amended) by the Yeas and Nays: 57 - 2.
- **Jun 15, 2016:** Committee Consideration and Mark-up Session Held.
- **Apr 14, 2016:** Hearings Held by the Subcommittee on Capital Markets and Government Sponsored Enterprises Prior to Referral.
- **Mar 23, 2016:** Introduced in House
- **Mar 23, 2016:** Referred to the House Committee on Financial Services.