

HR 4860

Crowdfunding Amendments Act

Congress: 116 (2019–2021, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Oct 28, 2019

Current Status: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Oct 29, 2019)

Latest Action: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Oct 29, 2019)

Official Text: <https://www.congress.gov/bill/116th-congress/house-bill/4860>

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. Waters, Maxine [D-CA-43]	D · CA		Oct 28, 2019

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Oct 29, 2019
Financial Services Committee	House	Referred To	Oct 28, 2019

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Crowdfunding Amendments Act

This bill allows a crowdfunding issuer to sell shares through a crowdfunding vehicle. (Crowdfunding is a method of capital formation in which groups of people pool money to invest in a company or to support an effort to accomplish a specific goal.)

A "crowdfunding vehicle" is defined as a company that

- has purposes limited to acquiring, holding, and disposing only one class of crowdfunding securities issued by a single company;
- receives no compensation for doing so; and
- meets other specified requirements, including those related to reporting obligations and the use of investment advisers.

The bill provides for the registration of crowdfunding vehicle advisers.

The bill also revises the conditions upon which the Securities and Exchange Commission (SEC) shall exempt securities issued in crowdfunding transactions from 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 alters 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, or (2) a public float of \$0 and annual revenues of less than \$50 million.

Actions Timeline

- **Oct 29, 2019:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Oct 28, 2019:** Introduced in House
- **Oct 28, 2019:** Referred to the House Committee on Financial Services.
- **Oct 28, 2019:** Mr. Scott, David moved to suspend the rules and pass the bill, as amended.
- **Oct 28, 2019:** Considered under suspension of the rules. (consideration: CR H8493-8494)
- **Oct 28, 2019:** DEBATE - The House proceeded with forty minutes of debate on H.R. 4860.
- **Oct 28, 2019:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote.(text: CR H8493)
- **Oct 28, 2019:** On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote. (text: CR H8493)
- **Oct 28, 2019:** Motion to reconsider laid on the table Agreed to without objection.