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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

To amend the Securities Act of 1933 to provide an exemption for certain micro-offering transactions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MCHENRY introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Securities Act of 1933 to provide an exemption for certain micro-offering transactions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Relief for Small Busi-
5 nesses Through Micro-Offerings Act of 2020”.

1 **SEC. 2. EXEMPT TRANSACTIONS FOR CERTAIN MICRO-OF-**
2 **FERINGS.**

3 (a) IN GENERAL.—Section 4(a) of the Securities Act
4 of 1933 (15 U.S.C. 77d(a)) is amended by adding at the
5 end the following:

6 “(8) transactions involving the offer or sale of
7 securities by an issuer (including all entities con-
8 trolled by or under common control with the issuer),
9 provided that—

10 “(A) the aggregate amount sold to all in-
11 vestors by the issuer, including any amount sold
12 in reliance on the exemption provided under
13 this paragraph during the 12-month period pre-
14 ceding the date of such transaction, is not more
15 than \$250,000;

16 “(B) the aggregate amount sold to any in-
17 vestor by an issuer, including any amount sold
18 in reliance on the exemption provided under
19 this paragraph during the 12-month period pre-
20 ceding the date of such transaction, does not
21 exceed \$5,000; and

22 “(C) the transaction is conducted through
23 a broker or funding portal registered with the
24 Commission.”.

25 (b) AUTHORITY TO PROHIBIT BAD ACTORS.—In
26 issuing rules to carry out section 4(a)(8) of the Securities

1 Act of 1933, as added by subsection (a), the Securities
2 and Exchange Commission may prohibit a person from en-
3 gaging in a transaction described under such section
4 4(a)(8) if such person is subject to an event that would
5 disqualify an issuer or other covered person under Rule
6 506(d)(1) of Regulation D (17 C.F.R. 230.506(d)(1)) or
7 is subject to a statutory disqualification described under
8 section 3(a)(39) of the Securities Exchange Act of 1934.

9 (c) TERMINATION.—Effective on the date that is 3
10 years after the date of the enactment of this Act, para-
11 graph (8) of section 4(a) of the Securities Act of 1933
12 (15 U.S.C. 77d(a)), as added by subsection (a), is re-
13 pealed.

14 (d) STUDY.—Not later than 1 year after the date of
15 the enactment of this Act, the Comptroller General of the
16 United States shall submit to Congress a study on the im-
17 pact of paragraph (8) of section 4(a) of the Securities Act
18 of 1933 (15 U.S.C. 77d(a)), as added by subsection (a).