worse by the gender wage gap and the lack of paid leave and affordable care. It is hard to lean in when you are barely hanging on.

What is more, cuts to SNAP and unemployment insurance have placed even greater hardships on those already struggling to get by. Denying this vital lifeline is morally indefensible and economically shortsighted.

To win the war on poverty, we must strengthen, not gut, the programs that protect and empower millions of people every day, giving everyone in this great country an opportunity to succeed.

DANIEL K. INOUYE ARROW ANTI-MISSILE DEFENSE FACILITY

(Ms. HANABUSA asked and was given permission to address the House for 1 minute.)

Ms. HANABUSA. Mr. Speaker, just today, for the first time, Israel named a military facility after a non-Israeli. Named after Daniel K. Inouye is an Arrow anti-missile defense facility.

As we know, the U.S. and Israel have successfully developed the Arrow anti-missile system through joint cooperation. A steadfast symbol of cooperation is perhaps the most appropriate way to remember him, as our Senator played an integral role in transforming the relationship between our two countries, and I am pleased that our allies around the world continue to honor him and carry on his legacy.

When former colleagues recall Senator Inouye, they insist that, without him, there would be no U.S. aid to Israel as we know it today. The Senator's interest in Israel stemmed from learning of the fate of the Jews in Europe after his own military experience in Italy in the 442nd, a legendary unit of Japanese Americans, which earned him the highest military honor, the Congressional Medal of Honor.

This honor is another example of how Senator Inouye's influence and hard work have deeply impacted not only Hawaii, but also our Nation and the world. This time, he was recognized some 8,664-plus-or-minus miles from his beloved Hawaii.

UNEMPLOYMENT EXTENSION

(Mrs. NEGRETE McLEOD asked and was given permission to address the House for 1 minute.)

Mrs. NEGRETE McLEOD. Mr. Speaker, I rise today to urge my colleagues to reinstate a critical lifeline for the unemployed.

Since the expiration of the unemployment insurance benefits in December, 1.3 million people nationwide have been affected, one in six of whom live in California.

This extension of unemployment benefits is especially needed for the residents of San Bernardino County, where the unemployment rate is 9.1—well above the national average.

Unemployment benefits keep individuals actively looking for work, they prevent families with a reduced income from becoming homeless, and infuse the economy with much-needed dollars.

My constituents have contacted my office on a daily basis. I hear them. They need this vital lifeline back.

I ask that the Speaker work with the Senate and take up this extension.

UNEMPLOYMENT EXTENSION

(Mr. HORSFORD asked and was given permission to address the House for 1 minute.)

Mr. HORSFORD. Mr. Speaker, it is completely insensitive, unjust, and flat out wrong that Congress would deny the now more than 1.4 million Americans unemployment insurance, including over 18,000 Nevadans.

Mr. Speaker, this is the week that checks stop coming in the mail. For those who maybe never have been unemployed or don't know what it is like to struggle, for many Americans this is the week that the pain takes hold.

The hypocrisy from across the aisle is staggering. I don't quote the former President often, but on December 14, 2002, in his weekly radio address, then-President George W. Bush scolded Congress because ''no final bill was sent to me extending unemployment benefits for about 750,000 Americans whose benefits will expire on December 28.''

He went on to say:

> These Americans rely on their unemployment benefits to pay for their mortgage or rent, food, and other critical bills. They need our assistance in these difficult times, and we cannot let them down.

The unemployment rate in December 2002, it was just 6 percent. Congress then extended those unemployment benefits, Mr. Speaker, by a vote of 416–4. If it was an emergency then, it is an emergency now.

It is time to do the right thing and extend unemployment insurance for the 1.4 million Americans.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WOMACK). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

SMALL BUSINESS MERGERS, ACQUISITIONS, SALES, AND BROKERAGE SIMPLIFICATION ACT OF 2013

Mr. GARRETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2274) to amend the Securities Exchange Act of 1934 to provide for a notice-filing registration procedure for brokers performing services in connection with the transfer of ownership of smaller privately held companies and to provide for regulation appropriate to the limited scope of the activities of such brokers, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2274

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 ''Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2013''.

SEC. 2. REGISTRATION EXEMPTION FOR MERGER AND ACQUISITION BROKERS.

Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended by adding at the end the following:

''(13) REGISTRATION EXEMPTION FOR MERGER AND ACQUISITION BROKERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an M&A broker shall be exempt from registration under this section.

''(B) EXCLUDED ACTIVITIES.—An M&A broker is not exempt from registration under this paragraph if such broker does any of the following:

''(i) Directly or indirectly, in connection with the transfer of ownership of an eligible privately held company, receives, holds, transmits, or has custody of the funds or securities to be exchanged by the parties to the transaction.

''(ii) Engages on behalf of an issuer in a public offering of any class of securities that is registered, or is required to be registered, with the Commission under section 12 or with respect to which the issuer files, or is required to file, periodic information, documents, and reports under subsection (d).

''(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to limit any other authority of the Commission to exempt any person, or any class of persons, from any provision of this title, or from any provision of any rule or regulation thereunder.

''(D) DEFINITIONS.—In this paragraph:

''(i) CONTROL.—The term 'control' means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. There is a presumption of control for any person who—

''(I) is a director, general partner, member or manager of a limited liability company, or officer exercising executive responsibility (or has similar status or functions);

''(II) has the right to vote 20 percent or more of a class of voting securities or the power to sell or direct the sale of 20 percent or more of a class of voting securities; or

''(III) in the case of a partnership or limited liability company, has the right to receive upon dissolution, or has contributed, 20 percent or more of the capital.

''(ii) ELIGIBLE PRIVATELY HELD COMPANY.—The term 'eligible privately held company' means a company that meets both of the following conditions:

''(I) The company does not have any class of securities registered, or required to be registered, with the Commission under section 12 or with respect to which the company files, or is required to file, periodic information, documents, and reports under subsection (d).

''(II) In the fiscal year ending immediately before the fiscal year in which the services of the M&A broker are initially engaged with respect to the securities transaction, the company meets either or both of the following conditions (determined in accordance with the historical financial accounting records of the company):

''(aa) The earnings of the company before interest, taxes, depreciation, and amortization are less than $25,000,000.

''(bb) The gross revenues of the company are less than $250,000,000.

''(iii) M&A BROKER.—The term 'M&A broker' means a broker, and any person associated with a broker, engaged in the business of effecting securities transactions solely in connection with the transfer of ownership of an eligible privately held company, regardless of whether the broker acts on behalf of a seller or buyer, through the purchase, sale, exchange, issuance, repurchase, or redemption of, or a business combination involving, securities or assets of the eligible privately held company, if the broker reasonably believes that—

''(I) upon consummation of the transaction, any person acquiring securities or assets of the eligible privately held company, acting alone or in concert, will control and, directly or indirectly, will be active in the management of the eligible privately held company or the business conducted with the assets of the eligible privately held company; and

''(II) if any person is offered securities in exchange for securities or assets of the eligible privately held company, such person will, prior to becoming legally bound to consummate the transaction, receive or have reasonable access to the most recent year-end balance sheet, income statement, statement of changes in financial position, and statement of owner's equity of the issuer of the securities offered in exchange, and, if the financial statements of the issuer are audited, the related report of the independent auditor, a balance sheet dated not more than 120 days before the date of the offer, and information pertaining to the management, business, results of operations for the period covered by the foregoing financial statements, and material loss contingencies of the issuer.

''(E) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—On the date that is 5 years after the date of the enactment of the Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2013, and every 5 years thereafter, each dollar amount in subparagraph (D)(ii)(II) shall be adjusted by—

''(I) dividing the annual value of the Employment Cost Index For Wages and Salaries, Private Industry Workers (or any successor index), as published by the Bureau of Labor Statistics, for the calendar year preceding the calendar year in which the adjustment is being made by the annual value of such index (or successor) for the calendar year ending December 31, 2012; and

''(II) multiplying such dollar amount by the quotient obtained under subclause (I).

''(ii) ROUNDING.—Each dollar amount determined under clause (i) shall be rounded to the nearest multiple of $100,000.''.

SEC. 3. EFFECTIVE DATE.

This Act and any amendment made by this Act shall take effect on the date that is 90 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. GARRETT) and the gentlewoman from Alabama (Ms. SEWELL) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey.

GENERAL LEAVE

Mr. GARRETT. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and to submit extraneous materials for the RECORD on H.R. 2274, as amended, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. GARRETT. Mr. Speaker, at this point, I yield myself such time as I may consume.

I rise in support of this good piece of legislation, H.R. 2274. It is the Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act. It is introduced by the gentleman from Michigan (Mr. HUIZENGA), who will be speaking momentarily.

Mr. Speaker, during the period of overly burdensome Big Government—of ObamaCare and of Dodd-Frank and thousands and thousands more regulations costing Americans literally trillions of dollars—it is really no surprise that the economic growth and job creation in this country remain sluggish.

America's small businesses are the primary engine of job creation, for they are the ones who are disproportionately affected by simply a deluge of new rules and regulations coming out of Washington daily. In fact, according to a recent survey, small businesses continue to identify government regulation and red tape as the single most important problem facing them.

While our colleagues in the Senate appear unwilling these days to pass any legislation to help create jobs, well, we have H.R. 2274 in the House that we take up, and it is done in a bipartisan manner. It is a commonsense piece of legislation that will remove some of these unnecessary regulations and obstacles to small business development, growth, and job creation.

What it would do is exempt brokers who perform services in connection with the transfer of ownership of small, privately held companies—that are also known as M&A brokers—from the SEC's costly one-size-fits-all registration requirements that we have right now.

While terms that we sometimes hear in the press and elsewhere—mergers, acquisitions, brokers—may give you the image of big Wall Streets and what have you, make no mistake about it, this bill is about helping Main Street.

M&A brokers play a very, very important role helping small businesses and small business owners successfully navigate their way through and transfer their company, or sell their company, to new owners, new enterprises, instead of simply closing up their shop and going out of business.

Yet under the current SEC one-size-fits-all registration regime, M&A brokers face a myriad of costly regulations. Unfortunately, M&A brokers have to pass these costs on to, well, other small businesses and, of course, eventually the public.

It is no wonder this legislation has now received widespread and bipartisan support. In fact, this bill was unanimously approved by the committee 57–0. Let me get that straight: 57–0.

I would like to thank the sponsor, Mr. HUIZENGA, for all his hard work on this legislation and bringing it to the floor at a time like this when America's small businesses are struggling through a mire of regulation and red tape. This type of bipartisan pro-small business, pro-jobs legislation is exactly the type of thing we need.

I urge my colleagues on both sides to pass it, as we did in the committee, in a bipartisan manner.

Mr. Speaker, I reserve the balance of my time.

Ms. SEWELL of Alabama. Mr. Speaker, I yield myself such time as I may consume.

Today, I rise in support of H.R. 2274, the Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2013.

H.R. 2274 provides a much-needed exemption and clarification for current M&A brokers who perform services in connection with the transfer and ownership of small- and medium-sized businesses in privately negotiated transactions.

Small- and medium-sized businesses play a critical role in our economy. They provide jobs, they spur innovation, and they strengthen our overall economy. In fact, over the past decade and a half, America's small businesses and entrepreneurs have created 65 percent of all new jobs in this country.

As businesses grow, many small- and medium-sized businesses reach a point where they want to and need to expand their businesses. They turn to mergers and acquisition professionals to facilitate such sales.

Currently, M&A brokers who facilitate the private sale of small- and medium-sized privately owned companies must register with the SEC. SEC registration as a broker also requires membership in FINRA—the Financial Industry Regulatory Authority.

The burdens and costs of initial broker-dealer registration and ongoing compliance with both SEC and FINRA requirements are substantial. These costs adversely impact and unnecessarily increase the costs that business owners incur to sell, buy, or grow their small- and medium-sized businesses.

H.R. 2274 is a legislative acknowledgement that one size does not, indeed, fit all when it comes to transactions. Prior to my election, I was a securities lawyer with over a decade of experience working in capital markets for a Wall Street law firm. I had the opportunity to work on a variety of transactions.

Not all mergers and acquisitions are alike, and so not all require the same type of registration and requirements. Some transactions are privately negotiated transmissions of relatively small dollar amounts with sophisticated investors, not for public sale. By streamlining and simplifying the regulatory structures of these small- and medium-sized businesses, we allow them to safely, efficiently, and effectively sell their companies while preserving growth and protecting jobs in these companies.

This bill, H.R. 2274, allows smaller privately held companies to save time and money on the services rendered during the transfer of ownership allowing for smooth sale and transfer. To qualify for the exemption, the transaction would have to involve a business with less than $250 million in gross revenues and/or pre-tax earnings of less than $25 million with no securities, and the buyer of the business is someone who will actively manage and control the business, either directly or indirectly.

I fully support this bipartisan legislation and its efforts to simplify the regulatory structure in the sale and transfer of ownership of small- and medium-sized businesses in privately negotiated transactions.

This reform was welcomed by regulators and passed, as the chairman of the subcommittee so accurately noted, by a vote of 57–0, unanimously, with full bipartisan support. The ABA Private Placement Broker-Dealer Task Force recommended this change in its 2005 report, which is available on the SEC Web site. Similar recommendations to simplify broker-dealer registration for M&A brokers were made in the final report by the advisory committee to the SEC on small business companies in 2006.

I think appropriately scaling Federal registration of M&A brokers is a good thing. It is something that I would not only support, but encourage my colleagues to support as well.

H.R. 2274 would amend the Exchange Act by adding a new subsection, section 15, which would govern broker-dealer registration. The amendment would cut regulatory costs incurred by sellers and buyers of small-and mid-sized privately held companies in privately negotiated transactions.

Federal law would continue to provide important investor protections through the SEC registration and SEC regulation of the capital, custody, margin, recordkeeping, bonding, and operational reporting requirements applicable to M&A brokers, and existing State security laws will continue to apply.

□ 1245

I think that this is sensible legislation that should be supported by both sides of the aisle. I am indeed honored to stand with my colleagues in support of H.R. 2274.

Mr. GARRETT. I thank the gentlelady for working with us on this, as she says, sensible piece of legislation.

And with that, I yield such time as the gentleman may consume to the gentleman from Michigan (Mr. HUIZENGA), the sponsor of the legislation before the House at this time.

Mr. HUIZENGA of Michigan. Mr. Speaker, I rise today to encourage passage of H.R. 2274, the Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act. Maybe we need to work on the titles getting a little simpler, too. It is very complex. It is a very complex set of laws and rules that have been put in place.

I do want to say thank you to my subcommittee chairman, Mr. GARRETT, and Ranking Member Sewell for their work on this, as well as Chairman HENSARLING and Ranking Member WATERS, as we have explored this and dove headfirst, really, into this issue.

It has been estimated, Mr. Speaker, that there are approximately 10 trillion—that's ''trillion'' with a ''t''—privately-owned, small family-owned type of businesses that will be sold or potentially closed in the coming years as baby boomers retire.

Now, we want to see one of those things happen. We want people to see the fruits of their hard work over the years, and we want to see them be able to sell those companies. We don't want to see them close them unnecessarily, because we know the impact that happens to small communities, much like has happened in some of my hometown communities, when we have seen that happen.

Mergers and acquisitions are also known as M&A. Brokers play a critical role in facilitating the transfer of ownership of these smaller privately held companies. Currently, all M&A brokers are subject to costly, burdensome requirements which adversely impact and unnecessarily increase the cost that business owners incur when they buy or sell their businesses. Often we have heard anecdotally and statistically that they have to make a decision sometimes. They can't move ahead and can't really afford to sell that small—literally, sometimes—corner store, mom-and-pop-type operation, and so they end of closing it because they can't afford to go through the sale.

In fact, the issue has been highlighted by the SEC's Forum on Small Business Capital Formation, which, for the last 7 years—that is over the last two administrations, this current administration and the last administration—has repeatedly recommended that the SEC modernize and streamline the regulation of M&A brokers. But, unfortunately, the SEC has never acted on these recommendations.

Well, we think the time is up. We believe that 7 years is long enough. It is time that this body and hopefully our colleagues in the Senate, as well, will take this bill and finally put some closure to this issue. That is why I, along with Representatives BRIAN HIGGINS and BILL POSEY, introduced H.R. 2274. This bipartisan bill would create a simplified system for brokers performing services in connection with the transfer of ownership of smaller privately held companies.

By simplifying the regulation and reducing the cost of these business brokerage services, these smaller privately owned companies would be able to safely, efficiently, and effectively transfer their company, preserving jobs currently in existence, while also allowing for continued economic growth and job creation to take place at these companies.

There is no risk to the public; there is no threat to the safety and soundness of our economic system; but it is very, very important to those communities that have those kinds of businesses in them and where they are located.

In October 2013, a piece in The Hill newspaper, Michael Nall, president of the Alliance of Merger & Acquisition Advisors, a leading international organization serving the middle-market M&A industry, stated:

> H.R. 2274, the Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2013 is an excellent bipartisan bill, one whose time has come. Congress should get it done before the end of the year.

Sorry, Mr. Nall. We are a little behind schedule, but we are getting there.

He goes on:

> It's not a sexy bill, not one that prime time TV will be talking about, and not one that will evoke a question in the next Presidential debates; but it is a bill that does have teeth, and it is a serious and substantive piece of small business legislation.

Well, maybe we can inject this into the next Presidential election because this ultimately is about the foundation of our country. It is about that ability for entrepreneurs to go out, strike out on their own, go become successful and then reap the rewards of that and, all the while, provide jobs to communities like we all represent.

Well, in today's highly charged political environment, it is nice to show the American people that a positive, effective initiative can be considered and passed with strong bipartisan support. In fact, this important legislation, as has been mentioned, overwhelmingly passed the Financial Services Committee by a bipartisan vote of 57–0. It is legislation like H.R. 2274 that demonstrates Congress can act in a bipartisan manner to positively impact the lives of Americans.

Mr. Speaker, with that I urge a ''yes'' vote on this legislation, and I look forward to working with my Senate colleague to see H.R. 2274 make it to President Obama's desk.

I want to thank Chairman GARRETT for his leadership on this issue.

Ms. SEWELL of Alabama. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. HIMES).

Mr. HIMES. Mr. Speaker, I thank my good friend from Alabama for yielding me time, and my friend from New Jersey and Mr. HUIZENGA for the sponsorship and leadership on this bill.

I rise in strong support of H.R. 2274.

We spend a lot of time in this Chamber talking about the American Dream, and of course in many cases the apex of the American Dream is when that entrepreneur who started a bunch of restaurants or car washes or a local retailer or a local service organization, after working hard over a period of a lifetime, has the opportunity to reap

the rewards of that labor, to sell that business, and to really achieve that success an individual worked a lifetime to do.

Of course, if you have run car washes or restaurants or retail operations, you probably know very little about the very complicated task of selling a small business. There is no reason in the world why that transaction, which again is at the very apex of the American Dream, should be overburdened by regulatory costs that don't make sense.

At the end of the day, the M&A brokers that we are talking about here are not selling stocks to retail investors. They are not marketing mortgages. They are doing a very technical transaction that, again, is so important to wealth creation in this country.

So I thank my colleagues on the other side.

I don't want to let the moment go by without reminding my good friend from New Jersey that, as he blanket condemns regulation today on the floor, there are 300,000 people without drinking water in West Virginia today, in the greatest country on Earth, not because there is too much regulation, but because the regulations weren't good enough.

Years ago in west Texas, a fertilizer train blew up, killing 15 people and injuring 160 people, not because there was too much regulation, but because there was poor regulation.

In the area of our expertise, financial services, this economy was also devastated, not because there was too much regulation, but because there was effectively no regulation under derivatives—complicated, large instruments that brought down institutions like AIG and others because, before Dodd-Frank, you could go into a neighborhood and sell somebody a mortgage without asking for their income.

We succeed and the economy succeeds because we do exactly this, because we find the right balance. We acknowledge that good regulation can save lives in Texas, drinking water in West Virginia, and prevent the destruction of $17 trillion of American's wealth as occurred 5 years ago.

Again, I celebrate and thank my good friend from New Jersey and promise to continue this dialogue on how we don't condemn all regulation, but seek a balance that allows our economy to thrive as it always has.

Mr. GARRETT. Mr. Speaker, the gentleman from Connecticut has the unique ability, in order to come to the floor and work in a manner where both sides said we had a bipartisan joint piece of legislation, a jobs-creating legislation, to turn this moment into a partisan attack.

No, I never once said I am against a blanket condemnation of all regulations. In fact, if the gentleman from Connecticut had listened closely, he would have heard that we are, I think, in a bipartisan manner, opposed to overly excessive regulation, regulation that does not make sense, regulation that hurts jobs. I think that is what his colleague also said. She is opposed to those unnecessary regulations, and that is what this bill is about. We are in favor—I think the gentlelady and I both said this—of smart regulation. That is what this bill before us is about trying to achieve.

If he wants to take a look at bad regulation, all we need to do is look at the excessive and the inappropriate regulation that we had prior to the '08 crisis, the fact that we had examiners and regulators in each and every one of the major failed institutions that led up to this crisis, and those individuals failed to do their jobs. Those individuals failed to find the problems before they came to a head. Those individuals failed to find situations even when they were told about them in such cases as Stanford or Madoff or a list of other ones I could go down here as well.

We had regulators who did not perform their job. Even though they had the authority, the ability, the financing, the money and everything else necessary to do it, they turned a blind eye to it and failed to do so. This is not a time for a partisanship. This a time to commend both the sponsor of the legislation and the gentlelady who joins with me on this to say that we can get together; we can find commonality when we want to have smart legislation and smart regulation. And I think that is what we should be commending and moving forward on this legislation today.

With that, I don't believe we have any other speakers; but I reserve the balance of my time to close, unless the minority have other speakers.

Ms. SEWELL of Alabama. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. SCHNEIDER).

Mr. SCHNEIDER. Mr. Speaker, I rise in strong support of the Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2013, H.R. 2274.

I want to thank Congresswoman SEWELL and Congressman HUIZENGA for bringing this bipartisan bill to the floor.

Small businesses are the fabric of our economy and oftentimes the fabric of the communities in which we live. Many of these businesses are family-owned businesses. They provide the wherewithal, the stability, and the future aspirations for many families. These businesses frequently are passed from generation to generation, but sometimes the next generation does not or is not able to take over the next business.

It is critical for our communities and critical for our economies that these businesses are able to pass to a new owner to continue to employ people, to continue to drive our economy, and that is exactly what this bill does. It allows those businesses to bring in the expertise, to bring in the knowledge, to bring in the capacity, to move from generation to generation even outside the family. So that is why I rise and I encourage my colleagues to support this bill.

Ms. SEWELL of Alabama. Mr. Speaker, I yield myself such time as I may consume.

Right-sizing Federal regulation on M&A brokers in these small business transactions I believe makes good sense. All of us have small- and medium-size business owners in our districts who sooner or later will want to sell or grow their businesses through acquisition or transfer of ownership. They will seek advice and hire highly trained professionals to help them find and screen potential targets. These buyers and sellers are represented by lawyers and accountants who will conduct the due diligence. They will rely on written representations and warranties in these negotiated transactions for their protections.

We should reduce the barriers to capital formation, and this bill is an important step towards that. This bill, by streamlining small private transactions, will free up SEC resources to protect the public against public markets and passive investors.

As baby boomers age, there is a tremendous transfer of wealth and streamlining that will occur over the next generation. As my colleagues so aptly said, it is estimated that over $10 trillion of privately owned businesses will be sold or closed as baby boomers retire.

Jobs are preserved and created when existing businesses are acquired by entrepreneurs or other companies. In Main Street, typically business brokers play a vital role in facilitating these private business mergers and acquisitions. This bill will encourage such business growth.

Helping our small businesses is not a partisan issue. We all benefit when small businesses grow and flourish. I look forward to continuing to work with my colleagues on both sides of the aisle to make strategic and economically beneficial policy decisions that will be smart regulations, that will strengthen our economy and create jobs.

I urge my colleagues to vote ''yes'' on H.R. 2274, and I yield back the balance of my time.

□ 1300

Mr. GARRETT. Mr. Speaker, I begin by thanking the gentlelady for her leadership on this legislation, adopting the word I just used, which is smart regulation is smart legislation, but also the words you used as well as far as reducing barriers and streamlining, which is really what the gentleman from Michigan has accomplished in this legislation that is before us.

The other takeaway I am going to take from the gentlewoman's comment as well is twofold: A, this is being done in a bipartisan manner; but B, we need to move this thing forward. By that, I

mean the House of Representatives today, in a bipartisan manner, is going to be moving a good piece of job-creating legislation.

The next step, we know, of course, is just across the Capitol, in the U.S. Senate. We want to make sure that this legislation, in a bipartisan manner, also moves there as well. Hopefully, we can link arms and join in getting them to move this legislation there as well.

With that, I thank the gentlelady. I thank the gentleman from Michigan (Mr. HUIZENGA) for all of his leadership in the committee and his work on this legislation and the other legislation he is leading on as well.

With that, I encourage the passage of H.R. 2274, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. GARRETT) that the House suspend the rules and pass the bill, H.R. 2274, 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.

Mr. GARRETT. 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.

HOLDING COMPANY REGISTRATION THRESHOLD EQUALIZATION ACT OF 2013

Mr. GARRETT. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 801) to amend the Securities Exchange Act of 1934 to make the shareholder threshold for registration of savings and loan holding companies the same as for bank holding companies.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 801

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 ''Holding Company Registration Threshold Equalization Act of 2013''.

SEC. 2. REGISTRATION THRESHOLD FOR SAVINGS AND LOAN HOLDING COMPANIES.

The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended—

(1) in section 12(g)—

(A) in paragraph (1)(B), by inserting after ''is a bank'' the following: '', a savings and loan holding company (as defined in section 10 of the Home Owners' Loan Act),''; and

(B) in paragraph (4), by inserting after ''case of a bank'' the following: '', a savings and loan holding company (as defined in section 10 of the Home Owners' Loan Act),''; and

(2) in section 15(d), by striking ''case of bank'' and inserting the following: ''case of a bank, a savings and loan holding company (as defined in section 10 of the Home Owners' Loan Act),''.

The SPEAKER pro tempore (Mrs. WAGNER). Pursuant to the rule, the gentleman from New Jersey (Mr. GARRETT) and the gentleman from Connecticut (Mr. HIMES) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey.

GENERAL LEAVE

Mr. GARRETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and submit extraneous materials for the RECORD on H.R. 801, currently under consideration.

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

I rise today, as I did a moment ago as well, in support of this good, commonsense legislation, which is H.R. 801, the Holding Company Registration Threshold Equalization Act. I also, just like with the prior legislation, would like to commend the bipartisan nature of the legislation before us and the bipartisan nature of the sponsors of this legislation, Representatives WOMACK, HIMES, DELANEY, and Mrs. WAGNER, as well, for their outstanding work on getting this important measure to the floor today.

What does it do?

H.R. 801 basically corrects a technical oversight from last Congress' JOBS Act, which was the Jumpstart Our Business Startups Act, and it does so by ensuring that savings and loans holding companies, or SLHCs, are able to take advantage of the law's provisions that modify the thresholds by which bank holding companies are forced to register or allowed to deregister with the SEC.

Most savings and loan holding companies are organized very similarly to bank holding companies and are subject to similar regulatory oversight. Because this is the case, it is appropriate now for us to correct this technical oversight in the law and streamline the registration and deregistration thresholds of savings and loan and bank holding companies.

I will end now where I began, and that is to thank the leadership for bringing up this very important legislation, and the sponsors as well for working in a bipartisan manner. I ask that all Members support this commonsense legislation and the Senate consider it without any delay.

With that, I reserve the balance of my time.

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

I, once again, thank Chairman GARRETT, chairman of the Subcommittee on Capital Markets, for his support and leadership on this bill. I particularly thank my cosponsors on this bill: Mr. WOMACK, with whom I have worked before; Mrs. WAGNER; and Mr. DELANEY. Additional cosponsors of the bill are Mr. POLIS, Mr. QUIGLEY, and Mr. RENACCI. I thank them for their hard work.

This is a rare example of a wise bipartisan bill that will achieve something important, which is to basically undertake a technical fix to the JOBS Act, passed into law in April of 2012, which allowed banks to put off becoming public until they reached a threshold of 2,000 shareholders. That sounds like a small and technical point, but it put a tremendous burden on banks that perhaps were not ready to go public with more than 500 shareholders at the time.

The legislation did not directly specify that savings and loans would also receive the same treatment. It was, I believe, the intent of Congress that that be the case. So H.R. 801 goes back to seek to remedy this issue.

The Holding Company Registration Threshold Equalization Act, a rather awkward name for H.R. 801, extends the shareholder registration thresholds to savings and loan holding companies. This bill will ensure that savings and loan institutions operate under the same rules as banks, trying to create a more uniform and simple regulatory apparatus.

This will help these institutions raise capital so that they have the resources to make the loans which drive the economic growth—the businesses, the colleges, the mortgages, the purchases that drive the economic growth of this country.

Madam Speaker, again, I thank Mr. GARRETT for his support. As we seek creative solutions to the Nation's job crisis, we should do everything we can to stimulate the consumer demand that we know drives so much of this economy. This bill is one small, commonsense step we can take in that direction.

Again, I thank Mr. WOMACK, Mrs. WAGNER, and Mr. DELANEY for their leadership.

With that, I reserve the balance of my time.

Mr. GARRETT. I, too, thank the gentleman from Connecticut.

Madam Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. WOMACK), the prime sponsor of the bill.

Mr. WOMACK. Madam Speaker, my thanks to the subcommittee chairman and to Chairman HENSARLING for shepherding this bill through committee and bringing it to the House floor. I, too, would like to express my gratitude to my colleagues on both sides of the aisle, particularly Representative HIMES, with whom I worked in the previous Congress on similar legislation that has already been articulated, and Representative DELANEY and Mrs. WAGNER for working with me on this bipartisan measure.

As you know, Madam Speaker, we have been talking about jobs. The House has passed bill after bill to create a better environment for private sector growth and job creation. These conservative solutions would help create new jobs today, would make life for families better across the country, and would expand opportunity for everyone without expanding government. That is