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[H.R. 4168, Small Business Capital Formation Enhancement Act](#)

FLOOR SITUATION

On Monday, February 1, 2016, the House will consider [H.R. 4168](#), the Small Business Capital Formation Enhancement Act, under suspension of the rules. H.R. 4168 was introduced on December 3, 2015 by Rep. Bruce Poliquin (R-ME), and was referred to the House Committee on Financial Services, which ordered the bill reported by a vote of 55 to 1 on December 9, 2015.

SUMMARY

H.R. 4168 would require the Securities and Exchange Commission (SEC) to review the recommendations generated at its annual forum of government and business experts brought together to discuss small business capital formation. The bill also would require the SEC to assess each recommendation made by the forum and disclose any action the agency intends to take with respect to such recommendations.

BACKGROUND

Since 1982, the SEC has hosted an annual government-business capital formation forum to review concerns of small business called the "SEC Government-Business Forum on Small Business Capital Formation," ("Forum") as mandated by the Small Business Investment Incentive Act of 1980. The main focus of the Forum is to provide a platform to highlight perceived unnecessary impediments to small business capital formation and address whether they can be eliminated or reduced. Each Forum seeks to develop recommendations for government and private action to improve the environment for small business capital formation, consistent with other public policy goals, including investor protection.¹ Under current law, the SEC is not obligated to respond to the Forum's recommendations and findings. H.R. 4168 requires the SEC to assess each recommendation presented at the Forum and disclose any action it plans to take with respect to such recommendations.

¹ See SEC Website, [Government-Business Forum on Small Business Capital Formation](#)

According to the bill sponsor, “The Small Business Capital Formation Enhancement Act will make it easier for local businesses [...], which might not be able to get bank loans, to access capital markets to get the money they need to grow, hire more workers, and expand our economy. Small businesses can’t grow without capital. This bill will give hardworking, local businesses the tools and support they need to grow and create jobs [...].”²

COST

The Congressional Budget Office (CBO) [estimates](#) that implementing H.R. 4168 would cost less than \$500,000 over the 2016-2020 period to complete the review and assessment of recommendations as directed under the bill. Under current law, the SEC is authorized to collect fees sufficient to offset its annual appropriation; therefore, CBO estimates that implementing the bill would have a negligible effect on net discretionary costs, assuming appropriation actions consistent with that authority.

STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

² See Rep. Bruce Poliquin Press Release, [“Working Hard for Mainers in Washington.”](#) December 9, 2015.