

117TH CONGRESS
1ST SESSION

H. R. 2990

To require the Securities and Exchange Commission to extend exemptions for securities offered as part of employee pay to other individuals providing goods for sale, labor, or services for remuneration, to preempt certain provisions of State law with respect to wage rates and benefits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2021

Mr. MCHENRY introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require the Securities and Exchange Commission to extend exemptions for securities offered as part of employee pay to other individuals providing goods for sale, labor, or services for remuneration, to preempt certain provisions of State law with respect to wage rates and benefits, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Gig Worker Equity
3 Compensation Act”.

4 **SEC. 2. EXTENSION OF RULE 701.**

5 (a) IN GENERAL.—The exemption provided under
6 section 230.701 of title 17, Code of Federal Regulations,
7 shall apply to individuals (other than employees) providing
8 goods for sale, labor, or services for remuneration to either
9 an issuer or to customers of an issuer to the same extent
10 as such exemptions apply to employees of the issuer. For
11 purposes of the previous sentence, the term “customers”
12 may, at the election of an issuer, include users of the
13 issuer’s platform.

14 (b) ADJUSTMENT FOR INFLATION.—The Securities
15 and Exchange Commission shall annually adjust the dollar
16 figure under section 230.701(e) of title 17, Code of Fed-
17 eral Regulations, to reflect the percentage change in the
18 Consumer Price Index for All Urban Consumers published
19 by the Bureau of Labor Statistics of the Department of
20 Labor.

21 (c) RULEMAKING.—The Securities and Exchange
22 Commission—

23 (1) shall revise section 230.701 of title 17,
24 Code of Federal Regulations, to reflect the require-
25 ments of this section; and

1 (2) may not revise such section 230.701 in any
2 manner that would have the effect of restricting ac-
3 cess to equity compensation for employees or individ-
4 uals described under subsection (a).

5 **SEC. 3. PREEMPTION OF CERTAIN PROVISIONS OF STATE**
6 **LAW.**

7 Any provision of a State law with respect to wage
8 rates or benefits that creates a presumption that an indi-
9 vidual providing goods for sale, labor, or services for remun-
10 eration for a person is an employee of such person under
11 such law is preempted.

12 **SEC. 4. GAO STUDY.**

13 Not later than the end of the 3-year period beginning
14 on the date of enactment of this Act, the Comptroller Gen-
15 eral of the United States shall carry out a study on the
16 effects of this Act and submit a report on such study to
17 the Congress.

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