



Rep. Tom Emmer on Emmer Speaks on his Micro Offering Safe Harbor Act

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****REP. TOM EMMER:**

** Thank you, Mr. Chairman. With re-employment at almost 10%, labor force participation at an all-time low, and a mere 1% economic growth last quarter, it's clear that the American economy is just not working. Contributing to the problems are the regulatory burdens caused by the Dodd-Frank Wall Street Reform Act, which has reduced the number of credit unions and community banks in my state of Minnesota by nearly 25% over the past 6 years. Because of this, it is increasingly difficult for entrepreneurs to find the capital they need to start a new business or expand an existing one. In fact, today there are 3 million fewer small business loans made annually than prior to the 2008 crisis. This is particularly alarming because small business creates roughly 70% of the new jobs, and today's small businesses, as we all know, are tomorrow's Fortune 500 companies. Just think of all the great businesses in this country that started with a dream in a garage. Amazon, Apple, Microsoft, Disney, Harley-Davidson, and Minnesota's own Medtronic. I fear that with our current lack of access, many of them, access to capital, many of them would not have gotten off the ground today. Who knows what future American success story we may not be able to witness due to these issues. In fact, according to the Kauffman Index, a measure that tracks business startups in each state, America has dropped from pre-recession highs when it comes to starting new businesses. Our legislation, the Micro-Offering Safe Harbor Act, which is included in this proposal before us, will fix the access to capital problem that is limiting sustainable growth in our communities. It will make it easier for entrepreneurs to borrow money from their friends and family. Minnesotans will be able to launch their business ideas and encourage the creation of jobs, wealth, and opportunities for everyone. Specifically, this legislation allows Americans to do a private security offering, free from any hoops to jump through by the SEC, if they meet these three simple criteria. The investor has a substantive pre-existing relationship with the owner. There are fewer than 35 investors, and the aggregate amount from all investors is no more than \$500,000. Not only will this help Americans, but the other two bills we are considering today are equally important. The Accelerating Access to Capital Act will make it easier for certain companies to register securities, and the Private Placement Improvement Act will make it less complicated to issue securities under Regulation D. Together, these bills will generate economic prosperity, boost wages, and help Americans from all walks of life find good-paying and rewarding jobs. I want to thank Congresswoman Wagner, Congressman Garrett, and Chairman Hensarling for their leadership on these issues, and I urge all of my colleagues to support these proposals.

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