



1. [H.R. 5421 – National Securities Exchange Regulatory Parity Act of 2016](#)
2. [H.R. 5658: TALENT Act of 2016](#)

H.R. 5421 – National Securities Exchange Regulatory Parity Act of 2016 (Rep. Royce, R-CA)

CONTACT: [Jennifer Weinhart](#), 202-226-0706

FLOOR SCHEDULE:

Expected to be considered on July 12, 2016 under a suspension of the rules, which requires 2/3 majority for passage.

TOPLINE SUMMARY:

[H.R. 5421](#) would amend the Securities Act of 1933 to amend the “blue sky” exemption for securities traded on the New York Stock Exchange, the American Stock Exchange, and NASDAQ. Instead, it would extend the “blue sky” exemption to any security listed on a national securities exchange that is registered with the SEC and has listing standards that have been approved by the SEC.

COST:

The Congressional Budget Office (CBO) cost estimate is not yet available.

Rule 28(a)(1) of the Rules of the Republican Conference prohibit measures from being scheduled for consideration under suspension of the rules without an accompanying cost estimate. Rule 28(b) provides that the cost estimate requirement may be waived by a majority of the Elected Leadership.

CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

The federal “blue sky” exemption preempts state-level anti-fraud statutes that typically require the registration of securities offerings, brokers, and brokerage firms. These laws on the state-level regulate the offer and sale of securities, and allow states to bring actions against those that violate state securities laws. Under current law, states are preempted from restricting the sale of securities listed on the major exchanges, including the New York Stock Exchange, the American Stock Exchange, and NASDAQ, in addition to any national security exchange that the SEC determines is substantially similar to the three listed exchanges.

This bill would extend the “blue sky” exemption to any security listed on a national securities exchange that is registered with the SEC and has listing standards that have been approved by the SEC. Additionally, it would require the SEC to establish within 360 days, minimum core quantitative standards for firms listed on a covered exchange.

COMMITTEE ACTION:

H.R. 5421 was introduced on June 9, 2016 and was referred to the House Committee on Financial Services, where it was reported, 47-12, on June 16, 2016.

ADMINISTRATION POSITION:

A Statement of Administration Policy is not available.

CONSTITUTIONAL AUTHORITY:

According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 3.

H.R. 5658: TALENT Act of 2016 (McCarthy, R-CA)

CONTACT: [Rebekah Armstrong](#), 202-226-0678

FLOOR SCHEDULE:

Scheduled for consideration July 12, 2016 under a suspension of the rules, which requires a 2/3 majority for passage.

TOPLINE SUMMARY:

[H.R. 5658](#) would make permanent the Presidential Innovation Fellows Program.

COST:

A Congressional Budget Office (CBO) cost estimate is not available at this time.

Rule 28(a)(1) of the Rules of the Republican Conference prohibit measures from being scheduled for consideration under suspension of the rules without an accompanying cost estimate. Rule 28(b) provides that the cost estimate requirement may be waived by a majority of the Elected Leadership.

CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

This bill would make permanent the [Presidential Innovation Fellows \(PIF\) Program](#). The PIF Program was created by President Obama in 2012 to attract innovators and entrepreneurs into government. The fellows work for one year on various initiatives to create a more technologically-advanced and responsive government. In 2015, President Obama signed an [executive order](#) codifying the program; however, future presidents could rescind that order.

This bill would legislatively establish the Presidential Innovation Fellows Program to enable exceptional individuals with a proven track record to serve time-limited appoints in executive agencies. The program would be run by a director who would appoint fellows and place them in projects. In addition, an advisory board would advise the director; however, it may not participate in the selection process. The chair of the advisory board would be designated by the Administrator of General Services. The advisory board could consult with industry, academia, or non-profits to ensure the program is identifying opportunities to apply advanced skillsets in effective ways to address the nation's most significant challenges.

No additional funds would be authorized for this program.

COMMITTEE ACTION:

This bill was introduced by Representative McCarthy and referred to the House Committee on Oversight and Government Reform where it awaits further action.

ADMINISTRATION POSITION:

No Statement of Administration Policy is available at this time.

CONSTITUTIONAL AUTHORITY:

According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 18 which grants to the Congress power to make all laws which shall be necessary and

proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof.