

Reps. Barrett, LaVoy and Price offered the following resolution:

House Resolution No. 235.

A resolution to support the United States Securities and Exchange Commission's recent adoption of rules pursuant to Title III of the JOBS Act which are designed to facilitate small and start-up companies' access to capital raised through crowdfunding.

Whereas, Crowdfunding is an innovative, collective effort of individuals who network and pool their money to support initiatives by other people or organizations and, in doing so, sell small amounts of equity to investors. In 2014, there was an estimated \$16 billion in crowdfunding investment, and in 2015, it is estimated that investments will more than double to \$34 billion. Venture capitalism—the tried and true method of financing more established companies for accredited investors—sees approximately \$20 billion annually in investments. However, crowdfunding is quickly becoming the funding mechanism of the future; and

Whereas, Nearly all job creation in the United States between 1980 and 2005 was due to newer companies. States across the country have recognized the benefits of young companies' employment opportunities and are regulating crowdfunding to give small businesses and entrepreneurs' access to funding and growth opportunities; and

Whereas, Businesses in Michigan have greatly benefited from the opportunities created by the state-based and regulated Michigan Invests Locally Exemption (MILE) program. MILE has allowed everyday Michiganders, referred to as unaccredited investors, the ability to play a larger role in growing Michigan's creative business ventures through Michigan-based crowdfunding platforms while still enjoying investor protections and security in their investments; and

Whereas, Although crowdfunding has been highly touted as a manner of raising funds, it has not been generally used to offer and sell securities, which might have required registering with the Securities and Exchange Commission. The JOBS Act included an exemption for securities-based crowdfunding and the Securities and Exchange Commission has slowly been releasing regulatory frameworks over the last few years to fulfill this exemption. On January 29, 2016, Title III rules were finalized and will become effective on May 16, 2016, allowing unaccredited investors the ability to invest through interstate equity crowdfunding; and

Whereas, Title III provides an effective means for smaller companies to capture funding opportunities for their business ventures and provides substantial protection for investors through mandatory company disclosures that provide transparency. Companies must disclose the financial condition of the company and information about the officers and directors, as well as those who own 20 percent or more of the company; now, therefore, be it

Resolved by the House of Representatives, That we support the United States Securities and Exchange Commission's recent adoption of final rules pursuant to Title III of the JOBS Act which are designed to facilitate small and start-up companies' access to crowdfunding capital, fostering entrepreneurial growth and continued job creation in the state of Michigan and across the United States; and be it further

Resolved, That copies of this resolution be transmitted to the Chair of the Securities and Exchange Commission and the members of the Michigan congressional delegation.