

[DISCUSSION DRAFT]

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Securities Act of 1933 to provide small issuers with a micro-offering exemption free of mandated disclosures or offering filings, but subject to the antifraud provisions of the Federal securities laws, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GARBARINO introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Securities Act of 1933 to provide small issuers with a micro-offering exemption free of mandated disclosures or offering filings, but subject to the antifraud provisions of the Federal securities laws, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Entrepreneurs’
5 Empowerment and Development Act of 2025” or the
6 “SEED Act of 2025”.

1 **SEC. 2. MICRO-OFFERING EXEMPTION.**

2 (a) IN GENERAL.—Section 4 of the Securities Act of
3 1933 (15 U.S.C. 77d) is amended—

4 (1) in subsection (a), by adding at the end the
5 following:

6 “(8) transactions meeting the requirements of
7 subsection (f).”; and

8 (2) by adding at the end the following:

9 “(f) MICRO-OFFERINGS.—The transactions referred
10 to in subsection (a)(8) are transactions involving the sale
11 of securities by an issuer (including all entities controlled
12 by or under common control with the issuer) where the
13 aggregate amount of all securities sold by the issuer, in-
14 cluding any amount sold in reliance on the exemption pro-
15 vided under subsection (a)(8), during the 12-month period
16 preceding such transaction, does not exceed \$250,000.”.

17 (b) DISQUALIFICATION.—

18 (1) IN GENERAL.—Not later than 270 days
19 after the date of enactment of this Act, the Securi-
20 ties and Exchange Commission shall, by rule, estab-
21 lish disqualification provisions under which an issuer
22 shall not be eligible to offer securities pursuant to
23 section 4(a)(8) of the Securities Act of 1933, as
24 added by this section.

25 (2) INCLUSIONS.—Disqualification provisions
26 required by this subsection shall—

1 (A) be substantially similar to the provi-
2 sions of section 230.506(d) of title 17, Code of
3 Federal Regulations (or any successor thereto);
4 and

5 (B) disqualify any offering or sale of secu-
6 rities by a person that—

7 (i) is subject to a final order of a cov-
8 ered regulator that—

9 (I) bars the person from—

10 (aa) association with an en-
11 tity regulated by the covered reg-
12 ulator;

13 (bb) engaging in the busi-
14 ness of securities, insurance, or
15 banking; or

16 (cc) engaging in savings as-
17 sociation or credit union activi-
18 ties; or

19 (II) constitutes a final order
20 based on a violation of any law or reg-
21 ulation that prohibits fraudulent, ma-
22 nipulative, or deceptive conduct, if
23 such final order was issued within the
24 previous 10-year period; or

1 (ii) has been convicted of any felony
2 or misdemeanor in connection with the
3 purchase or sale of any security or involv-
4 ing the making of any false filing with the
5 Commission.

6 (3) COVERED REGULATOR DEFINED.—In this
7 subsection, the term “covered regulator” means—

8 (A) a State securities commission (or an
9 agency or officer of a State performing like
10 functions);

11 (B) a State authority that supervises or
12 examines banks, savings associations, or credit
13 unions;

14 (C) a State insurance commission (or an
15 agency or officer of a State performing like
16 functions);

17 (D) a Federal banking agency (as defined
18 under section 3 of the Federal Deposit Insur-
19 ance Act); and

20 (E) the National Credit Union Administra-
21 tion.

22 (c) EXEMPTION UNDER STATE REGULATIONS.—Sec-
23 tion 18(b)(4) of the Securities Act of 1933 (15 U.S.C.
24 77r(b)(4)) is amended—

1 (1) in subparagraph (F), by striking “or” at
2 the end;

3 (2) in subparagraph (G), by striking the period
4 and inserting “; or”; and

5 (3) by adding at the end the following:

6 “(H) section 4(a)(8).”.