

Union Calendar No. 95

119TH CONGRESS
1ST SESSION

H. R. 3382

[Report No. 119–125]

To require the Securities and Exchange Commission to carry out a study and rulemaking on the definition of the term “small entity” under the securities laws for purposes of chapter 6 of title 5, United States Code, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 2025

Mrs. WAGNER (for herself, Mr. TORRES of New York, Mr. CASTEN, Mr. DAVID SCOTT of Georgia, and Mr. SESSIONS) introduced the following bill; which was referred to the Committee on Financial Services

JUNE 3, 2025

Additional sponsors: Mr. HIMES, Mr. VINDMAN, and Mr. LAWLER

JUNE 3, 2025

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on May 14, 2025]

A BILL

To require the Securities and Exchange Commission to carry out a study and rulemaking on the definition of the term “small entity” under the securities laws for purposes of chapter 6 of title 5, United States Code, 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 Entity Update*
 5 *Act”.*

6 **SEC. 2. STUDIES, REPORTS, AND RULES REGARDING SMALL**
 7 **ENTITIES.**

8 (a) *DEFINITIONS.—In this section—*

9 (1) *the term “Commission” means the Securities*
 10 *and Exchange Commission; and*

11 (2) *the term “small entity”—*

12 (A) *has the meaning given the term in sec-*
 13 *tion 601 of title 5, United States Code, with re-*
 14 *spect to the activities of the Commission; and*

15 (B) *includes any definition established by*
 16 *the Commission of the term “small business”,*
 17 *“small organization”, “small governmental juris-*
 18 *diction”, or “small entity” under paragraph (3),*
 19 *(4), (5), or (6), respectively, of section 601 of*
 20 *title 5, United States Code, with respect to the*
 21 *activities of the Commission.*

22 (b) *STUDIES AND REPORTS.—Not later than 1 year*
 23 *after the date of enactment of this Act, and again 5 years*
 24 *thereafter, the Commission shall—*

1 (1) *conduct a study of the definition of the term*
2 *“small entity” with respect to the activities of the*
3 *Commission for the purposes of chapter 6 of title 5,*
4 *United States Code, which shall consider—*

5 *(A) the extent to which the definition of the*
6 *term “small entity”, as in effect during the pe-*
7 *riod in which the study is conducted, aligns with*
8 *the findings and declarations made under section*
9 *2(a) of the Regulatory Flexibility Act (5 U.S.C.*
10 *601 note);*

11 *(B) the amount by which financial markets*
12 *in the United States have grown since the last*
13 *time the Commission amended the definition of*
14 *the term “small entity”, if applicable; and*

15 *(C) how the Commission should define the*
16 *term “small entity” to ensure that a meaningful*
17 *number of entities would fall under that defini-*
18 *tion; and*

19 (2) *submit to Congress a report that includes—*

20 *(A) the results of the applicable study con-*
21 *ducted under paragraph (1); and*

22 *(B) specific and detailed recommendations*
23 *on the ways in which the Commission could*
24 *amend the definition of the term “small entity”*
25 *to—*

1 (i) be consistent with the results de-
2 scribed in subparagraph (A); and

3 (ii) expand the number of entities cov-
4 ered by such definition.

5 (c) *RULEMAKING.*—Concurrently with, or after the
6 completion of, each study required under subsection (b), the
7 Commission shall, subject to public notice and comment, re-
8 vise the rules of the Commission consistent with the results
9 of such study.

10 (d) *INFLATION ADJUSTMENTS.*—After the Commission
11 issued the final rule revisions required under subsection (c),
12 and every 5 years thereafter, the Commission shall adjust
13 any dollar figures under the definition of small entity estab-
14 lished by the Commission to reflect the change in the Con-
15 sumer Price Index for All Urban Consumers published by
16 the Bureau of Labor Statistics of the Department of Labor.

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