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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

To expand certain securities exemptions to respond to COVID–19, to establish an X-prize for creating an effective COVID–19 vaccine, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To expand certain securities exemptions to respond to COVID–19, to establish an X-prize for creating an effective COVID–19 vaccine, 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 “Crowdfunding to Com-
5 bat the Coronavirus Act”.

1 **SEC. 2. EXPANSION OF CERTAIN SECURITIES EXEMPTIONS**
2 **TO RESPOND TO COVID-19.**

3 (a) DEFINITIONS.—Section 2(a) of the Securities Act
4 of 1933 (15 U.S.C. 77b(a)) is amended by adding at the
5 end the following:

6 “(20) ISSUER COMBATING COVID-19.—The
7 term ‘issuer combating COVID-19’ means an issuer
8 that undertakes—

9 “(A) efforts to find a vaccine for COVID-
10 19;

11 “(B) research or production of medical
12 equipment related to COVID-19, including—

13 “(i) testing equipment; and

14 “(ii) touchless automation and hands-
15 free proximity sensing technology;

16 “(C) research or production of technology
17 or equipment related to social distancing or
18 other non-medical strategies to reduce the dan-
19 ger of COVID-19 to the general population, in-
20 cluding—

21 “(i) online education technology; and

22 “(ii) remote video conferencing tech-
23 nology; and

24 “(D) such other activities as the Commis-
25 sion may determine appropriate.”.

1 (b) ISSUE EXEMPTIVE AUTHORITY WITH RESPECT
2 TO COVID-19.—Section 3(b) of the Securities Act of
3 1933 (15 U.S.C. 77c(b)) is amended—

4 (1) in paragraph (1), by inserting after “no
5 issue of securities” the following: “(other than an
6 issue of securities by an issuer combating COVID-
7 19)”; and

8 (2) in paragraph (2)(A), by striking “The ag-
9 gregate” and inserting “Except for securities of an
10 issuer combating COVID-19, the aggregate”.

11 (c) CROWDFUNDING EXEMPTION WITH RESPECT TO
12 COVID-19.—Section 4(a)(6)(A) of the Securities Act of
13 1933 (15 U.S.C. 77d(a)(6)(A)) is amended by inserting
14 before “the aggregate amount” the following: “except for
15 transactions involving the offer or sale of securities by an
16 issuer combating COVID-19,”.

17 (d) EXEMPTION FROM JOINT AND SEVERAL LIABIL-
18 ITY.—Section 24 of the Securities Act of 1933 (15 U.S.C.
19 77x) is amended by adding at the end the following: “Not-
20 withstanding any other provision of law, an issuer com-
21 bating COVID-19 shall not be subject to joint and several
22 liability for any claim against such issuer, other than a
23 claim of fraud under the securities laws.”.

1 **SEC. 3. COVID-19 X-PRIZE.**

2 If the Director of the Centers for Disease Control and
3 Prevention or the Director of the National Institutes of
4 Health determines that a person has created a vaccine for
5 COVID-19 that cuts the incidence and mortality rate of
6 COVID-19 by more than 50 percent and makes such vac-
7 cine widely available to the public at affordable rates, such
8 Director shall report such determination to the President
9 and the Secretary of the Treasury. If, after reviewing such
10 report, the President agrees, the Secretary of the Treasury
11 shall, without further appropriation and out of any
12 amounts in the general fund not otherwise appropriated,
13 pay such person \$1,000,000,000.

14 **SEC. 4. GAO STUDY.**

15 Not later than 1 year after the date of the enactment
16 of this Act, the Comptroller General of the United States
17 shall submit to Congress a study on the impact of this
18 Act and the amendments made by this Act.

19 **SEC. 5. SUNSET.**

20 This Act and the amendments made by this Act shall
21 have no force or effect after the earlier of—

22 (1) the date the Secretary of the Treasury
23 awards the prize described under section 3; and

24 (2) the end of the 3-year period beginning on
25 the date of enactment of this Act.