

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To require the Securities and Exchange Commission to extend exemptions for securities offered as part of employee pay to other individuals providing goods for sale, labor, or services for remuneration, to preempt certain provisions of State law with respect to wage rates and benefits, 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 require the Securities and Exchange Commission to extend exemptions for securities offered as part of employee pay to other individuals providing goods for sale, labor, or services for remuneration, to preempt certain provisions of State law with respect to wage rates and benefits, 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 “Gig Worker Equity
5 Compensation Act”.

1 **SEC. 2. EXTENSION OF RULE 701.**

2 (a) IN GENERAL.—The exemption provided under
3 section 230.701 of title 17, Code of Federal Regulations,
4 shall apply to individuals (other than employees) providing
5 goods for sale, labor, or services for remuneration to either
6 an issuer or to customers of an issuer to the same extent
7 as such exemptions apply to employees of the issuer. For
8 purposes of the previous sentence, the term “customers”
9 may, at the election of an issuer, include users of the
10 issuer’s platform.

11 (b) ADJUSTMENT FOR INFLATION.—The Securities
12 and Exchange Commission shall annually adjust the dollar
13 figure under section 230.701(e) of title 17, Code of Fed-
14 eral Regulations, to reflect the percentage change in the
15 Consumer Price Index for All Urban Consumers published
16 by the Bureau of Labor Statistics of the Department of
17 Labor.

18 (c) RULEMAKING.—The Securities and Exchange
19 Commission—

20 (1) shall revise section 230.701 of title 17,
21 Code of Federal Regulations, to reflect the require-
22 ments of this section; and

23 (2) may not revise such section 230.701 in any
24 manner that would have the effect of restricting ac-
25 cess to equity compensation for employees or individ-
26 uals described under subsection (a).

1 **SEC. 3. PREEMPTION OF CERTAIN PROVISIONS OF STATE**
2 **LAW.**

3 Any provision of a State law with respect to wage
4 rates or benefits that creates a presumption that an indi-
5 vidual providing goods for sale, labor, or services for remu-
6 nation for a person is an employee of such person under
7 such law is preempted.

8 **SEC. 4. GAO STUDY.**

9 Not later than the end of the 3-year period beginning
10 on the date of enactment of this Act, the Comptroller Gen-
11 eral of the United States shall carry out a study on the
12 effects of this Act and submit a report on such study to
13 the Congress.