EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 4, 2024
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 2799 – Expanding Access to Capital Act of 2023
(Rep. McHenry, R-NC)

The Administration strongly opposes passage of H.R. 2799, which would disrupt longstanding and essential investor protections, while undermining worker protections by preempting provisions of state laws designed to prevent the misclassification of employees as independent contractors. Such misclassification often robs workers of the higher wages they deserve. If enacted, H.R. 2799 would make far-reaching changes to the protection of investors in U.S. capital markets. Among other changes, H.R. 2799 would exempt certain classes of investment professionals from regulations long applicable to brokers and dealers. It would weaken independence requirements for certain auditors and override vital state investor protection laws, while rolling back Federal protections for many securities offerings. H.R. 2799 also rewrites provisions of many Securities and Exchange Commission regulations that were recently updated under former Chair Jay Clayton, as well as several currently on the Commission's regulatory agenda. These technical matters are best left to established administrative procedures and agency expertise.

Additionally, H.R. 2799 would weaken America's middle class. Workers who are considered employees under labor and employment laws receive key protections such as a minimum wage, overtime, workers' compensation, and unemployment insurance—and misclassifying workers as independent contractors robs them of those protections, making it harder for them to support themselves and their families. Unprecedentedly, H.R. 2799 would preempt any provisions of state laws that create a presumption of employee status, and therefore would undermine important efforts by state governments to crack down on the misclassification of employees as independent contractors.

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