

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 114

To authorize the Securities and Exchange Commission to require greater disclosure by municipalities that issue securities, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JANUARY 4, 1995

Mrs. BOXER introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To authorize the Securities and Exchange Commission to require greater disclosure by municipalities that issue securities, 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 “Municipal Securities  
5 Disclosure Act of 1995”.

6 **SEC. 2. MUNICIPAL SECURITIES TREATMENT UNDER SECU-**  
7 **RITIES EXCHANGE ACT OF 1934.**

8 (a) EXEMPTION AUTHORITY.—Section 15B of the  
9 Securities Exchange Act of 1934 (15 U.S.C. 78o–4) is

1 amended by striking subsection (d) and inserting the  
2 following:

3 “(d) The Commission may, by rule or regulation, and  
4 subject to such terms and conditions as may be prescribed  
5 in accordance with those rules and regulations, add munic-  
6 ipal securities to the classes of securities exempted from  
7 the application of any provision of this title, if the Com-  
8 mission finds that the enforcement of such provision with  
9 respect to such securities is not necessary in the public  
10 interest and for the protection of investors.”.

11 (b) AMENDMENT TO DEFINITION OF “EXEMPTED  
12 SECURITY”.—Section 3(a)(12) of the Securities Exchange  
13 Act of 1934 (15 U.S.C. 78c(a)(12)) is amended—

14 (1) in subparagraph (A)—

15 (A) by striking clause (ii); and

16 (B) by redesignating clauses (iii) through  
17 (v) as clauses (ii) through (iv), respectively; and

18 (2) in subparagraph (B)—

19 (A) by striking “(i)”; and

20 (B) by striking clause (ii).

21 **SEC. 3. MUNICIPAL SECURITIES TREATMENT UNDER SECU-**  
22 **RITIES ACT OF 1933.**

23 (a) REPEAL OF EXEMPTION FOR MUNICIPAL SECU-  
24 RITIES.—Section 3(a)(2) of the Securities Act of 1933 (15  
25 U.S.C. 77c(a)(2)) is amended in the first sentence—

1           (1) by striking “or any Territory thereof, or by  
2           the District of Columbia, or by any State of the  
3           United States, or by any political subdivision of a  
4           State or Territory, or by any public instrumentality  
5           of one or more States or Territories”; and

6           (2) by striking “or any security which is an in-  
7           dustrial” and all that follows through “does not  
8           apply to such security;”.

9           (b) COMMISSION AUTHORITY TO EXEMPT.—Section  
10          3 of the Securities Act of 1933 (15 U.S.C. 77c) is amend-  
11          ed by adding at the end the following new subsection:

12          “(d) EXEMPTION AUTHORITY.—The Commission  
13          may, by rule or regulation, and subject to such terms and  
14          conditions as may be prescribed in accordance with those  
15          rules and regulations, add to the securities exempted as  
16          provided in this section, any class of securities issued by  
17          a State of the United States or by any political subdivision  
18          of a State or by any Territory of the United States or  
19          political subdivision of a Territory or by any public instru-  
20          mentality of one or more States or Territories, if the Com-  
21          mission finds that the enforcement of this title with re-  
22          spect to such securities is not necessary in the public inter-  
23          est and for the protection of investors.”.

1 **SEC. 4. EFFECTIVE DATE.**

2       The amendments made by this Act shall become ef-  
3 fective 6 months after the date of enactment of this Act.

4 **SEC. 5. FUNDING.**

5       There are authorized to be appropriated to the Secu-  
6 rities and Exchange Commission such sums as may be  
7 necessary to carry out this Act and the amendments made  
8 by this Act.

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