A California congressman has introduced a bill that he believes will accomplish what Dodd-Frank failed to: Protect taxpayers from future bailouts of banks that are supposedly too big to fail.

John Campbell, a Republican, would require that banks with $50 billion or more in assets hold additional capital and hold 15 percent of their assets in long-term bonds. If the bank failed, bondholders would lose at least 20 percent of their investment. That, he contends, would pressure banks to reduce debt and would guard against a taxpayer bailout.

“Having investors with a lot of skin in the game is a better regulator than having a government regulating watchdog,” Campbell told the Daily Ticker.

Recall that Julie Stackhouse, senior vice president of the St. Louis Fed, took up the topic at a presentation in December. “The ability to fail is necessary to ensure market discipline,” she said, noting that hundreds of smaller banks have failed since the credit collapse. “They’re not too big to fail.”