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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R.

To amend the Securities Exchange Act of 1934 to require reporting of certain expenditures for political activities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To amend the Securities Exchange Act of 1934 to require reporting of certain expenditures for political activities, and for other purposes.

1 *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Shareholder Political
5 Transparency Act of 2023”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

1 (1) corporations make significant political con-
2 tributions and expenditures that directly or indi-
3 rectly influence the election of candidates and sup-
4 port or oppose political causes;

5 (2) decisions to use corporate funds for political
6 contributions and expenditures are usually made by
7 corporate boards and executives, rather than share-
8 holders;

9 (3) corporations, acting through boards and ex-
10 ecutives, are obligated to conduct business for the
11 best interests of their owners, the shareholders;

12 (4) historically, shareholders have not had a
13 way to know, or to influence, the political activities
14 of corporations they own;

15 (5) shareholders and the public have a right to
16 know how corporate managers are spending com-
17 pany funds to make political contributions and ex-
18 penditures benefitting candidates, political parties,
19 and political causes; and

20 (6) corporations should be accountable to share-
21 holders in making political contributions or expendi-
22 tures affecting Federal governance and public policy.

1 SEC. 3. REPORTING REQUIREMENTS.

2 Section 13 of the Securities Exchange Act of 1934
3 (15 U.S.C. 78m) is amended by adding at the end the
4 following:

5 **“(t) REPORTING REQUIREMENTS RELATING TO CER-**
6 **TAIN POLITICAL EXPENDITURES.—**

7 **“(1) DEFINITIONS.—**In this subsection:

8 **“(A) EXPENDITURE FOR POLITICAL AC-**
9 **TIVITIES.—**The term ‘expenditure for political
10 activities’—

11 **“(i) means—**

12 **“(I) an independent expenditure**
13 (as defined in section 301(17) of the
14 Federal Election Campaign Act of
15 1971 (52 U.S.C. 30101(17)));

16 **“(II) an electioneering commu-**
17 **nication (as defined in section**
18 **304(f)(3) of that Act (52 U.S.C.**
19 **30104(f)(3))) and any other public**
20 **communication (as defined in section**
21 **301(22) of that Act (52 U.S.C.**
22 **30101(22))) that would be an elec-**
23 **tioneering communication if it were a**
24 **broadcast, cable, or satellite commu-**
25 **nication; or**

1 “(III) dues or other payments to
2 trade associations or organizations de-
3 scribed in section 501(c) of the Inter-
4 nal Revenue Code of 1986 and exempt
5 from tax under section 501(a) of that
6 Code that are, or could reasonably be
7 anticipated to be, used or transferred
8 to another association or organization
9 for the purposes described in sub-
10 clause (I) or (II); and

11 “(ii) does not include—

12 “(I) direct lobbying efforts
13 through registered lobbyists employed
14 or hired by the issuer;

15 “(II) communications by an
16 issuer to its shareholders and execu-
17 tive or administrative personnel and
18 their families; or

19 “(III) the establishment and ad-
20 ministration of contributions to a sep-
21 arate segregated fund to be utilized
22 for political purposes by a corpora-
23 tion.

24 “(B) ISSUER.—The term ‘issuer’ does not
25 include an investment company registered

1 under section 8 of the Investment Company Act
2 of 1940 (15 U.S.C. 80a-8).

3 **“(2) QUARTERLY REPORTS.—**

4 **“(A) REPORTS REQUIRED.—**Not later than
5 180 days after the date of enactment of this
6 subsection, the Commission shall amend the re-
7 porting rules under this section to require each
8 issuer with a class of equity securities reg-
9 istered under section 12 of this title to submit
10 to the Commission and the shareholders of the
11 issuer a quarterly report containing—

12 “(i) a description of any expenditure
13 for political activities made during the pre-
14 ceding quarter;

15 “(ii) the date of each expenditure for
16 political activities;

17 “(iii) the amount of each expenditure
18 for political activities;

19 “(iv) if the expenditure for political
20 activities was made in support of or in op-
21 position to a candidate, the name of the
22 candidate and the office sought by, and the
23 political party affiliation of, the candidate;
24 and

1 “(v) the name or identity of trade as-
2 sociations or organizations described in
3 section 501(c) of the Internal Revenue
4 Code of 1986 and exempt from tax under
5 section 501(a) of such Code which receive
6 dues or other payments as described in
7 paragraph (1)(A)(i)(III).

8 “(B) PUBLIC AVAILABILITY.—The Com-
9 mission shall ensure that the quarterly reports
10 required under this paragraph are publicly
11 available through the Internet website of the
12 Commission and through the EDGAR system in
13 a manner that is searchable, sortable, and
14 downloadable, consistent with the requirements
15 under section 24.

16 “(3) ANNUAL REPORTS.—Not later than 180
17 days after the date of enactment of this subsection,
18 the Commission shall, by rule, require each issuer to
19 include in the annual report of the issuer to share-
20 holders—

21 “(A) a summary of each expenditure for
22 political activities made during the preceding
23 year in excess of \$10,000, and each expenditure
24 for political activities for a particular election if

1 the total amount of such expenditures for that
2 election is in excess of \$10,000;

3 “(B) a description of the specific nature of
4 any expenditure for political activities the issuer
5 intends to make for the forthcoming fiscal year,
6 to the extent the specific nature is known to the
7 issuer; and

8 “(C) the total amount of expenditures for
9 political activities intended to be made by the
10 issuer for the forthcoming fiscal year.

11 “(4) REPORTS TO CONGRESS.—

12 “(A) ASSESSMENT AND REPORT.—The
13 Commission shall—

14 “(i) conduct an annual assessment of
15 the compliance of issuers with this sub-
16 section; and

17 “(ii) submit to Congress an annual re-
18 port containing the results of such assess-
19 ment.

20 “(B) GOVERNMENT ACCOUNTABILITY OF-
21 FICE.—The Comptroller General of the United
22 States shall periodically evaluate and report to
23 Congress on the effectiveness of the oversight
24 by the Commission of the reporting and disclo-
25 sure requirements under this subsection.”.