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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.

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**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 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 “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.”.