

118TH CONGRESS
1ST SESSION

H. R. 3003

To amend title 5, United States Code, to restrict trading and ownership of certain financial instruments by Members of Congress and their spouses and dependents, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2023

Mr. FITZPATRICK (for himself, Ms. OCASIO-CORTEZ, Mr. GAETZ, and Mr. KRISHNAMOORTHY) introduced the following bill; which was referred to the Committee on House Administration, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 5, United States Code, to restrict trading and ownership of certain financial instruments by Members of Congress and their spouses and dependents, 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 “Bipartisan Restoring
5 Faith in Government Act”.

1 **SEC. 2. PROHIBITION OF CONGRESSIONAL OWNERSHIP OF**
2 **FINANCIAL INVESTMENTS.**

3 (a) IN GENERAL.—Chapter 131 of title 5, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 “SUBCHAPTER IV—PROHIBITION ON CONGRES-
7 SIONAL OWNERSHIP OF FINANCIAL IN-
8 VESTMENTS

9 “§ 13151. Definitions

10 “In this subchapter:

11 “(1) COVERED FINANCIAL INSTRUMENT.—The
12 term ‘covered financial instrument’ means—

13 “(A) any investment in—

14 “(i) a security (as defined in section
15 3(a) of the Securities Exchange Act of
16 1934 (15 U.S.C. 78c(a)));

17 “(ii) a security future (as defined in
18 section 3(a) of the Securities Exchange Act
19 of 1934 (15 U.S.C. 78c(a))); or

20 “(iii) a commodity (as defined in sec-
21 tion 1a of the Commodity Exchange Act (7
22 U.S.C. 1a)); and

23 “(B) any economic interest comparable to
24 an interest described in subclause (I) that is ac-
25 quired through synthetic means, such as the

1 use of a derivative, including an option, war-
2 rant, or other similar means.

3 “(2) COVERED INDIVIDUAL.—The term ‘cov-
4 ered individual’ means any of the following:

5 “(A) A Member of Congress.

6 “(B) The spouse of a Member of Congress.

7 “(C) The dependent of a Member of Con-
8 gress.

9 “(3) DEPENDENT.—The term ‘dependent’ has
10 the meaning given that term in section 13101.

11 “(4) MEMBER OF CONGRESS.—The term ‘Mem-
12 ber of Congress’ has the meaning given that term in
13 section 13101.

14 “(5) QUALIFIED BLIND TRUST.—The term
15 ‘qualified blind trust’ has the meaning given that
16 term in section 13104(f)(3).

17 “(6) SUPERVISING ETHICS OFFICE.—The term
18 ‘supervising ethics office’ has the meaning given that
19 term in section 13101.

20 **“§ 13152. Limitation on owning or trading certain as-**
21 **sets**

22 “(a) REQUIREMENT.—

23 “(1) IN GENERAL.—Except as provided in this
24 section, no covered individual may own or trade a
25 covered financial instrument.

1 “(2) EXCEPTIONS.—Nothing in this subchapter
2 shall be construed to prevent a covered individual
3 from owning or trading—

4 “(A) a widely held investment fund (as
5 that term is described in section 13104(f)(8))
6 that is registered as a management company
7 under the Investment Company Act, as amend-
8 ed (15 U.S.C. 80a–1 et seq.);

9 “(B) a United States Treasury bill, note,
10 or bond;

11 “(C) any bond issued by a State or local
12 government; or

13 “(D) any investment under the Thrift Sav-
14 ings Plan.

15 “(b) COMPLIANCE.—

16 “(1) IN GENERAL.—To comply with the re-
17 quirement under subsection (a), a covered individual
18 shall divest of a covered financial instrument
19 through sale or placement in a qualified blind trust
20 in accordance with subsection (c).

21 “(2) ASSETS ACQUIRED THROUGH SPECIAL CIR-
22 CUMSTANCES.—In the event that a covered indi-
23 vidual acquires a covered financial instrument after
24 the date of enactment of the Bipartisan Restoring
25 Faith in Government Act other than by purchase,

1 the covered individual shall have 90 days from the
2 date on which such individual received such instru-
3 ment to divest of such instrument through any
4 means provided under paragraph (1).

5 “(c) TIME PERIOD FOR COMPLIANCE.—

6 “(1) COVERED INDIVIDUALS AS OF DATE OF
7 ENACTMENT.—

8 “(A) IN GENERAL.—An individual who is a
9 covered individual as of the date of enactment
10 of Bipartisan Restoring Faith in Government
11 Act shall have 90 days following the date of en-
12 actment of such Act to divest of such instru-
13 ment through any means provided under sub-
14 section (b)(1).

15 “(B) SPECIAL RULE FOR SPOUSES.—A
16 covered individual who is a spouse of a Member
17 of Congress and who receives any financial in-
18 strument as compensation for their primary em-
19 ployment shall divest of such financial instru-
20 ment not later than 90 days after the date that
21 the spouse is contractually permitted to sell the
22 covered investment.

23 “(2) COVERED INDIVIDUALS AFTER DATE OF
24 ENACTMENT.—An individual who becomes a covered
25 individual after the date of enactment of the Bipar-

1 tisan Restoring Faith in Government Act shall have
2 90 days from the date on which such individual be-
3 comes a covered individual to divest of such instru-
4 ment through any means provided under subsection
5 (b)(1).

6 “(3) QUALIFIED BLIND TRUST REQUIRE-
7 MENTS.—Notwithstanding paragraphs (1) and (2), a
8 qualified blind trust may not be established for pur-
9 poses of complying with this subchapter without the
10 prior approval of the supervising ethics office. With
11 respect to any such trust so approved, the applicable
12 trustee—

13 “(A) shall divest of any such instrument
14 placed in the trust not later than 6 months
15 after the trust is established;

16 “(B) shall certify to the applicable super-
17 vising ethics office on an annual basis that the
18 trustee has not provided any information on the
19 trust’s assets or transactions to the applicable
20 covered individual; and

21 “(C) may not have a close personal or
22 business relationship with the applicable cov-
23 ered individual.

24 “(d) INCOME TAX.—A loss from a transaction or
25 holding involving a covered financial instrument that is

1 conducted in violation of this section may not be deducted
2 from the amount of income tax owed by the covered indi-
3 vidual.

4 “(e) ASSETS UPON SEPARATION.—In the case of a
5 spouse or dependent who ceases to be a covered individual,
6 such spouse or dependent may regain control over any cov-
7 ered financial instrument that was placed into a qualified
8 blind trust pursuant to subsection (a).

9 “(f) PROOF OF COMPLIANCE.—

10 “(1) SUBMISSION.—A Member of Congress
11 shall submit to the supervising ethics office a pledge
12 of compliance with the requirements of this sub-
13 chapter, and shall produce, upon request of the su-
14 pervising ethics office, material or information deter-
15 mined by the supervising ethics committee to be nec-
16 essary to indicate compliance with the provisions of
17 this subchapter.

18 “(2) CERTIFICATE.—The supervising ethics of-
19 fice shall provide each Member of Congress in com-
20 pliance with the provisions of this Act with a certifi-
21 cate of compliance.

22 “(3) PUBLICATION.—The supervising ethics of-
23 fice shall make available, on a publicly accessible
24 website, all certificates issued under this subsection.

1 **“§ 13153. Enforcement**

2 “(a) REFERRAL.—The supervising ethics office shall
3 refer to the Attorney General the name of any covered
4 individual who such office has reasonable cause to believe
5 has willfully failed to comply with the requirements of sec-
6 tion 13152.

7 “(b) PENALTY.—

8 “(1) IN GENERAL.—The Attorney General may
9 bring a civil action in any appropriate United States
10 district court against any covered individual who
11 knowingly and willfully fails to comply with section
12 13152. The court in which such action is brought
13 may assess against such individual a civil penalty in
14 any amount, not to exceed \$50,000.

15 “(2) LIMITATION.—A covered individual may
16 not pay any penalty resulting from a civil action
17 under paragraph (1) using—

18 “(A) funds from a Members’ Representa-
19 tional Allowance or Senators’ Official Personnel
20 and Office Expense Account (as the case may
21 be); or

22 “(B) funds of any political committee
23 under the Federal Election Campaign Act of
24 1971 (52 U.S.C. 30101 et seq.).”.

25 (b) APPLICATION OF TAX RULES FOR SALES OF
26 PROPERTY TO COMPLY WITH CONFLICT-OF-INTEREST

1 REQUIREMENTS.—Section 1043 of the Internal Revenue
2 Code of 1986 is amended by adding at the end the fol-
3 lowing new subsection:

4 “(d) APPLICATION TO PROHIBITION ON CONGRES-
5 SIONAL OWNERSHIP OF CERTAIN ASSETS.—

6 “(1) TREATMENT AS CONFLICT OF INTEREST
7 STATUTE.—For purposes of subsection (b)(2)(A),
8 subchapter IV of chapter 131 of title 5, United
9 States Code, shall be treated as a Federal conflict
10 of interest statute.

11 “(2) COVERED INDIVIDUALS TREATED AS ELI-
12 GIBLE PERSONS.—For purposes of this section—

13 “(A) the term ‘eligible person’ shall include
14 covered individuals (as defined in section 13151
15 of title 5, United States Code), and

16 “(B) such covered individuals shall be
17 treated as referred to in subsection (b)(1)(A)
18 for purposes of applying subsection (b)(5)(A).

19 “(3) CERTIFICATES OF DIVESTITURE ISSUED
20 BY ETHICS COMMITTEE.—In the case of any covered
21 individual referred to in paragraph (2)(A), a certifi-
22 cate of divestiture meets the requirement of sub-
23 section (b)(2)(B) if such certificate is issued by the
24 applicable Congressional ethics committee.”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for such chapter is amended by inserting after the item
3 relating to section 13146 the following:

“SUBCHAPTER IV—PROHIBITION ON CONGRESSIONAL OWNERSHIP OF
FINANCIAL INVESTMENTS

“13151. Definitions.

“13152. Limitation on owning or trading certain assets.

“13153. Enforcement.”.

