

118TH CONGRESS
1ST SESSION

H. R. 4863

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

JULY 25, 2023

Mr. FOSTER (for himself, Mr. PHILLIPS, Ms. NORTON, Mr. RASKIN, Ms. MENG, Mr. CROW, and Ms. SCHAKOWSKY) introduced the following bill; which was referred to the Committee on Financial Services

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—

8 (1) corporations make significant political con-
9 tributions and expenditures that directly or indi-

1 directly influence the election of candidates and sup-
2 port or oppose political causes;

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

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

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

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

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

21 **SEC. 3. REPORTING REQUIREMENTS.**

22 Section 13 of the Securities Exchange Act of 1934
23 (15 U.S.C. 78m) is amended by adding at the end the
24 following:

1 “(t) REPORTING REQUIREMENTS RELATING TO CER-
2 TAIN POLITICAL EXPENDITURES.—

3 “(1) DEFINITIONS.—In this subsection:

4 “(A) EXPENDITURE FOR POLITICAL AC-
5 TIVITIES.—The term ‘expenditure for political
6 activities’—

7 “(i) means—

8 “(I) an independent expenditure
9 (as defined in section 301(17) of the
10 Federal Election Campaign Act of
11 1971 (52 U.S.C. 30101(17)));

12 “(II) an electioneering commu-
13 nication (as defined in section
14 304(f)(3) of that Act (52 U.S.C.
15 30104(f)(3))) and any other public
16 communication (as defined in section
17 301(22) of that Act (52 U.S.C.
18 30101(22))) that would be an elec-
19 tioneering communication if it were a
20 broadcast, cable, or satellite commu-
21 nication; or

22 “(III) dues or other payments to
23 trade associations or organizations de-
24 scribed in section 501(c) of the Inter-
25 nal Revenue Code of 1986 and exempt

1 from tax under section 501(a) of that
2 Code that are, or could reasonably be
3 anticipated to be, used or transferred
4 to another association or organization
5 for the purposes described in sub-
6 clause (I) or (II); and

7 “(ii) does not include—

8 “(I) direct lobbying efforts
9 through registered lobbyists employed
10 or hired by the issuer;

11 “(II) communications by an
12 issuer to its shareholders and execu-
13 tive or administrative personnel and
14 their families; or

15 “(III) the establishment and ad-
16 ministration of contributions to a sep-
17 arate segregated fund to be utilized
18 for political purposes by a corpora-
19 tion.

20 “(B) ISSUER.—The term ‘issuer’ does not
21 include an investment company registered
22 under section 8 of the Investment Company Act
23 of 1940 (15 U.S.C. 80a–8).

24 “(2) QUARTERLY REPORTS.—

1 “(A) REPORTS REQUIRED.—Not later than
2 180 days after the date of enactment of this
3 subsection, the Commission shall amend the re-
4 porting rules under this section to require each
5 issuer with a class of equity securities reg-
6 istered under section 12 of this title to submit
7 to the Commission and the shareholders of the
8 issuer a quarterly report containing—

9 “(i) a description of any expenditure
10 for political activities made during the pre-
11 ceding quarter;

12 “(ii) the date of each expenditure for
13 political activities;

14 “(iii) the amount of each expenditure
15 for political activities;

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

22 “(v) the name or identity of trade as-
23 sociations or organizations described in
24 section 501(c) of the Internal Revenue
25 Code of 1986 and exempt from tax under

1 section 501(a) of such Code which receive
2 dues or other payments as described in
3 paragraph (1)(A)(i)(III).

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

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

17 “(A) a summary of each expenditure for
18 political activities made during the preceding
19 year in excess of \$10,000, and each expenditure
20 for political activities for a particular election if
21 the total amount of such expenditures for that
22 election is in excess of \$10,000;

23 “(B) a description of the specific nature of
24 any expenditure for political activities the issuer
25 intends to make for the forthcoming fiscal year,

1 to the extent the specific nature is known to the
2 issuer; and

3 “(C) the total amount of expenditures for
4 political activities intended to be made by the
5 issuer for the forthcoming fiscal year.

6 “(4) REPORTS TO CONGRESS.—

7 “(A) ASSESSMENT AND REPORT.—The
8 Commission shall—

9 “(i) conduct an annual assessment of
10 the compliance of issuers with this sub-
11 section; and

12 “(ii) submit to Congress an annual re-
13 port containing the results of such assess-
14 ment.

15 “(B) GOVERNMENT ACCOUNTABILITY OF-
16 FICE.—The Comptroller General of the United
17 States shall periodically evaluate and report to
18 Congress on the effectiveness of the oversight
19 by the Commission of the reporting and disclo-
20 sure requirements under this subsection.”.

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