

AMENDMENT TO THE RULES COMMITTEE PRINT

119–15

OFFERED BY MR. FOSTER OF ILLINOIS

Add at the end the following:

1 **TITLE IV—SHAREHOLDER**
2 **POLITICAL TRANSPARENCY**

3 **SEC. 401. FINDINGS.**

4 Congress finds that—

5 (1) corporations make significant political con-
6 tributions and expenditures that directly or indi-
7 rectly influence the election of candidates and sup-
8 port or oppose political causes;

9 (2) decisions to use corporate funds for political
10 contributions and expenditures are usually made by
11 corporate boards and executives, rather than share-
12 holders;

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

16 (4) historically, shareholders have not had a
17 way to know, or to influence, the political activities
18 of corporations they own;

1 (5) shareholders and the public have a right to
2 know how corporate managers are spending com-
3 pany funds to make political contributions and ex-
4 penditures benefitting candidates, political parties,
5 and political causes; and

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

9 **SEC. 402. REPORTING REQUIREMENTS.**

10 Section 13 of the Securities Exchange Act of 1934
11 (15 U.S.C. 78m) is amended by adding at the end the
12 following:

13 “(t) REPORTING REQUIREMENTS RELATING TO CER-
14 TAIN POLITICAL EXPENDITURES.—

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

16 “(A) EXPENDITURE FOR POLITICAL AC-
17 TIVITIES.—The term ‘expenditure for political
18 activities’—

19 “(i) means—

20 “(I) an independent expenditure
21 (as defined in section 301(17) of the
22 Federal Election Campaign Act of
23 1971 (52 U.S.C. 30101(17)));

24 “(II) an electioneering commu-
25 nication (as defined in section

1 304(f)(3) of that Act (52 U.S.C.
2 30104(f)(3))) and any other public
3 communication (as defined in section
4 301(22) of that Act (52 U.S.C.
5 30101(22))) that would be an elec-
6 tioneering communication if it were a
7 broadcast, cable, or satellite commu-
8 nication; or

9 “(III) dues or other payments to
10 trade associations or organizations de-
11 scribed in section 501(c) of the Inter-
12 nal Revenue Code of 1986 and exempt
13 from tax under section 501(a) of that
14 Code that are, or could reasonably be
15 anticipated to be, used or transferred
16 to another association or organization
17 for the purposes described in sub-
18 clause (I) or (II); and

19 “(ii) does not include—

20 “(I) direct lobbying efforts
21 through registered lobbyists employed
22 or hired by the issuer;

23 “(II) communications by an
24 issuer to its shareholders and execu-

1 tive or administrative personnel and
2 their families; or

3 “(III) the establishment and ad-
4 ministration of contributions to a sep-
5 arate segregated fund to be utilized
6 for political purposes by a corpora-
7 tion.

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

12 “(2) QUARTERLY REPORTS.—

13 “(A) REPORTS REQUIRED.—Not later than
14 180 days after the date of enactment of this
15 subsection, the Commission shall amend the re-
16 porting rules under this section to require each
17 issuer with a class of equity securities reg-
18 istered under section 12 of this title to submit
19 to the Commission and the shareholders of the
20 issuer a quarterly report containing—

21 “(i) a description of any expenditure
22 for political activities made during the pre-
23 ceding quarter;

24 “(ii) the date of each expenditure for
25 political activities;

1 “(iii) the amount of each expenditure
2 for political activities;

3 “(iv) if the expenditure for political
4 activities was made in support of or in op-
5 position to a candidate, the name of the
6 candidate and the office sought by, and the
7 political party affiliation of, the candidate;
8 and

9 “(v) the name or identity of trade as-
10 sociations or organizations described in
11 section 501(c) of the Internal Revenue
12 Code of 1986 and exempt from tax under
13 section 501(a) of such Code which receive
14 dues or other payments as described in
15 paragraph (1)(A)(i)(III).

16 “(B) PUBLIC AVAILABILITY.—The Com-
17 mission shall ensure that the quarterly reports
18 required under this paragraph are publicly
19 available through the Internet website of the
20 Commission and through the EDGAR system in
21 a manner that is searchable, sortable, and
22 downloadable, consistent with the requirements
23 under section 24.

24 “(3) ANNUAL REPORTS.—Not later than 180
25 days after the date of enactment of this subsection,

1 the Commission shall, by rule, require each issuer to
2 include in the annual report of the issuer to share-
3 holders—

4 “(A) a summary of each expenditure for
5 political activities made during the preceding
6 year in excess of \$10,000, and each expenditure
7 for political activities for a particular election if
8 the total amount of such expenditures for that
9 election is in excess of \$10,000;

10 “(B) a description of the specific nature of
11 any expenditure for political activities the issuer
12 intends to make for the forthcoming fiscal year,
13 to the extent the specific nature is known to the
14 issuer; and

15 “(C) the total amount of expenditures for
16 political activities intended to be made by the
17 issuer for the forthcoming fiscal year.

18 “(4) REPORTS TO CONGRESS.—

19 “(A) ASSESSMENT AND REPORT.—The
20 Commission shall—

21 “(i) conduct an annual assessment of
22 the compliance of issuers with this sub-
23 section; and

1 “(ii) submit to Congress an annual re-
2 port containing the results of such assess-
3 ment.

4 “(B) GOVERNMENT ACCOUNTABILITY OF-
5 FICE.—The Comptroller General of the United
6 States shall periodically evaluate and report to
7 Congress on the effectiveness of the oversight
8 by the Commission of the reporting and disclo-
9 sure requirements under this subsection.”.

