

103^D CONGRESS
1ST SESSION

H. R. 2464

To repeal the exemption from disclosure requirements for municipal securities and to promote full and adequate disclosure of political contributions related to the underwriting of municipal securities by banks and securities firms.

IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 1993

Mr. LEACH (for himself and Mr. GONZALEZ) introduced the following bill; which was referred jointly to the Committees on Energy and Commerce and Banking, Finance and Urban Affairs

A BILL

To repeal the exemption from disclosure requirements for municipal securities and to promote full and adequate disclosure of political contributions related to the underwriting of municipal securities by banks and securities firms.

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 shall be cited as the “Municipal Securities
5 Reform Act of 1993”.

1 **SEC 2. GENERAL DISCLOSURE REQUIREMENTS FOR MU-**
2 **NICIPAL SECURITIES.**

3 Subsection 15B(d) of the Securities Exchange Act of
4 1934 (15 U.S.C. 78o4(d)) is amended to read as follows:

5 “(d)(1) IN GENERAL.—Notwithstanding any other
6 provision of this Act and in addition to any other disclo-
7 sure requirements, the Commission shall, by rule or regu-
8 lation, require any person acting as underwriter, bond
9 counsel, broker or dealer for a new issuance of municipal
10 securities, or any affiliate of such person to file with the
11 Commission, prior to the sale of such securities, a disclo-
12 sure of political contributions as described in paragraph
13 (2).

14 “(2) DISCLOSURE OF POLITICAL CONTRIBUTIONS.—
15 For the purposes of compliance with paragraph (1), the
16 disclosure of political contributions by a person subject to
17 such paragraph shall include the itemization of any politi-
18 cal contributions, expenditures, payments or the provision
19 of other items or services of value that, either directly or
20 indirectly, are extended by such person, to or for the bene-
21 fit of the issuer, any elected official of the issuer, any em-
22 ployee of the issuer, any affiliate of such persons, or the
23 political party of any elected official of the issuer.

24 “(3) EXCEPTION.—This subsection shall not apply to
25 any underwriter, broker or dealer of municipal securities

1 subject to section 44 of the Federal Deposit Insurance
2 Act.”.

3 **SEC 3. DISCLOSURE OF POLITICAL CONTRIBUTIONS RE-**
4 **LATED TO BANK MUNICIPAL SECURITIES AC-**
5 **TIVITIES.**

6 (a) The Federal Deposit Insurance Act (12 U.S.C.
7 1811 et seq. is amended by adding at the end the following
8 new section:

9 **“SEC 44. POLITICAL CONTRIBUTIONS RELATED TO MUNICI-**
10 **PAL SECURITIES ACTIVITIES.**

11 “(a)(1) IN GENERAL.—Notwithstanding any other
12 provision of law and in addition to any other disclosure
13 requirements, the appropriate Federal banking agencies
14 shall, by rule or regulation, require any insured depository
15 institution or affiliate acting as underwriter, broker or
16 dealer for a new issuance of municipal securities, or any
17 affiliate of such person, to file with the appropriate Fed-
18 eral banking agency, prior to the sale of the securities,
19 a disclosure of political contributions as described in para-
20 graph (2).

21 “(2) DISCLOSURE OF POLITICAL CONTRIBUTIONS.—
22 For the purposes of compliance with paragraph (1), the
23 disclosure of political contributions by a person subject to
24 such paragraph shall include the itemization of any politi-
25 cal contributions, expenditures, payments or the provision

1 of other items or services of value that, either directly or
2 indirectly, are extended by such persons, to or for the ben-
3 efit of the issuer, any elected official of the issuer, any
4 employee of the issuer, any affiliate of such persons, or
5 the political party of any elected official of the issuer.

6 “(b) REGULATIONS.—In carrying out their respon-
7 sibilities under this section, the appropriate Federal bank-
8 ing agencies shall issue substantially similar regulations
9 to regulations and rules issued by the Securities Exchange
10 Commission, unless such agencies find that implementa-
11 tion of substantially similar regulations with respect to in-
12 sured depository institutions are not necessary or appro-
13 priate in the public interest or for the protection of inves-
14 tors, and publish such findings, and the detailed reasons
15 therefor, in the Federal Register.”.

16 **SEC 5. EFFECTIVE DATE.**

17 The amendments made by this Act and any rules or
18 regulations required thereunder, shall become effective not
19 later than one hundred and eighty days after the date of
20 enactment.

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