

111TH CONGRESS
1ST SESSION

S. 1198

To limit disbursement of additional funds under the Troubled Asset Relief Program to certain automobile manufacturers, to impose fiduciary duties on the Secretary of the Treasury with respect to shareholders of such automobile manufacturers, to require the issuance of shares of common stock to eligible taxpayers which represent the common stock holdings of the United States Government in such automobile manufacturers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 8, 2009

Mr. ALEXANDER (for himself, Mr. BENNETT, Mr. McCONNELL, Mr. KYL, Mr. VITTER, Mr. CORNYN, Mr. ISAKSON, Mr. ROBERTS, Mr. GREGG, and Mr. WICKER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To limit disbursement of additional funds under the Troubled Asset Relief Program to certain automobile manufacturers, to impose fiduciary duties on the Secretary of the Treasury with respect to shareholders of such automobile manufacturers, to require the issuance of shares of common stock to eligible taxpayers which represent the common stock holdings of the United States Government in such automobile manufacturers, 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 “Auto Stock for Every
5 Taxpayer Act”.

6 **SEC. 2. RESTRICTIONS ON TARP EXPENDITURES FOR**
7 **AUTOMOBILE MANUFACTURERS; FIDUCIARY**
8 **DUTY TO TAXPAYERS; REQUIRED ISSUANCE**
9 **OF COMMON STOCK TO TAXPAYERS.**

10 (a) **PROHIBITION ON FURTHER TARP FUNDS.—**
11 Notwithstanding any provision of the Emergency Eco-
12 nomic Stabilization Act of 2008 (Public Law 110–434),
13 or any other provision of law, the Secretary may not ex-
14 pend or obligate any funds made available under that Act
15 on or after the date of enactment of this Act with respect
16 to any designated automobile manufacturer.

17 (b) **FIDUCIARY DUTY TO SHAREHOLDERS.—**With re-
18 spect to any designated automobile manufacturer, the Sec-
19 retary, and the designee of the Secretary who is respon-
20 sible for the exercise of shareholder voting rights with re-
21 spect to a designated automobile manufacturer pursuant
22 to assistance provided under the Emergency Economic
23 Stabilization Act of 2008, shall have a fiduciary duty to
24 the American taxpayer for the maximization of the return
25 on the investment of the taxpayer under that Act, in the

1 same manner, and to the same extent that any director
2 of an issuer of securities has with respect to its share-
3 holders under the securities laws and all applicable provi-
4 sions of State law.

5 (c) REQUIRED ISSUANCE OF COMMON STOCK TO EL-
6 IGIBLE TAXPAYERS.—Not later than 1 year after the
7 emergence of any designated automobile manufacturer
8 from bankruptcy protection described in subsection
9 (e)(1)(B), the Secretary shall issue a certificate of com-
10 mon stock to each eligible taxpayer, which shall represent
11 such taxpayer’s share of the aggregate common stock
12 holdings of the United States Government in the des-
13 igned automobile manufacturer on such date.

14 (d) CIVIL ACTIONS AUTHORIZED.—A person who is
15 aggrieved of a violation of the fiduciary duty established
16 under subsection (b) may bring a civil action in an appro-
17 priate United States district court to obtain injunctive or
18 other equitable relief relating to the violation.

19 (e) DEFINITIONS.—As used in this section—

20 (1) the term “designated automobile manufac-
21 turer” means an entity organized under the laws of
22 a State, the primary business of which is the manu-
23 facture of automobiles, and any affiliate thereof, if
24 such automobile manufacturer—

1 (A) has received funds under the Emer-
2 gency Economic Stabilization Act of 2008
3 (Public Law 110–434), or funds were obligated
4 under that Act, before the date of enactment of
5 this Act; and

6 (B) has filed for bankruptcy protection
7 under chapter 11 of title 11, United States
8 Code, during the 90-day period preceding the
9 date of enactment of this Act;

10 (2) the term “eligible taxpayer” means any in-
11 dividual taxpayer who filed a Federal taxable return
12 for taxable year 2008 (including any joint return)
13 not later than the due date for such return (includ-
14 ing any extension);

15 (3) the term “Secretary” means the Secretary
16 of the Treasury or the designee of the Secretary;
17 and

18 (4) the terms “director”, “issuer”, “securities”,
19 and “securities laws” have the same meanings as in
20 section 3 of the Securities Exchange Act of 1934
21 (15 U.S.C. 78c).

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