

114TH CONGRESS
1ST SESSION

H. R. 418

To amend the securities laws to require that registration statements, quarterly and annual reports, and proxy solicitations of public companies include a disclosure to shareholders of any expenditure made by that company in support of or in opposition to any candidate for Federal, State, or local public office.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 20, 2015

Ms. MENG (for herself and Mr. CONYERS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the securities laws to require that registration statements, quarterly and annual reports, and proxy solicitations of public companies include a disclosure to shareholders of any expenditure made by that company in support of or in opposition to any candidate for Federal, State, or local public office.

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 “Corporate Politics
5 Transparency Act”.

1 **SEC. 2. DISCLOSURE TO SHAREHOLDERS OF CERTAIN PO-**
2 **LITICAL EXPENDITURES.**

3 (a) QUARTERLY AND ANNUAL REPORTS.—Section 13
4 of the Securities Exchange Act of 1934 (15 U.S.C. 78m)
5 is amended by adding at the end the following new sub-
6 section:

7 “(s) DISCLOSURE OF CERTAIN POLITICAL EXPENDI-
8 TURES.—

9 “(1) DISCLOSURE REQUIRED.—Each quarterly
10 and annual report required under this section or sec-
11 tion 15(d) shall include a disclosure of the total of
12 any political expenditures in support of or in opposi-
13 tion to any candidate for Federal, State, or local
14 public office made by the issuer during the preceding
15 6-year period. Such disclosures shall contain, at min-
16 imum, the name and political party affiliation of
17 each candidate in support of whom or in opposition
18 to whom a political expenditure was made, the
19 amount of each such expenditure, the public office
20 that such candidate was or is seeking, including the
21 relevant State, city, or district, and a statement of
22 the issuer’s interest in and reason for making such
23 expenditure.

24 “(2) DEFINITION.—For purposes of this sub-
25 section, the term ‘political expenditure in support of
26 or in opposition to any candidate for Federal, State,

1 or local public office’ means an expenditure or series
 2 of expenditures totaling more than \$10,000 for any
 3 single candidate during any single election that—

4 “(A) is an independent expenditure as such
 5 term is defined in section 301(17) of the Fed-
 6 eral Election Campaign Act of 1971 or is relat-
 7 ing to a candidate for State or local public of-
 8 fice that would be treated as an independent ex-
 9 penditure under such Act if the candidate were
 10 a candidate for Federal public office;

11 “(B) is an electioneering communication,
 12 as such term is defined in section 304(f)(3) of
 13 such Act (2 U.S.C. 434(f)(3)); or

14 “(C) dues or other payments to any other
 15 organization that are, or could reasonably be
 16 anticipated to be, used or transferred to an-
 17 other association or organization for the pur-
 18 poses described in subparagraph (A) or (B).”.

19 (b) PROXIES.—Section 14 of the Securities Exchange
 20 Act of 1934 (15 U.S.C. 78n) is amended by adding at
 21 the end the following new subsection:

22 “(k) DISCLOSURE TO SHAREHOLDERS OF POLITICAL
 23 EXPENDITURES.—Any solicitation of any proxy or consent
 24 or authorization in respect of any security of an issuer
 25 shall contain a disclosure of the total of any political ex-

1 penditures in support of or in opposition to any candidate
 2 for Federal, State, or local public office made by the issuer
 3 during the preceding 6-year period. Such disclosure must
 4 be clear and conspicuous and, at minimum, contain the
 5 name and political party affiliation of each candidate in
 6 support of whom or in opposition to whom a political ex-
 7 penditure was made, the amount of each such expenditure,
 8 the public office that such candidate was or is seeking,
 9 including the relevant State, city, or district, and a state-
 10 ment of the issuer’s interest in and reason for making
 11 such expenditure. For purposes of this subsection, the
 12 term ‘political expenditure in support of or in opposition
 13 to any candidate for Federal, State, or local public office’
 14 has the meaning given such term in section 13(m)(2).”.

15 (c) REGISTRATION STATEMENTS.—Section 7 of the
 16 Securities Act of 1933 (15 U.S.C. 77g) is amended by
 17 adding at the end the following:

18 “(e) The registration statement shall also contain a
 19 disclosure of any political expenditures in support of or
 20 in opposition to any candidate for Federal, State, or local
 21 public office made by the issuer during the preceding 6-
 22 year period. Such disclosure shall contain, at minimum,
 23 the name and political party affiliation of each candidate
 24 in support of whom or in opposition to whom a political
 25 expenditure was made, the amount of each such expendi-

1 ture, the public office that such candidate was or is seek-
2 ing, including the relevant State, city, or district, and a
3 statement of the issuer's interest in and reason for making
4 such expenditure. For purposes of this subsection, the
5 term 'political expenditure in support of or in opposition
6 to any candidate for Federal, State, or local public office'
7 has the meaning given such term in section 13(m)(2) of
8 the Securities Exchange Act of 1934 (15 U.S.C.
9 78m(m)(3)).”.

10 (d) MODIFICATION OF FORMS.—The Securities and
11 Exchange Commission shall make such modifications to
12 any forms made available by the Commission to facilitate
13 the disclosures required by the amendments made by this
14 Act.

15 (e) EFFECTIVE DATE.—The amendments made by
16 this Act shall take effect beginning with the first reports
17 that are the subject of such amendments that are required
18 to be filed for the fiscal year that begins after the date
19 of enactment of this Act.

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