

116TH CONGRESS
1ST SESSION

S. 2844

To provide that certain executives of publicly traded utility companies may not receive bonuses or severance payments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 13, 2019

Mr. SCHUMER (for Ms. HARRIS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide that certain executives of publicly traded utility companies may not receive bonuses or severance payments, 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 “Accountability for Util-
5 ity Executives Act”.

6 **SEC. 2. PROHIBITIONS ON CERTAIN BONUSES AND SEVER-**
7 **ANCE PAYMENTS.**

8 (a) DEFINITIONS.—In this section—

9 (1) the term “bankruptcy proceedings” means a
10 case commenced under title 11, United States Code;

1 (2) the term “C-suite executive” means, with
2 respect to a covered company—

3 (A) the chief executive officer of the cov-
4 ered company;

5 (B) the chief financial officer of the cov-
6 ered company;

7 (C) the chief operating officer of the cov-
8 ered company;

9 (D) the chief information officer of the
10 covered company; and

11 (E) the equivalent of an official described
12 in any of subparagraphs (A) through (D);

13 (3) the term “covered company” means an
14 issuer—

15 (A) that—

16 (i) is a debtor in bankruptcy pro-
17 ceedings; and

18 (ii)(I) is an owner or operator of—

19 (aa) a public water system; or

20 (bb) a treatment works; or

21 (II) is an electric utility; and

22 (B) the securities of which are traded on
23 a national securities exchange;

1 (4) the term “electric utility” has the meaning
2 given the term in section 3 of the Federal Power Act
3 (16 U.S.C. 796);

4 (5) the terms “exchange”, “issuer”, and “secu-
5 rity” have the meanings given the terms in section
6 3(a) of the Securities Exchange Act of 1934 (15
7 U.S.C. 78c(a));

8 (6) the term “golden parachute compensation”
9 means, with respect to a covered company, any type
10 of compensation (whether present, deferred, or con-
11 tingent) that is based on or otherwise relates to the
12 acquisition, merger, consolidation, sale, or other dis-
13 position of all or substantially all of the assets of the
14 covered company;

15 (7) the term “national securities exchange”
16 means an exchange that is registered under section
17 6 of the Securities Exchange Act of 1934 (15 U.S.C.
18 78f);

19 (8) the term “public water system” has the
20 meaning given the term in section 1401 of the Safe
21 Drinking Water Act (42 U.S.C. 300f); and

22 (9) the term “treatment works” has the mean-
23 ing given the term in section 212 of the Federal
24 Water Pollution Control Act (33 U.S.C. 1292).

25 (b) PROHIBITION.—

1 (1) IN GENERAL.—A covered company may
2 not—

3 (A) pay a bonus to a C-suite executive of
4 the covered company; or

5 (B) otherwise provide an individual de-
6 scribed in subparagraph (A) with any golden
7 parachute compensation.

8 (2) TAXATION.—If a covered company pays a
9 bonus or otherwise provides compensation in viola-
10 tion of paragraph (1), that bonus or compensation,
11 as applicable, shall be treated for purposes of the In-
12 ternal Revenue Code of 1986 as if it were an excess
13 parachute payment under section 280G of such
14 Code.

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