

116TH CONGRESS
1ST SESSION

S. 915

To prohibit public companies from repurchasing their shares on the open market, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 27, 2019

Ms. BALDWIN (for herself, Ms. WARREN, Mrs. GILLIBRAND, and Mr. SANDERS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To prohibit public companies from repurchasing their shares on the open market, 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 “Reward Work Act”.

5 **SEC. 2. PROHIBITION ON STOCK BUYBACKS ON THE OPEN**
6 **MARKET.**

7 (a) DEFINITIONS.—In this section—

8 (1) the terms “equity security”, “exchange”,
9 and “issuer” have the meanings given the terms in

1 section 3 of the Securities Exchange Act of 1934
2 (15 U.S.C. 78c); and

3 (2) the term “national securities exchange”
4 means an exchange registered under section 6 of the
5 Securities Exchange Act of 1934 (15 U.S.C. 78f).

6 (b) PROHIBITIONS.—Notwithstanding any other pro-
7 vision of law, no issuer may purchase an equity security
8 of the issuer on a national securities exchange.

9 (c) NO FORCE OR EFFECT.—Section 240.10b–18 of
10 title 17, Code of Federal Regulations, shall have no force
11 or effect.

12 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion may be construed to affect tender offers subject to
14 section 240.13e–4 and sections 240.14e–1 through
15 240.14f–1 of title 17, Code of Federal Regulations.

16 **SEC. 3. WORKER REPRESENTATION ON CORPORATE BOARD**
17 **OF DIRECTORS.**

18 (a) DEFINITIONS.—In this section—

19 (1) the term “director” has the meaning given
20 the term in section 3 of the Securities Exchange Act
21 of 1934 (15 U.S.C. 78c); and

22 (2) the term “employee” has the meaning given
23 the term in section 2 of the National Labor Rela-
24 tions Act (29 U.S.C. 152).

1 (b) REGISTRATION REQUIREMENTS FOR SECURI-
2 TIES.—Section 12(b) of the Securities Exchange Act of
3 1934 (15 U.S.C. 78l(b)(1)) is amended by adding at the
4 end the following:

5 “(4) No issuer may register securities on a na-
6 tional exchange unless at least $\frac{1}{3}$ of the issuer’s di-
7 rectors are chosen by the issuing company’s employ-
8 ees in a one-employee-one-vote election process.”.

9 (c) POLICY.—The Securities and Exchange Commis-
10 sion, in consultation with the National Labor Relations
11 Board, shall promulgate regulations—

12 (1) to ensure that director elections at issuing
13 firms are fair and democratic; and

14 (2) to ensure that $\frac{1}{3}$ of an issuer’s board of di-
15 rectors will be composed of employee representatives
16 within 2 years of the date of enactment of this Act.

17 **SEC. 4. REGULATIONS.**

18 The Securities and Exchange Commission shall pro-
19 mulgate regulations to direct national securities exchanges
20 and issuers, as defined in section 2(a), to comply with this
21 Act and the amendments made by this Act.

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