

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 5929  
OFFERED BY MR. FOSTER OF ILLINOIS**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Shareholder Political  
3 Transparency Act of 2020”.

**4 SEC. 2. FINDINGS.**

5       Congress finds that—

6           (1) corporations make significant political con-  
7 tributions and expenditures that directly or indi-  
8 rectly influence the election of candidates and sup-  
9 port or oppose political causes;

10          (2) decisions to use corporate funds for political  
11 contributions and expenditures are usually made by  
12 corporate boards and executives, rather than share-  
13 holders;

14          (3) corporations, acting through boards and ex-  
15 ecutives, are obligated to conduct business for the  
16 best interests of their owners, the shareholders;

1           (4) historically, shareholders have not had a  
2           way to know, or to influence, the political activities  
3           of corporations they own;

4           (5) shareholders and the public have a right to  
5           know how corporate managers are spending com-  
6           pany funds to make political contributions and ex-  
7           penditures benefitting candidates, political parties,  
8           and political causes; and

9           (6) corporations should be accountable to share-  
10          holders in making political contributions or expendi-  
11          tures affecting Federal governance and public policy.

12 **SEC. 3. REPORTING REQUIREMENTS.**

13          Section 13 of the Securities Exchange Act of 1934  
14          (15 U.S.C. 78m) is amended by adding at the end the  
15          following:

16          “(s) REPORTING REQUIREMENTS RELATING TO CER-  
17          TAIN POLITICAL EXPENDITURES.—

18                 “(1) DEFINITIONS.—In this subsection:

19                         “(A) EXPENDITURE FOR POLITICAL AC-  
20                         TIVITIES.—The term ‘expenditure for political  
21                         activities’—

22                                 “(i) means—

23   “(I) an independent expenditure  
24   (as defined in section 301(17) of the

1 Federal Election Campaign Act of  
2 1971 (52 U.S.C. 30101(17)));

3 “(II) an electioneering commu-  
4 nication (as defined in section  
5 304(f)(3) of that Act (52 U.S.C.  
6 30104(f)(3))) and any other public  
7 communication (as defined in section  
8 301(22) of that Act (52 U.S.C.  
9 30101(22))) that would be an elec-  
10 tioneering communication if it were a  
11 broadcast, cable, or satellite commu-  
12 nication; or

13 “(III) dues or other payments to  
14 trade associations or organizations de-  
15 scribed in section 501(c) of the Inter-  
16 nal Revenue Code of 1986 and exempt  
17 from tax under section 501(a) of that  
18 Code that are, or could reasonably be  
19 anticipated to be, used or transferred  
20 to another association or organization  
21 for the purposes described in sub-  
22 clause (I) or (II); and

23 “(ii) does not include—

1                   “(I) direct lobbying efforts  
2                   through registered lobbyists employed  
3                   or hired by the issuer;

4                   “(II) communications by an  
5                   issuer to its shareholders and execu-  
6                   tive or administrative personnel and  
7                   their families; or

8                   “(III) the establishment and ad-  
9                   ministration of contributions to a sep-  
10                  arate segregated fund to be utilized  
11                  for political purposes by a corpora-  
12                  tion.

13                  “(B) ISSUER.—The term ‘issuer’ does not  
14                  include an investment company registered  
15                  under section 8 of the Investment Company Act  
16                  of 1940 (15 U.S.C. 80a–8).

17                  “(2) QUARTERLY REPORTS.—

18                  “(A) REPORTS REQUIRED.—Not later than  
19                  180 days after the date of enactment of this  
20                  subsection, the Commission shall amend the re-  
21                  porting rules under this section to require each  
22                  issuer with a class of equity securities reg-  
23                  istered under section 12 of this title to submit  
24                  to the Commission and the shareholders of the  
25                  issuer a quarterly report containing—

1 “(i) a description of any expenditure  
2 for political activities made during the pre-  
3 ceding quarter;

4 “(ii) the date of each expenditure for  
5 political activities;

6 “(iii) the amount of each expenditure  
7 for political activities;

8 “(iv) if the expenditure for political  
9 activities was made in support of or op-  
10 posed to a candidate, the name of the can-  
11 didate and the office sought by, and the  
12 political party affiliation of, the candidate;  
13 and

14 “(v) the name or identity of trade as-  
15 sociations or organizations described in  
16 section 501(c) of the Internal Revenue  
17 Code of 1986 and exempt from tax under  
18 section 501(a) of such Code which receive  
19 dues or other payments as described in  
20 paragraph (1)(A)(i)(III).

21 “(B) PUBLIC AVAILABILITY.—The Com-  
22 mission shall ensure that the quarterly reports  
23 required under this paragraph are publicly  
24 available through the Internet website of the  
25 Commission and through the EDGAR system in

1 a manner that is searchable, sortable, and  
2 downloadable, consistent with the requirements  
3 under section 24.

4 “(3) ANNUAL REPORTS.—Not later than 180  
5 days after the date of enactment of this subsection,  
6 the Commission shall, by rule, require each issuer to  
7 include in the annual report of the issuer to share-  
8 holders—

9 “(A) a summary of each expenditure for  
10 political activities made during the preceding  
11 year in excess of \$10,000, and each expenditure  
12 for political activities for a particular election if  
13 the total amount of such expenditures for that  
14 election is in excess of \$10,000;

15 “(B) a description of the specific nature of  
16 any expenditure for political activities the issuer  
17 intends to make for the forthcoming fiscal year,  
18 to the extent the specific nature is known to the  
19 issuer; and

20 “(C) the total amount of expenditures for  
21 political activities intended to be made by the  
22 issuer for the forthcoming fiscal year.”.

23 **SEC. 4. REPORTS.**

24 (a) SECURITIES AND EXCHANGE COMMISSION.—The  
25 Securities and Exchange Commission shall—

1           (1) conduct an annual assessment of the com-  
2           pliance of issuers with section 13(s) of the Securities  
3           Exchange Act of 1934, as added by this Act; and

4           (2) submit to Congress an annual report con-  
5           taining the results of the assessment under para-  
6           graph (1).

7           (b) GOVERNMENT ACCOUNTABILITY OFFICE.—The  
8           Comptroller General of the United States shall periodically  
9           evaluate and report to Congress on the effectiveness of the  
10          oversight by the Securities and Exchange Commission of  
11          the reporting and disclosure requirements under section  
12          13(s) of the Securities Exchange Act of 1934, as added  
13          by this Act.

