

**[DISCUSSION DRAFT]**

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R.** \_\_\_\_\_

To amend the Coronavirus Economic Stabilization Act of 2020 to place certain requirements on corporations receiving Federal aid related to COVID-19.

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IN THE HOUSE OF REPRESENTATIVES

M\_\_\_\_. \_\_\_\_\_ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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**A BILL**

To amend the Coronavirus Economic Stabilization Act of 2020 to place certain requirements on corporations receiving Federal aid related to COVID-19.

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 [“\_\_\_\_\_ Act  
5 of 2020”].

1 **SEC. 2. REQUIREMENTS ON ALL CORPORATIONS RECEIV-**  
2 **ING FEDERAL AID RELATED TO COVID-19.**

3 (a) IN GENERAL.—The CARES Act (Public Law  
4 116–136) is amended by inserting after section 4029 the  
5 following:

6 **“SEC. 4030. REQUIREMENTS ON ALL CORPORATIONS RE-**  
7 **CEIVING FEDERAL AID RELATED TO COVID-**  
8 **19.**

9 “(a) IN GENERAL.—Notwithstanding section 4004,  
10 any corporation that receives Federal aid related to  
11 COVID–19 shall, during the covered period, comply with  
12 the following:

13 “(1) RESTRICTIONS ON EXECUTIVE BO-  
14 NUSES.—The corporation may not pay a bonus to  
15 any executive of the corporation.

16 “(2) BAN ON EXECUTIVE GOLDEN PARA-  
17 CHUTES.—The corporation may not pay any type of  
18 compensation (whether present, deferred, or contin-  
19 gent) to an executive of the corporation, if such com-  
20 pensation is in connection with the termination of  
21 employment of the executive.

22 “(3) BAN ON STOCK BUYBACKS.—The corpora-  
23 tion may not purchase securities of the corporation.

24 “(4) BAN ON DIVIDENDS.—The corporation  
25 may not pay dividends on securities of the corpora-  
26 tion.

1       “(b) ENFORCEMENT; RULEMAKING.—The Securities  
2 and Exchange Commission shall have the authority to en-  
3 force this section and may issue such rules as may be nec-  
4 essary to carry out this section.

5       “(c) DEFINITIONS.—In this section:

6           “(1) COVERED PERIOD.—With respect to a re-  
7 ceipt of Federal aid related to COVID–19, the term  
8 ‘covered period’ means the period—

9           “(A) beginning on the date such Federal  
10 aid is first received; and

11           “(B) ending after the 1-year period begin-  
12 ning on the later of—

13           “(i) the termination date of the emer-  
14 gency declared by the President on March  
15 13, 2020, under section 501(b) of the Rob-  
16 ert T. Stafford Disaster Relief and Emer-  
17 gency Assistance Act (42 U.S.C. 5191(b))  
18 with respect to the coronavirus disease  
19 2019 (COVID–19); or

20           “(ii) the date on which all such Fed-  
21 eral aid has been repaid.

22           “(2) FEDERAL AID.—The term ‘Federal aid’  
23 means any emergency lending provided under section  
24 13(3) of the Federal Reserve Act or any Federal fi-

1       nancial support in the form of a grant, loan, or loan  
2       guarantee.

3               “(3) SECURITY.—The term ‘security’ has the  
4       meaning given that term under section 3 of the Se-  
5       curities Exchange Act of 1934.”.

6       (b) CLERICAL AMENDMENT.—The table of contents  
7       in section 2 of the CARES Act is amended by inserting  
8       after the item relating to section 4029 the following:

      “Sec. 4030. Requirements on all corporations receiving Federal aid related to  
          COVID-19.”.