

119TH CONGRESS
2D SESSION

H. R. 8265

To amend the Investment Advisers Act of 1940 to establish requirements for proxy voting of passively managed funds, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2026

Mr. HUIZENGA introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Investment Advisers Act of 1940 to establish requirements for proxy voting of passively managed funds, 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 “Empowering Share-
5 holders Act of 2026”.

6 **SEC. 2. PROXY VOTING OF PASSIVELY MANAGED FUNDS.**

7 (a) IN GENERAL.—The Investment Advisers Act of
8 1940 (15 U.S.C. 80b–1 et seq.) is amended by inserting
9 after section 208 (15 U.S.C. 80b–8) the following:

1 **“SEC. 208A. PROXY VOTING OF PASSIVELY MANAGED**
2 **FUNDS.**

3 “(a) INVESTMENT ADVISER PROXY VOTING.—

4 “(1) IN GENERAL.—An investment adviser that
5 holds authority to vote a proxy solicited by an issuer
6 pursuant to section 14 of the Securities Exchange
7 Act of 1934 (15 U.S.C. 78n) in connection with any
8 vote of covered securities held by a passively man-
9 aged fund shall—

10 “(A) vote in accordance with the instruc-
11 tions (which may include the selection of a pub-
12 lished voting policy) of the beneficial owner (or
13 fiduciary or other designee with proxy voting
14 authority on their behalf) of a voting security of
15 the passively managed fund;

16 “(B) vote in accordance with the voting
17 recommendations of the board of directors (or
18 similar governing body) of such issuer;

19 “(C) abstain from voting such securities
20 but make reasonable efforts to be considered
21 present for purposed of establishing a quorum;
22 or

23 “(D) pursuant to rules issued by the Com-
24 mission, instruct vote tabulators to make a rea-
25 sonable effort to mirror vote shares to reflect

1 the elections of the other shareholders in the
2 covered security.

3 “(2) EXCEPTION.—Paragraph (1) shall not
4 apply with respect to a vote on a routine matter.

5 “(b) SAFE HARBOR.—With respect to a routine or
6 non-routine vote, voted in the manner required by sub-
7 section (a)(1), an investment adviser shall not be liable
8 to any person under any law or regulation of the United
9 States, any constitution, law, or regulation of any State
10 or political subdivision thereof, or under any contract or
11 other legally enforceable agreement (including any arbitra-
12 tion agreement), for any of the following:

13 “(1) Voting in accordance with the instructions
14 of the beneficial owner (or that beneficial owner’s
15 designee with proxy voting authority) of a voting se-
16 curity of the passively managed fund.

17 “(2) Not soliciting voting instructions from any
18 person.

19 “(3) Voting in accordance with the voting rec-
20 ommendations of an issuer under subsection
21 (a)(1)(B) with respect to such vote.

22 “(4) Abstaining from voting in accordance with
23 subsection (a)(1)(C) with respect to such vote.

24 “(5) Instructing vote tabulators to make a rea-
25 sonable effort to mirror vote shares to reflect the

1 elections of the other shareholders in a covered secu-
2 rity, pursuant to rules issued by the Commission de-
3 scribed in subsection (a)(1)(D).

4 “(c) FOREIGN PRIVATE ISSUERS EXEMPTION.—Sub-
5 section (a) shall not apply with respect to a foreign private
6 issuer if the published voting policy of the investment advi-
7 sor with respect to such foreign private issuer is fully and
8 fairly disclosed to beneficial owners, including the extent
9 to which such policy differs from the published voting pol-
10 icy for non-exempt issuers.

11 “(d) DISSEMINATION OF INFORMATION.—

12 “(1) IN GENERAL.—Any investment adviser
13 subject to the requirements of subsection (a)(1)
14 shall, with respect to the dissemination of informa-
15 tion and other material to a voting person, comply
16 with the following requirements, unless the voting
17 person affirmatively declines to receive that informa-
18 tion and other material:

19 “(A) Provide the voting person (or the rel-
20 evant intermediary with whom the investment
21 adviser has access) with a form to select a pub-
22 lished voting policy.

23 “(B) Provide the voting person with not
24 less than 5 business days after the date on
25 which the voting person receives the form de-

1 scribed under subparagraph (A) to return that
2 form to the investment adviser.

3 “(2) ELECTRONIC DELIVERY.—All, or any por-
4 tion, of the materials that an investment adviser is
5 required to provide under paragraph (1)(A) may be
6 provided electronically, including through—

7 “(A) an internet website;

8 “(B) another digital, internet, or elec-
9 tronic-based information repository; or

10 “(C) a mobile application.

11 “(e) DEFINITIONS.—In this section:

12 “(1) COVERED SECURITY.—The term ‘covered
13 security’—

14 “(A) means a voting security, as that term
15 is defined in section 2(a) of the Investment
16 Company Act of 1940 (15 U.S.C. 80a–2(a)), in
17 which a qualified fund is invested; and

18 “(B) does not include any voting security
19 (as defined in subparagraph (A)) of an issuer
20 registered with the Commission as an invest-
21 ment company under section 8 of the Invest-
22 ment Company Act of 1940 (15 U.S.C. 80a–8).

23 “(2) PASSIVELY MANAGED FUND.—The term
24 ‘passively managed fund’ means a qualified fund—

25 “(A) that—

1 “(i) is designed to track, or is derived
2 from, an index of securities or a portion of
3 such an index;

4 “(ii) discloses that the qualified fund
5 is a passive index fund; or

6 “(iii) allocates not less than 60 per-
7 cent of the total assets of the qualified
8 fund to an investment strategy that is de-
9 signed to track, or is derived from, an
10 index of securities or a portion of such an
11 index fund; and

12 “(B) that commits to refrain from exer-
13 cising control over an issuer through voting or
14 investment authority.

15 “(3) PUBLISHED VOTING POLICY.—The term
16 ‘published voting policy’ means—

17 “(A) a policy that—

18 “(i) articulates how proportionate
19 shares would be expected to be voted in an-
20 ticipated proxy voting matters; and

21 “(ii) is made available to investors, in-
22 cluding via website or other electronic
23 means; and

1 “(B) in the case of a policy of a passively
2 managed fund or an investment adviser, a pol-
3 icy that does not—

4 “(i) seek to set the strategy or day-to-
5 day management decisions of the issuer;

6 “(ii) involve submitting shareholder
7 proposals;

8 “(iii) seek to nominate directors; and

9 “(iv) coordinate votes with other index
10 managers.

11 “(4) QUALIFIED FUND.—The term ‘qualified
12 fund’ means—

13 “(A) an investment company;

14 “(B) a private fund;

15 “(C) an eligible deferred compensation
16 plan, as that term is defined in section 457(b)
17 of the Internal Revenue Code of 1986;

18 “(D) a trust, plan, account, or other entity
19 described in section 3(c)(11) of the Investment
20 Company Act of 1940 (15 U.S.C. 80a–
21 3(c)(11));

22 “(E) a plan maintained by an employer de-
23 scribed in clause (i), (ii), or (iii) of section
24 403(b)(1)(A) of the Internal Revenue Code of

1 1986 to provide annuity contracts described in
2 section 403(b) of such Code;

3 “(F) a common trust fund, or similar
4 fund, maintained by a bank;

5 “(G) any fund established under section
6 8438(b)(1) of title 5, United States Code; or

7 “(H) any separate managed account of a
8 client of an investment adviser.

9 “(5) ROUTINE MATTER.—The term ‘routine
10 matter’—

11 “(A) includes a proposal that relates to—

12 “(i) an election with respect to the
13 board of directors of a registrant;

14 “(ii) the compensation of management
15 or the board of directors of a registrant;

16 “(iii) the selection of auditors; or

17 “(iv) declassification; and

18 “(B) does not include—

19 “(i) a proposal that is not submitted
20 to a holder of covered securities by means
21 of a proxy statement comparable to that
22 described in section 240.14a–101 of title
23 17, Code of Federal Regulations, or any
24 successor regulation; or

25 “(ii) a proposal that is—

1 “(I) the subject of a counter-so-
2 licitation; or

3 “(II) part of a proposal made by
4 a person other than the applicable
5 registrant.”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall take effect 1 year after the date of enact-
8 ment of this Act.

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