

111TH CONGRESS
2D SESSION

H. R. 4630

To amend the securities laws to require that registration statements, quarterly and annual reports, and proxy solicitations of public companies include a disclosure to shareholders of any expenditure made by that company in support of or in opposition to any candidate for Federal, State, or local public office.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 22, 2010

Mr. ACKERMAN (for himself, Ms. HIRONO, Mr. CAPUANO, Mrs. MALONEY, and Mr. GUTIERREZ) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the securities laws to require that registration statements, quarterly and annual reports, and proxy solicitations of public companies include a disclosure to shareholders of any expenditure made by that company in support of or in opposition to any candidate for Federal, State, or local public office.

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 “Corporate Politics
5 Transparency Act”.

1 **SEC. 2. DISCLOSURE TO SHAREHOLDERS OF CERTAIN PO-**
2 **LITICAL EXPENDITURES.**

3 (a) QUARTERLY AND ANNUAL REPORTS.—Section 13
4 of the Securities Exchange Act of 1934 (15 U.S.C. 78m)
5 is amended by adding at the end the following new sub-
6 section:

7 “(m) DISCLOSURE OF CERTAIN POLITICAL EXPEND-
8 ITURES.—

9 “(1) DISCLOSURE REQUIRED.—Each quarterly
10 and annual report required under this section or sec-
11 tion 15(d) shall include a disclosure of the total of
12 any independent expenditures in support of or in op-
13 position to any candidate for Federal, State, or local
14 public office made by the issuer during the preceding
15 6-year period. Such disclosures shall contain, at min-
16 imum, the name and political party affiliation of
17 each candidate in support of whom or in opposition
18 to whom an independent expenditure was made, the
19 amount of each such expenditure, the public office
20 that such candidate was or is seeking, including the
21 relevant State, city, or district, and a statement of
22 the issuer’s interest in and reason for making such
23 expenditure.

24 “(2) DEFINITION.—For purposes of this sub-
25 section, the term ‘independent expenditure in sup-
26 port of or in opposition to any candidate for Fed-

1 eral, State, or local public office’ means an expendi-
2 ture or series of expenditures totaling more than
3 \$10,000 for any single candidate during any single
4 election that—

5 “(A) is an independent expenditure under
6 the Federal Election Campaign Act of 1971; or

7 “(B) is relating to a candidate for State or
8 local public office that would be treated as an
9 independent expenditure under such Act if the
10 candidate were a candidate for Federal public
11 office.”.

12 (b) PROXIES.—Section 14 of the Securities Exchange
13 Act of 1934 (15 U.S.C. 78n) is amended by adding at
14 the end the following new subsection:

15 “(i) DISCLOSURE TO SHAREHOLDERS OF POLITICAL
16 EXPENDITURES.—Any solicitation of any proxy or consent
17 or authorization in respect of any security of an issuer
18 shall contain a disclosure of the total of any independent
19 expenditures in support of or in opposition to any can-
20 didate for Federal, State, or local public office made by
21 the issuer during the preceding 6-year period. Such dislo-
22 sure must be clear and conspicuous and, at minimum, con-
23 tain the name and political party affiliation of each can-
24 didate in support of whom or in opposition to whom an
25 independent expenditure was made, the amount of each

1 such expenditure, the public office that such candidate was
2 or is seeking, including the relevant State, city, or district,
3 and a statement of the issuer's interest in and reason for
4 making such expenditure. For purposes of this subsection,
5 the term 'independent expenditure in support of or in op-
6 position to any candidate for Federal, State, or local pub-
7 lic office' has the meaning given such term in section
8 13(m)(3).''.

9 (c) REGISTRATION STATEMENTS.—Section 7 of the
10 Securities Act of 1933 (15 U.S.C. 77g) is amended by
11 adding at the end the following:

12 “(c) The registration statement shall also contain a
13 disclosure of any independent expenditures in support of
14 or in opposition to any candidate for Federal, State, or
15 local public office made by the issuer during the preceding
16 6-year period. Such disclosure shall contain, at minimum,
17 the name and political party affiliation of each candidate
18 in support of whom or in opposition to whom an inde-
19 pendent expenditure was made, the amount of each such
20 expenditure, the public office that such candidate was or
21 is seeking, including the relevant State, city, or district,
22 and a statement of the issuer's interest in and reason for
23 making such expenditure. For purposes of this subsection,
24 the term 'independent expenditure in support of or in op-
25 position to any candidate for Federal, State, or local pub-

1 lie office' has the meaning given such term in section
2 13(m)(3) of the Securities Exchange Act of 1934 (15
3 U.S.C. 78m(m)(3)).”.

4 (d) MODIFICATION OF FORMS.—The Securities and
5 Exchange Commission shall make such modifications to
6 any forms made available by the Commission to facilitate
7 the disclosures required by the amendments made by this
8 Act.

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