

Calendar No. 488

118TH CONGRESS
2D SESSION**S. 3664****[Report No. 118–210]**

To require executive branch employees to report certain royalties, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 2024

Mr. PAUL introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

SEPTEMBER 9, 2024

Reported by Mr. PETERS, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]**A BILL**

To require executive branch employees to report certain royalties, 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 “Royalty Transparency
5 Act”.

1 **SEC. 2. FINANCIAL DISCLOSURE REPORTS OF EXECUTIVE**
 2 **BRANCH EMPLOYEES.**

3 (a) **CONTENTS OF REPORTS.**—Section 13104(a)(1)
 4 of title 5, United States Code, is amended—

5 (1) in subparagraph (A), by inserting “, subject
 6 to subparagraph (C)” after “employment by the
 7 United States Government”; and

8 (2) by inserting after subparagraph (B) the fol-
 9 lowing:

10 “(C) **ROYALTIES RECEIVED BY GOVERN-**
 11 **MENT EMPLOYEES.**—Notwithstanding section
 12 12(e) of the Stevenson-Wydler Technology In-
 13 novation Act of 1980 (15 U.S.C. 3710a (e))
 14 and section 209 of title 35, if the reporting in-
 15 dividual is an officer or employee in the execu-
 16 tive branch (including a special Government
 17 employee, as defined in section 202 of title 18),
 18 the source and amount or value of any royalties
 19 received by the reporting individual, the spouse
 20 of the reporting individual, or a dependent child
 21 of the reporting individual during the reporting
 22 period described in subsection (d) or (e) of sec-
 23 tion 13103, as applicable, that were received as
 24 a result of an invention developed by the report-
 25 ing individual in the course of employment of
 26 the reporting individual with the United States

Government, including any royalty interest payment made under the Federal Technology Transfer Act of 1986 (Public Law 99-502; 100 Stat. 1785), an amendment made by such Act, or any other applicable authority.”.

(b) REVIEW OF REPORTS.—Section 13107(b) of title 5, United States Code, is amended—

(1) in paragraph (1)—

(A) in the first sentence, by inserting “and shall, notwithstanding section 12 of the Stevenson-Wydler Technology Act of 1980 (15 U.S.C. 3710a) and section 209 of title 35, publish such report on the internet website of the agency, office, Clerk, or Secretary of the Senate, as the case may be” after “to any person requesting such inspection or copy”; and

(B) in the second sentence—

(i) by inserting “, notwithstanding section 12 of the Stevenson-Wydler Technology Act of 1980 (15 U.S.C. 3710a) and section 209 of title 35,” after “such report shall”; and

(ii) by inserting “and published on the internet website of the agency, office, Clerk, or Secretary of the Senate, as the

1 case may be,” after “made available for
2 public inspection”;

3 (2) by striking paragraph (2) and the matter
4 following paragraph (2);

5 (3) by redesignating paragraph (3) as para-
6 graph (2); and

7 (4) by adding at the end the following:

8 “(3) PROCEDURE FOR RELEASING REPORTS TO
9 MEMBERS OF CONGRESS.—Notwithstanding any
10 other provision of law, not later than 30 days after
11 receiving a request from a Member of Congress, any
12 agency or supervising ethics office in the executive
13 branch shall furnish to the Member of Congress an
14 unredacted copy of any report received under this
15 subchapter.”.

16 (c) CONFIDENTIAL REPORTS AND OTHER ADDI-
17 TIONAL REQUIREMENTS.—Section 13109(a)(2) of title 5,
18 United States Code, is amended—

19 (1) by striking “Any information” and inserting
20 the following:

21 “(A) IN GENERAL.—Any information”;

22 and

23 (2) by adding at the end the following:

24 “(B) SPECIAL GOVERNMENT EMPLOY-
25 EES.—

1 “(i) DEFINITION.—For the purposes
2 of this subparagraph, the term ‘sensitive
3 personal information’ does not include the
4 source or amount or value of any royalties
5 received by a reporting individual.

6 “(ii) REDACTION AND PUBLICA-
7 TION.—Upon receipt of a confidential fi-
8 nancial disclosure report under this section
9 of submitted by a special Government em-
10 ployee, as defined in section 202 of title
11 18, the recipient supervising ethics office
12 shall—

13 “(I) redact any sensitive personal
14 information from the confidential fi-
15 nancial disclosure report; and

16 “(II) notwithstanding section 12
17 of the Stevenson-Wydler Technology
18 Act of 1980 (15 U.S.C. 3710a(e)) and
19 section 209 of title 35, publish the re-
20 dacted confidential financial disclosure
21 report on the internet website of the
22 agency by which the special Govern-
23 ment employee is employed not later
24 than 120 days after the date on which
25 the recipient supervising ethics office

1 receives the confidential financial dis-
 2 closure report.”.

3 **SEC. 3. GENERAL DISCLOSURE OF ROYALTIES.**

4 (a) **DEFINITIONS.**—In this section:

5 (1) **AGENCY.**—The term “agency” means an
 6 agency within the executive branch, as defined in
 7 section 13101 of title 5, United States Code.

8 (2) **APPLICABLE PERSON.**—The term “applica-
 9 ble person” means any individual or entity that ap-
 10 plies to—

11 (A) receive a grant from the Federal Gov-
 12 ernment; or

13 (B) serve as a contractor.

14 (3) **CONTRACTOR.**—The term “contractor” has
 15 the meaning given the term in section 7101 of title
 16 41, United States Code.

17 (4) **COVERED ROYALTY.**—The term “covered
 18 royalty” means any royalty received by an applicable
 19 person from any party other than the Federal Gov-
 20 ernment.

21 (b) **AGENCY REQUIREMENT.**—Before receiving any
 22 Federal grant or contract, each applicable person shall
 23 submit to the agency from which the applicable person
 24 seeks the grant or for which the applicable person seeks
 25 to serve as a contractor, as applicable, a report disclosing

1 the source and amount or value of all covered royalties
 2 received by the applicable person during the 10-year pe-
 3 riod preceding the date on which the applicable person re-
 4 ceives such Federal grant or contract.

5 (c) PROCEDURE FOR RELEASING REPORTS TO MEM-
 6 BERS OF CONGRESS.—Notwithstanding any other provi-
 7 sion of law, not later than 30 days after receiving a re-
 8 quest from a Member of Congress, an agency shall furnish
 9 to the Member of Congress an unredacted copy of any re-
 10 port submitted under subsection (b).

11 **SEC. 4. SEVERABILITY.**

12 If any provision of this Act, an amendment made by
 13 this Act, or the application of such provision or amend-
 14 ment to any person or circumstance is held to be unconsti-
 15 tutional, the remainder of this Act and the amendments
 16 made by this Act, and the application of the provision or
 17 the amendment to any other person or circumstance, shall
 18 not be affected.

19 **SECTION 1. SHORT TITLE.**

20 *This Act may be cited as the “Royalty Transparency*
 21 *Act”.*

22 **SEC. 2. FINANCIAL DISCLOSURE REPORTS OF EXECUTIVE**
 23 **BRANCH EMPLOYEES.**

24 (a) *INDIVIDUALS REQUIRED TO FILE.—*

(1) *IN GENERAL.*—Section 13103 of title 5,
United States Code, is amended—

(A) in subsection (f)—

(i) in paragraph (11), by striking “;
and” and inserting a semicolon;

(ii) in paragraph (12), by striking the
period and inserting “; and”; and

(iii) by adding at the end the fol-
lowing:

“(13) any member of—

“(A) the National Science Advisory Board
for Biosecurity;

“(B) the Advisory Committee on Immuniza-
tion Practices;

“(C) the Advisory Commission on Child-
hood Vaccines;

“(D) the National Vaccine Advisory Com-
mittee;

“(E) the Vaccines and Related Biological
Products Advisory Committee;

“(F) the Defense Science Board;

“(G) the Board of Scientific Advisors of the
National Cancer Institute;

“(H) the Homeland Security Science and
Technology Advisory Committee;

1 “(I) the Medical Review Board Advisory
2 Committee;

3 “(J) the President’s Council of Advisors on
4 Science and Technology; or

5 “(K) any other advisory committee, as de-
6 fined in section 1001, including a successor to a
7 committee described in this paragraph, that the
8 Government Accountability Office determines, in
9 accordance with subsection (j)—

10 “(i) makes recommendations relating
11 to public health to an agency or the Presi-
12 dent; and

13 “(ii) has had any recommendation
14 fully or partially implemented during the
15 10 years preceding the determination.”; and

16 (B) by adding at the end the following:

17 “(j) DETERMINATION REGARDING ADVISORY COMMIT-
18 TEES.—Not later than 180 days after the date of enactment
19 of the Royalty Transparency Act, and annually thereafter,
20 the Government Accountability Office shall publish a list
21 of each advisory committee that the Government Account-
22 ability Office determines—

23 “(1) makes recommendations relating to public
24 health to an agency or the President; and

1 “(2) has had any recommendation fully or par-
 2 tially implemented during the 10 years preceding the
 3 determination.”.

4 (2) *SUNSET*.—Effective on the date that is 5
 5 years after the date of enactment of this Act, section
 6 13103 of title 5, United States Code, as amended by
 7 this Act, is amended—

8 (A) in subsection (f)(13), by striking sub-
 9 paragraph (K) and inserting the following:

10 “(K) a successor to a committee described in
 11 subparagraphs (A) through (J) of this para-
 12 graph.”; and

13 (B) by striking subsection (j).

14 (b) *NOTIFICATION OF WAIVER*.—

15 (1) *TITLE 5*.—Section 13103(i) of title 5, United
 16 States Code, is amended—

17 (A) by redesignating paragraphs (1)
 18 through (4) as subparagraphs (A) through (D),
 19 respectively, and adjusting the margins accord-
 20 ingly;

21 (B) in the matter preceding subparagraph
 22 (A), as so redesignated, by striking “the super-
 23 vising ethics office determines” and inserting
 24 “the supervising ethics office—

25 “(1) determines”;

1 (C) in subparagraph (D), as so redesign-
 2 nated, by striking the period at the end and in-
 3 serting “; and”; and

4 (D) by adding at the end the following:

5 “(2) provides notification of such waiver to the
 6 Committee on Homeland Security and Governmental
 7 Affairs of the Senate and the Committee on Oversight
 8 and Accountability of the House of Representatives.”.

9 (2) TITLE 18.—Section 208 of title 18, United
 10 States Code, is amended by adding at the end the fol-
 11 lowing:

12 “(e) Any exemption—

13 “(1) granted under paragraph (1) or (3) of sub-
 14 section (b) shall be immediately reported to the Com-
 15 mittee on Homeland Security and Governmental Af-
 16 fairs of the Senate and the Committee on Oversight
 17 and Accountability of the House of Representatives,
 18 including a detailed justification for granting the
 19 waiver; or

20 “(2) granted under subpart (C) of part 2640 of
 21 title 5 of the Code of Federal Regulations, or any suc-
 22 cessor regulation, shall be immediately reported to the
 23 Committee on Homeland Security and Governmental
 24 Affairs of the Senate and the Committee on Oversight
 25 and Accountability of the House of Representatives,

1 including a detailed justification for granting the
2 waiver.”.

3 (c) *CONTENTS OF REPORTS.*—Section 13104(a)(1) of
4 title 5, United States Code, is amended—

5 (1) in subparagraph (A), by inserting “, subject
6 to subparagraph (C)” after “employment by the
7 United States Government”; and

8 (2) by inserting after subparagraph (B) the fol-
9 lowing:

10 “(C) *ROYALTIES RECEIVED BY GOVERN-*
11 *MENT EMPLOYEES AND COMMITTEE FILERS.*—
12 Notwithstanding section 12(c) of the Stevenson-
13 Wydler Technology Innovation Act of 1980 (15
14 U.S.C. 3710a(c)) and section 209 of title 35, if
15 the reporting individual is an officer or em-
16 ployee in the executive branch (including a spe-
17 cial Government employee, as defined in section
18 202 of title 18), or an individual described in
19 section 13103(f)(13), the original source and
20 amount or value of any royalties received by the
21 reporting individual, the spouse of the reporting
22 individual, or a dependent child of the reporting
23 individual during the reporting period described
24 in subsection (d) or (e) of section 13103, as ap-
25 plicable, that were received as a result of an in-

vention developed by the reporting individual in the course of employment of the reporting individual with the United States Government, including any royalty interest payment made under the Federal Technology Transfer Act of 1986 (Public Law 99–502; 100 Stat. 1785), an amendment made by such Act, or any other applicable authority.”.

(d) *REVIEW OF REPORTS.*—Section 13107(b) of title 5, United States Code, is amended—

(1) in paragraph (1)—

(A) in the first sentence, by inserting “and shall, in the case of an agency or office and notwithstanding section 12 of the Stevenson-Wydler Technology Act of 1980 (15 U.S.C. 3710a) and section 209 of title 35, publish such report on the internet website of the agency or office, as the case may be” after “to any person requesting such inspection or copy”; and

(B) in the second sentence—

(i) by inserting “, notwithstanding section 12 of the Stevenson-Wydler Technology Act of 1980 (15 U.S.C. 3710a) and section 209 of title 35,” after “such report shall”; and

1 (ii) by inserting “and, in the case of
 2 an agency or office, published on the inter-
 3 net website of the agency or office, as the
 4 case may be,” after “made available for
 5 public inspection”;

6 (2) by striking paragraph (2) and the matter fol-
 7 lowing paragraph (2);

8 (3) by redesignating paragraph (3) as para-
 9 graph (2); and

10 (4) by adding at the end the following:

11 “(3) *PROCEDURE FOR RELEASING REPORTS TO*
 12 *MEMBERS OF CONGRESS.*—Notwithstanding any other
 13 provision of law, not later than 30 days after receiv-
 14 ing a request from a Member of Congress, any agency
 15 or supervising ethics office in the executive branch
 16 shall furnish to the Member of Congress a copy of any
 17 report submitted under subsection (b), which shall be
 18 unredacted, except with respect to social security
 19 numbers.”.

20 (e) *CONFIDENTIAL REPORTS AND OTHER ADDITIONAL*
 21 *REQUIREMENTS.*—Section 13109 of title 5, United States
 22 Code, is amended—

23 (1) by redesignating subsections (b) and (c) as
 24 subsections (f) and (g), respectively; and

1 (2) *by inserting after subsection (a) the fol-*
2 *lowing:*

3 “(b) *ROYALTIES RECEIVED BY CONFIDENTIAL FIL-*
4 *ERS.—Notwithstanding section 12(c) of the Stevenson-*
5 *Wylder Technology Innovation Act of 1980 (15 U.S.C.*
6 *3710a(c)) and section 209 of title 35, the information re-*
7 *quired to be reported under this section shall include the*
8 *original source and amount or value of any royalties re-*
9 *ceived by the reporting individual, or the spouse or any*
10 *dependent child of the reporting individual, that were re-*
11 *ceived as a result of an invention, including any royalty*
12 *interest payment made under the Federal Technology*
13 *Transfer Act of 1986 (Public Law 99–502; 100 Stat. 1785),*
14 *an amendment made by such Act, or any other applicable*
15 *authority.*

16 “(c) *PROCEDURE FOR RELEASING REPORTS TO MEM-*
17 *BERS OF CONGRESS.—Notwithstanding any other provision*
18 *of law, not later than 30 days after receiving a request from*
19 *a Member of Congress, any agency or supervising ethics of-*
20 *fice in the executive branch shall furnish to the Member of*
21 *Congress a copy of any report submitted under subsection*
22 *(a), which shall be unredacted, except with respect to social*
23 *security numbers, home addresses, phone numbers, email*
24 *addresses, and the personally identifiable information of de-*
25 *pendents.*

1 “(d) *REPORTS.*—Not later than 60 days after the date
 2 of enactment of the Royalty Transparency Act, and each
 3 year thereafter, the head of each agency shall submit to the
 4 Committee on Homeland Security and Governmental Af-
 5 fairs of the Senate and the Committee on Oversight and
 6 Accountability of the House of Representatives a report re-
 7 lating to confidential financial disclosures of officers and
 8 employees under the jurisdiction of such agency for the pre-
 9 ceding fiscal year, which shall include—

10 “(1) the number of individuals who filed such
 11 disclosures with the agency under this section, includ-
 12 ing, if applicable, the subcomponent of the agency
 13 that has jurisdiction over the individual and the rea-
 14 son for filing confidentially;

15 “(2) the number of special Government employ-
 16 ees, as defined in section 202 of title 18, that are re-
 17 quired to file confidential financial disclosure reports
 18 with the agency under this section; and

19 “(3) any additional information determined to
 20 be relevant by the Director of the Office of Govern-
 21 ment Ethics after consultation with the Committee on
 22 Homeland Security and Governmental Affairs of the
 23 Senate and the Committee on Oversight and Account-
 24 ability of the House of Representatives.

1 “(e) *PUBLIC DISCLOSURE OF ROYALTIES RECEIVED*
 2 *BY CERTAIN FEDERAL EMPLOYEES.*—

3 “(1) *DEFINITION.*—*For the purposes of this sub-*
 4 *section, the term ‘covered individual’ means an indi-*
 5 *vidual who—*

6 “(A) *is required to file a confidential finan-*
 7 *cial disclosure report under this section; and*

8 “(B) *reports receiving a royalty interest*
 9 *under subsection (b).*

10 “(2) *REQUIREMENT.*—*Not later than 180 days*
 11 *after the date of enactment of the Royalty Trans-*
 12 *parency Act, and annually thereafter, each agency*
 13 *shall publish a report on the internet website of the*
 14 *agency, listing—*

15 “(A) *the names of all covered individuals;*
 16 *and*

17 “(B) *the original source and amount or*
 18 *value of any royalties reported under this section*
 19 *by each covered individual.”.*

20 **SEC. 3. PREVENTING ORGANIZATIONAL CONFLICTS OF IN-**
 21 **TEREST IN FEDERAL ACQUISITION.**

22 (a) *IN GENERAL.*—*The Federal Acquisition Regu-*
 23 *latory Council and the Office of Management and Budget*
 24 *shall, as appropriate, enact or update any regulation nec-*
 25 *essary to ensure that conflict of interest reviews for prospec-*

1 *tive contractors or grantees include reviews of royalties paid*
2 *to prospective contractors or grantees in the preceding cal-*
3 *endar year.*

4 **(b) ONGOING REVIEWS.**—*Not later than 1 year after*
5 *the date of enactment of this Act, and each year thereafter,*
6 *each agency conducting any conflict of interest review de-*
7 *scribed in subsection (a) shall report to the Committee on*
8 *Homeland Security and Governmental Affairs of the Senate*
9 *and the Committee on Oversight and Accountability of the*
10 *House of Representatives on the number of identified cases*
11 *of potential conflict of interest related to royalty payments*
12 *and the steps taken to mitigate those cases.*

13 **SEC. 4. SEVERABILITY.**

14 *If any provision of this Act, an amendment made by*
15 *this Act, or the application of such provision or amendment*
16 *to any person or circumstance is held to be unconstitu-*
17 *tional, the remainder of this Act and the amendments made*
18 *by this Act, and the application of the provision or the*
19 *amendment to any other person or circumstance, shall not*
20 *be affected.*

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