

 [118H10020]
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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To require the Securities and Exchange Commission to amend a rule of the Commission relating to shareholder proposals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. BIGGS introduced the following bill; which was referred to the Committee on _____

A BILL

To require the Securities and Exchange Commission to amend a rule of the Commission relating to shareholder proposals, 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 “Stop Woke Investing
5 Act”.

6 **SEC. 2. SHAREHOLDER PROPOSALS.**

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

1 (1) ACCELERATED FILER; LARGE ACCELER-
2 ATED FILER.—The terms “accelerated filer” and
3 “large accelerated filer” have the meanings given the
4 terms in section 240.12b–2 of title 17, Code of Fed-
5 eral Regulations, or any successor regulation.

6 (2) COMMISSION.—The term “Commission”
7 means the Securities and Exchange Commission.

8 (3) MATERIAL.—The term “material”, when
9 used to qualify a financial risk or financial return—

10 (A) means a financial risk or financial re-
11 turn in which there is a substantial likelihood
12 that a reasonable investor would attach impor-
13 tance when—

14 (i) evaluating the potential financial
15 risks or returns of an existing or prospec-
16 tive investment; or

17 (ii) exercising, or declining to exercise,
18 any rights with respect to securities; and

19 (B) does not include—

20 (i) furthering nonpecuniary, environ-
21 mental, social, political, ideological, or
22 other goals or objectives; or

23 (ii) any portion of a financial risk or
24 financial return that primarily relates to
25 events that—

1 (I) involve a high degree of un-
2 certainty regarding what may occur in
3 the long-term future; and

4 (II) are systemic, general, or not
5 investment-specific in nature.

6 (4) NON-ACCELERATED FILER.—The term
7 “non-accelerated filer” means an issuer that is not
8 an accelerated filer or a large accelerated filer.

9 (b) AMENDMENTS REQUIRED.—Not later than 180
10 days after the date of enactment of this Act, the Commis-
11 sion shall amend section 240.14a-8 of title 17, Code of
12 Federal Regulations, or any successor regulation, to pro-
13 vide that the shareholder proposals that a company in-
14 cludes on the proxy card of the company, and includes
15 along with any supporting statement in the proxy state-
16 ment of the company, shall be determined in accordance
17 with the following:

18 (1) A company shall determine the proposals to
19 include with respect to any 1 annual or special meet-
20 ing of shareholders as follows:

21 (A) Subject to paragraph (2), if the com-
22 pany is a non-accelerated filer, the company
23 shall not be required to include more than 2
24 proposals submitted by shareholders.

1 (B) Subject to paragraph (2), if the com-
2 pany is an accelerated filer, the company shall
3 not be required to include more than 4 pro-
4 posals submitted by shareholders.

5 (C) Subject to paragraph (2), if the com-
6 pany is a large accelerated filer, the company
7 shall not be required to include more than 7
8 proposals submitted by shareholders.

9 (2) A proposal may not be included under para-
10 graph (1) unless the proposal has a material effect
11 on the financial performance of the applicable com-
12 pany.

13 (3) The method for determining which pro-
14 posals to include under subparagraphs (A), (B), and
15 (C) of paragraph (1) shall be—

16 (A) determined by the company; and

17 (B) disclosed to the Commission.

18 (4) The order in which the company receives
19 the proposals shall have no bearing in determining
20 whether a proposal is so included.

21 (5) If any 2 or more proposals submitted are
22 substantially similar, all such proposals shall be con-
23 sidered to be a single proposal for the purposes of
24 this subsection.

1 (6) No proposal submitted by a member of the
2 board of directors of the company may be so in-
3 cluded.

4 (c) RULES OF CONSTRUCTION.—Nothing in this sec-
5 tion may be construed—

6 (1) to require a company to include a share-
7 holder proposal in the proxy statement of the com-
8 pany if, under rules prescribed by the Commission,
9 the proposal otherwise is not required to be included
10 in the proxy statement;

11 (2) to authorize or approve any Commission
12 rule or claim of authority to require a company to
13 include the proposal of a shareholder in the proxy
14 statement of the company; or

15 (3) to restrict the ability of the Commission to
16 repeal any rule requiring a company to include the
17 proposal of a shareholder in the proxy statement of
18 the company.