

Bipartisan Ban on Congressional Stock Ownership Act

*Senators Elizabeth Warren (D-Mass.) and Steve Daines (R-Mont.)
Representatives Pramila Jayapal (D-Wash.) and Matt Rosendale (R-Mont.)*

With Senators Marsha Blackburn (R-Tenn.) and Debbie Stabenow (D-Mich.)

American voters across party lines overwhelmingly support a ban on Members of Congress and their spouses trading stocks. The most comprehensive way to ensure that Members of Congress do not abuse their office to benefit financially is to ban Members and their spouses from owning stocks or other potentially problematic investments. That is what the *Bipartisan Ban on Congressional Stock Ownership Act* does.

Details about the *Bipartisan Ban on Congressional Stock Ownership Act*:

- The bill covers Members of Congress and their spouses.
- It requires them to divest ownership of individual stocks, bonds, commodities, futures, and other securities including an interest in a hedge fund, a derivative, an option, or other complex investment vehicles.
- Members may continue to own and trade common, widely held investment funds (e.g., mutual funds and exchange-traded funds), as long as they do not present a conflict of interest and are diversified.
- Treasury securities, government employee retirement plans, and interests in small businesses are not covered by the ban.
- Assets received as compensation from the primary occupation of a Member's spouse are not covered by the ban. A Member's spouse whose primary occupation is to trade assets for clients may continue to engage in that occupation.
- The Department of Justice and the U.S. Office of Special Counsel will enforce the law. The penalty for violations is a fine of up to \$50,000 for each infraction.
- Includes a provision allowing deferral of taxation of gains on investments that Members of Congress and their spouses are compelled to divest. This parallels how current law pertains to certain executive branch employees and federal judges who are compelled to divest in order to satisfy conflicts-of-interest requirements.
- Members and their spouses will have 180 days after this bill becomes law to complete divestment. Future newly elected Members will have 180 days after being sworn in to comply. (Certain investments, such as complex investment vehicles, have a 5-year divestment period.)
- The Congressional ethics committees shall offer interpretive guidance on the legislation's undefined terms.