A BILL

To prohibit stock trading and ownership by Members of Congress and spouses of Members of Congress, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Bipartisan Ban on Congressional Stock Ownership Act of 2022”.

SEC. 2. BAR ON STOCK TRADING AND OWNERSHIP BY MEMBERS OF CONGRESS AND SPOUSES.

(a) DEFINITIONS.—In this section:
(1) Commodity.—The term "commodity" has the meaning given that term in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)).

(2) Congressional ethics committee.—The term "congressional ethics committee" has the meaning given that term in section 109 of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(3) Diversified.—The term "diversified", with respect to an investment fund, means that the investment fund does not have a stated policy of overly concentrating its investments.

(4) Member of Congress.—The term "Member of Congress" has the meaning given that term in section 109 of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(5) Security.—The term "security" has the meaning given that term in section 3(a) of Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(6) Small business concern.—The term "small business concern" has the meaning given that term under section 3 of the Small Business Act (15 U.S.C. 632).

(7) Widely held investment fund.—The term "widely held investment fund" means a widely held investment fund described in section 102(f)(8)

(b) Divestment.—

(1) In general.—Except as provided in subsection (c), no Member of Congress or spouse of a Member of Congress may own an interest in or trade (except as a divestment) any stock, bond, commodity, future, or other form of security, including an interest in a hedge fund, a derivative, option, or other complex investment vehicle.

(2) Implementation.—

(A) Current members.—

(i) In general.—Except as provided in clause (ii), an individual who is a Member of Congress on the date of enactment of this Act, or the spouse of such an individual, shall complete the divestment of any asset described in paragraph (1) by not later than 180 days after the date of enactment of this Act.

(ii) Certain assets.—For an asset described in paragraph (1) that is an interest in a hedge fund, venture capital fund, or other privately-held complex investment vehicle, an individual who is a Member of
Congress on the date of enactment of this Act, or the spouse of such an individual, shall complete the divestment of the asset by not later than 5 years after the date of enactment of this Act.

(B) NEW MEMBERS.—

(i) IN GENERAL.—Except as provided in clause (ii), an individual who becomes a Member of Congress after the date of enactment of this Act, or who is the spouse of such an individual, shall complete the divestment of any asset described in paragraph (1) by not later than 180 days after the date on which the individual becomes a Member of Congress.

(ii) CERTAIN ASSETS.—For an asset described in paragraph (1) that is an interest in a hedge fund, venture capital fund, or other privately-held complex investment vehicle, an individual who becomes a Member of Congress after the date of enactment of this Act, or who is the spouse of such an individual, shall complete the divestment of the asset by not later than 5
years after the date on which the individual becomes a Member of Congress.

(C) **DIVESTMENT OF ASSETS RECEIVED WHILE A MEMBER.**—An individual serving as a Member of Congress, or the spouse of such an individual, who receives any asset described in paragraph (1) during the period of such service, such as from an inheritance, shall complete the divestment of the asset by not later than 180 days after the date on which the individual or spouse receives the asset.

(c) **EXCEPTIONS.**—Nothing in this section shall be construed to prevent—

(1) a Member of Congress or spouse of a Member of Congress from owning or trading—

(A) a widely held investment fund, if the widely held investment fund—

(i) does not present a conflict of interest; and

(ii) is diversified;

(B) shares of Settlement Common Stock issued under section 7(g)(1)(A) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(g)(1)(A));
(C) shares of Settlement Common Stock, as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602);

(D) a United States Treasury bill, note, or bond; or

(E) an investment fund held in a Federal, State, or local government employee retirement plan;

(F) an interest in a small business concern, if the small business concern does not present a conflict of interest; or

(G) any asset described in subsection (b)(1) received as compensation from the primary occupation of the spouse; or

(2) a spouse of a Member of Congress from trading any asset described in subsection (b)(1) that is not owned by the spouse or Member of Congress in the course of performing the primary occupation of the spouse.

(d) CIVIL FINES.—The Attorney General or the Special Counsel may bring a civil action in the appropriate United States district court against any Member of Congress or spouse of a Member of Congress who engages in conduct constituting a violation of this section and, upon proof of such conduct by a preponderance of the evi-
ence, such Member of Congress or spouse shall be subject to a civil penalty of not more than $50,000 for each violation. The imposition of a civil penalty under this subsection does not preclude any other criminal or civil statutory, common law, or administrative remedy, which is available by law to the United States or any other person.

(e) NONRECOGNITION OF GAIN.—

(1) IN GENERAL.—Paragraph (1) of section 1043(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking “and” at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C),

(C) by inserting after subparagraph (A) the following new subparagraph:

“(B) any Member of Congress or Member of Congress-elect, but only with respect to a divestment of property required by the Bipartisan Ban on Congressional Stock Ownership Act of 2022, and”, and

(D) by striking “subparagraph (A)” in subparagraph (C), as so redesignated, and inserting “subparagraph (A) or (B), whichever is applicable”.
(2) Certificate of divestiture.—Subparagraph (B) of section 1043(b)(2) of such Code is amended—

(A) by striking “or by” and inserting “by”, and

(B) by inserting “, or by the applicable congressional ethics committee, in the case of Members of Congress, Members of Congress-elect, and spouses of Members of Congress and Members of Congress-elect” after “judicial officers”.

(3) Effective date.—The amendments made by this subsection shall apply to sales of property after the date of the enactment of this Act.

(f) Interpretive guidance.—The Select Committee on Ethics of the Senate and the Committee on Ethics of the House of Representatives shall issue interpretive guidance regarding relevant terms not defined in this Act or elsewhere in statute.