

118TH CONGRESS  
1ST SESSION

# H. R. 1463

To prohibit Federal officials from owning covered investments, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2023

Mr. KIM of New Jersey introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Financial Services, Agriculture, Oversight and Accountability, House Administration, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To prohibit Federal officials from owning covered investments, 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 “Restoring Trust in  
5 Public Servants Act”.

6 **SEC. 2. OWNERSHIP OF COVERED INVESTMENTS.**

7 (a) OWNERSHIP OF COVERED INVESTMENTS.—

1           (1) CONDUCT DURING FEDERAL SERVICE.—~~Ex-~~  
2           cept as described in paragraph (2), no covered offi-  
3           cial or family member of a Member of Congress may  
4           own or trade any covered investment.

5           (2) COMPLIANCE.—

6           (A) IN GENERAL.—Except as provided in  
7           subparagraph (B), to comply with the require-  
8           ments under paragraph (1), a covered official or  
9           family member of a Member of Congress shall  
10          divest of any covered investment prior to the  
11          expiration of the applicable compliance period.

12          (B) APPLICABLE COMPLIANCE PERIOD.—  
13          In this subsection, the term “applicable compli-  
14          ance period” means—

15               (i) with respect to a covered invest-  
16               ment held by a covered official or family  
17               member of a Member of Congress on the  
18               date of the enactment of this Act, the 90-  
19               day period which begins on the date of the  
20               enactment of this Act;

21               (ii) with respect to a covered invest-  
22               ment held by an individual on the date on  
23               which the individual becomes a covered of-  
24               ficial or becomes a family member of a  
25               Member of Congress after the date of the

1 enactment of this Act, the 90-day period  
2 which begins on the date on which the in-  
3 dividual becomes a covered official or be-  
4 comes a family member of a Member of  
5 Congress; and

6 (iii) with respect to a covered invest-  
7 ment which is first held by a covered offi-  
8 cial or a family member of a Member of  
9 Congress after the last day of either of the  
10 periods described in clauses (i) or (ii), the  
11 90-day period which begins on the date on  
12 which such investment was first held by  
13 such official or family member.

14 (b) PENALTIES.—

15 (1) IN GENERAL.—Except as provided in para-  
16 graph (2), a covered official in violation of this sec-  
17 tion, as determined by the supervising ethics office,  
18 shall pay a penalty in an amount equal to the fee  
19 set forth under section 13106(d)(1) of title 5,  
20 United States Code, for each such violation.

21 (2) EXCEPTION.—

22 (A) PENALTY.—An individual described in  
23 subparagraph (C) who during any month is in  
24 violation of this section with respect to a cov-  
25 ered investment, as determined by the super-

1           vising ethics office, shall pay a penalty in an  
2           amount equal to—

3                   (i) in the case of an individual who is  
4                   a covered official, the salary of such official  
5                   for that month; or

6                   (ii) in the case of an individual who is  
7                   a family member of a Member of Congress,  
8                   the salary of the Member of Congress for  
9                   that month.

10           (B) AMOUNT DETERMINED WITHOUT RE-  
11           GARD TO NUMBER OF VIOLATIONS.—The  
12           amount of the penalty imposed under subpara-  
13           graph (A) shall apply to an individual without  
14           regard to the number of covered investments  
15           with respect to which the individual is in viola-  
16           tion during the month in which the penalty is  
17           imposed.

18           (C) INDIVIDUALS DESCRIBED.—The indi-  
19           viduals described in this paragraph are the fol-  
20           lowing:

21                   (i) A Member of Congress or a family  
22                   member of a Member of Congress.

23                   (ii) The President.

24                   (iii) The Vice President.

1 (iv) A political appointee who was ap-  
2 pointed to such position by the President,  
3 by and with the advice and consent of the  
4 Senate.

5 (v) A judicial officer.

6 (c) PUBLICATION.—For each individual in violation  
7 of this section as determined by the supervising ethics of-  
8 fice, such office shall make available a list, on a publicly  
9 accessible website of such office, detailing the names, occu-  
10 pation, and office of employment for each such individual,  
11 or in the case of a family member of a Member of Con-  
12 gress, the name of such family member and of such Mem-  
13 ber of Congress.

14 (d) APPLICATION OF CERTIFICATE OF DIVESTITURE  
15 PROGRAM.—For purposes of section 1043 of the Internal  
16 Revenue Code of 1986—

17 (1) any person required to dispose of any prop-  
18 erty by reason of this section shall be treated as an  
19 eligible person;

20 (2) this section shall be treated as a Federal  
21 conflict of interest statute; and

22 (3) in the case of an individual described in  
23 subsection (e)(2)(A), the requirement of section  
24 1043(b)(2)(B) of such Code shall be treated as sat-  
25 isfied with respect to any written determination if

1 such determination is issued by the supervising eth-  
2 ics office.

3 (e) DEFINITIONS.—In this section:

4 (1) COVERED INVESTMENT.—

5 (A) IN GENERAL.—The term “covered in-  
6 vestment” means—

7 (i) an investment in a security, a com-  
8 modity, or a future; and

9 (ii) any economic interest comparable  
10 to an interest described in clause (i) that  
11 is acquired through synthetic means, such  
12 as the use of a derivative, including an op-  
13 tion, warrant, or other, similar means.

14 (B) INCLUSIONS.—The term “covered in-  
15 vestment” includes an investment or economic  
16 interest described in subparagraph (A) that is  
17 held directly, or in which an individual has an  
18 indirect, beneficial, or economic interest,  
19 through—

20 (i) an investment fund;

21 (ii) a trust;

22 (iii) an employee benefit plan; or

23 (iv) a deferred compensation plan, in-  
24 cluding a carried interest or other agree-

1                   ment tied to the performance of an invest-  
2                   ment, other than a fixed cash payment.

3                   (C) EXCLUSIONS.—The term “covered in-  
4                   vestment” does not include—

5                   (i) a diversified mutual fund (includ-  
6                   ing any holdings of such a fund);

7                   (ii) a diversified exchange-traded fund  
8                   (including any holdings of such a fund);

9                   (iii) a United States Treasury bill,  
10                  note, or bond;

11                  (iv) compensation from the primary  
12                  occupation of a spouse or dependent of a  
13                  Member of Congress; or

14                  (v) any investment fund held in a  
15                  Federal, State, or local government em-  
16                  ployee retirement plan.

17                  (D) CLARIFICATION.—An investment that  
18                  achieves compliance with applicable environ-  
19                  mental, social, and governance criteria shall not  
20                  be considered to be a covered investment solely  
21                  by reason of that compliance.

22                  (2) COVERED OFFICIAL.—The term “covered  
23                  official” means the following:

24                         (A) In the legislative branch, a Member of  
25                         Congress and each of the following (other than

1 an employee who is considered an intern or a  
2 fellow for purposes of any law or regulation es-  
3 tablishing a limit on the number of employees  
4 of an office of the House of Representatives or  
5 Senate):

6 (i) An employee of a Member of the  
7 House of Representatives (as described in  
8 section 207(e)(9)(E) of title 18, United  
9 States Code).

10 (ii) An employee of a Senator (as de-  
11 scribed in section 207(e)(9)(F) of title 18,  
12 United States Code).

13 (iii) An employee of a committee of  
14 Congress (as defined in section  
15 207(e)(9)(A) of title 18, United States  
16 Code).

17 (iv) An employee on the leadership  
18 staff of the House of Representatives (as  
19 defined in section 207(e)(9)(H) of title 18,  
20 United States Code).

21 (v) An employee on the leadership  
22 staff of the Senate (as defined in section  
23 207(e)(9)(I) of title 18, United States  
24 Code).

25 (B) In the executive branch—

- 1 (i) the President;  
2 (ii) the Vice President;  
3 (iii) a political appointee; or  
4 (iv) any officer or employee of the ex-  
5 ecutive branch who is—

- 6 (I) not a political appointee; and  
7 (II) occupies a position described  
8 under paragraphs (3) through (8) of  
9 section 13103(f) of title 5, United  
10 States Code.

11 (C) A judicial officer.

12 (3) EXECUTIVE BRANCH.—The term “executive  
13 branch” has the meaning given such term defined in  
14 section 13101 of title 5, United States Code.

15 (4) FAMILY MEMBER.—The term “family mem-  
16 ber” means a spouse or a dependent child as defined  
17 in section 13101 of title 5, United States Code.

18 (5) JUDICIAL OFFICER.—The term “judicial of-  
19 ficer”—

20 (A) has the meaning given such term in  
21 section 13101 of title 5, United States Code;  
22 and

23 (B) includes bankruptcy judges and mag-  
24 istrate judges.

1           (6) MEMBER OF CONGRESS.—The term “Mem-  
2           ber of Congress” has the meaning given such term  
3           defined in section 13101 of title 5, United States  
4           Code.

5           (7) POLITICAL APPOINTEE.—The term “polit-  
6           ical appointee” means any individual occupying a  
7           position in the executive branch of Government—

8                   (A) who was appointed to such position by  
9                   the President, by and with the advice and con-  
10                  sent of the Senate;

11                  (B) described under sections 5312 through  
12                  5316 of title 5, United States Code (relating to  
13                  the Executive Schedule);

14                  (C) as a noncareer appointment in the  
15                  Senior Executive Service, as defined under  
16                  paragraph (7) of section 3132(a) of such title;  
17                  or

18                  (D) that is of a confidential or policy-de-  
19                  termining character under schedule C of sub-  
20                  part C of part 213 of title 5, Code of Federal  
21                  Regulations, or any other position that is ex-  
22                  cepted from the competitive service because of  
23                  its confidential policy-determining, policy-mak-  
24                  ing or policy-advocating character.

1           (8) SUPERVISING ETHICS OFFICE.—The term  
2           “supervising ethics office” means any of the fol-  
3           lowing:

4                   (A) In the case of an individual described  
5                   in paragraph (2)(A)—

6                           (i) the Select Committee on Ethics of  
7                           the Senate; or

8                           (ii) the Committee on Ethics of the  
9                           House of Representatives.

10                   (B) In the case of an individual described  
11                   in paragraph (2)(B), the Office of Government  
12                   Ethics.

13                   (C) In the case of a judicial officer, the Ju-  
14                   dicial Conference.

15 **SEC. 3. BAN ON ALL OUTSIDE EARNED INCOME AND ALL**  
16 **SERVICE ON BOARDS BY MEMBERS OF CON-**  
17 **GRESS.**

18           (a) OUTSIDE EARNED INCOME.—

19                   (1) IN GENERAL.—Section 13143(a)(1) of title  
20                   5, United States Code, is amended by striking “out-  
21                   side earned income attributable to such calendar  
22                   year which exceeds 15 percent” and inserting “any  
23                   outside earned income attributable to such calendar  
24                   year, except that such an officer or employee may

1 have outside earned income attributable to such cal-  
2 endar year which does not exceed 15 percent”.

3 (2) INDIVIDUALS BECOMING MEMBERS DURING  
4 CALENDAR YEAR.—Section 13143(a)(2) of such title  
5 is amended—

6 (A) by striking “outside earned income at-  
7 tributable to the portion of that calendar year  
8 which occurs after such individual becomes a  
9 Member or such an officer or employee which  
10 exceeds 15 percent” and inserting “any outside  
11 earned income attributable to the portion of  
12 that calendar year which occurs after such indi-  
13 vidual becomes a Member or such an officer or  
14 employee, except that such an officer or em-  
15 ployee may have outside earned income attrib-  
16 utable to such portion of that calendar year  
17 which does not exceed 15 percent”; and

18 (B) by striking “such individual is a Mem-  
19 ber or such officer or employee” and inserting  
20 “such individual is such an officer or em-  
21 ployee”.

22 (3) PRESERVING AUTHORITY OF OFFICERS AND  
23 EMPLOYEES OF CONGRESS TO EARN COMPENSATION  
24 FROM PRACTICING MEDICINE.—Section 13144(a) of  
25 such title is amended by striking “fiduciary relation-

1 ship” each place it appears in paragraphs (1) and  
2 (3) and inserting “fiduciary relationship, except that  
3 such an officer or employee of the House of Rep-  
4 resentatives or Senate may receive such compensa-  
5 tion if the fiduciary relationship involves the practice  
6 of medicine”.

7 (4) APPLICATION OF BAN TO INCOME EARNED  
8 FROM TEACHING.—Section 13144(a)(5) of such title  
9 is amended by striking “without the prior notifica-  
10 tion” and inserting “except that such an officer or  
11 employee may receive compensation for teaching  
12 with the prior notification”.

13 (5) DEFINITION.—Section 13141 of such title  
14 is amended by adding at the end the following:

15 “(6) The term ‘outside earned income’, with re-  
16 spect to a Member of Congress, has the meaning  
17 given such term in clause 4(d) of rule XXV of the  
18 Rules of the House of Representatives for the One  
19 Hundred Seventeenth Congress, except that para-  
20 graph (d)(1)(D) of such clause shall not apply. Such  
21 term shall apply with respect to a Senator in the  
22 same manner as such term applies to a Member of  
23 the House of Representatives under such clause.”.

24 (b) SERVICE ON BOARDS.—Section 13144(a)(4) of  
25 such title is amended to read as follows:

1           “(4) serve as an officer or member of the board  
2 of any association, corporation, or other entity, ex-  
3 cept that—

4           “(A) a Member and such an officer or em-  
5 ployee may serve without compensation as an  
6 officer or member of the board of any nonprofit  
7 association, nonprofit corporation, or other non-  
8 profit entity, and

9           “(B) such an officer or employee may  
10 serve without compensation as an officer or  
11 member of any other association, corporation or  
12 other entity; or”.

13 **SEC. 4. LIFETIME LOBBYING BAN.**

14           (a) IN GENERAL.—Section 207(e) of title 18, United  
15 States Code, is amended as follows:

16           (1) Paragraph (1) is amended to read as fol-  
17 lows:

18           “(1) MEMBERS OF CONGRESS.—

19           “(A) IN GENERAL.—Any person who is a  
20 Senator or a Member of the House of Rep-  
21 resentatives and who, after that person leaves  
22 office, knowingly makes any lobbying contacts  
23 to, or engages in lobbying activities with, a cov-  
24 ered executive branch official, or to any Mem-  
25 ber, officer, or employee of either House of

1 Congress, shall be punished as provided in sec-  
2 tion 216 of this title.

3 “(B) DEFINITIONS.—In this paragraph:

4 “(i) The terms ‘lobbying activities’,  
5 and ‘covered executive branch official’ have  
6 the meanings given those terms in section  
7 3 of the Lobbying Disclosure Act of 1995  
8 (2 U.S.C. 1602).

9 “(ii) The term ‘lobbying contact’ has  
10 the meaning given such term in section  
11 3(8) of the Lobbying Disclosure Act of  
12 1995 (2 U.S.C. 1602(8)) except that sub-  
13 paragraph (B)(iv) of such paragraph shall  
14 not apply.”.

15 (2) Paragraph (2) is amended—

16 (A) by striking “(2) Any person” and in-  
17 serting the following:

18 “(2) OFFICERS AND CERTAIN STAFF.—

19 “(A) OFFICERS AND STAFF OF THE SEN-  
20 ATE.—Any person”; and

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

22 “(B) OFFICERS OF THE HOUSE OF REP-  
23 RESENTATIVES.—

24 “(i) Any person who is an elected offi-  
25 cer of the House of Representatives and

1           who, within 1 year after that person leaves  
2           office, knowingly makes, with the intent to  
3           influence, any communication to or appear-  
4           ance before any of the persons described in  
5           clause (ii), on behalf of any other person  
6           (except the United States) in connection  
7           with any matter on which such elected offi-  
8           cer seeks action by a Member, officer, or  
9           employee of either House of Congress, in  
10          his or her official capacity, shall be pun-  
11          ished as provided in section 216 of this  
12          title.

13                   “(ii) The persons referred to in clause  
14                   (i) with respect to appearances or commu-  
15                   nications by a former elected officer are  
16                   any Member, officer, or employee of the  
17                   House of Representatives.”.

18          (b) RESTRICTIONS RELATING TO FOREIGN ENTI-  
19          TIES.—Section 207(f) of title 18, United States Code, is  
20          amended—

21                   (1) in paragraph (1), by striking “Any person”  
22                   and inserting “Except as provided in paragraph (2),  
23                   any person”;

24                   (2) by redesignating paragraphs (2) and (3) as  
25                   paragraphs (3) and (4), respectively;

1           (3) by adding after paragraph (1) the following  
2 new paragraph:

3           “(2) MEMBER OF CONGRESS.—With respect to  
4 the restrictions under paragraph (1), any person  
5 who is a Member of Congress may not engage in any  
6 of the activities under such paragraph at any time  
7 after leaving office.”; and

8           (4) in paragraph (4), as redesignated by para-  
9 graph (2)—

10           (A) by striking “means” and inserting  
11 “means—”;

12           (B) by striking “the government” and in-  
13 serting “(A) the government”;

14           (C) by striking the period and inserting “;  
15 or”; and

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

17           “(B) in the case of a Member of Congress, any  
18 foreign principal as defined in section 1(b) of the  
19 Foreign Agents Registration Act of 1938, as amend-  
20 ed (22 U.S.C. 611(b)).”.

21           (c) EFFECTIVE DATE.—The amendments made by  
22 subsection (a) shall apply to individuals who leave office  
23 or employment to which such amendments apply on or  
24 after the date of commencement of the first session of the

- 1 One Hundred Nineteenth Congress sine die or January
- 2 3, 2024, whichever date is earlier.

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