

118TH CONGRESS
1ST SESSION

H. R. 4644

To authorize the exclusion of shareholder proposals from proxy or consent solicitation material if such proposals substantially implement, substantially duplicate, or are substantially similar to previously included proposals.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2023

Mrs. HOUCHIN introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To authorize the exclusion of shareholder proposals from proxy or consent solicitation material if such proposals substantially implement, substantially duplicate, or are substantially similar to previously included proposals.

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 “No Expensive, Stifling
5 Governance Act of 2023” or the “No ESG Act of 2023”.

1 **SEC. 2. EXCLUSION OF CERTAIN SHAREHOLDER PRO-**
2 **POSALS.**

3 (a) EXCLUSION OF CERTAIN SHAREHOLDER PRO-
4 POSALS.—A shareholder proposal submitted to an issuer
5 pursuant to section 240.14a–8 of title 17, Code of Federal
6 Regulations, may be excluded by an issuer from its proxy
7 or consent solicitation material for a meeting of the share-
8 holders of such issuer if the shareholder proposal—

9 (1) has been substantially implemented by the
10 issuer by implementing policies, practices, or proce-
11 dures that compare favorably with the guidelines of
12 the proposal and address the proposal’s underlying
13 concerns;

14 (2) substantially duplicates by having the same
15 principal thrust or principal focus as another pro-
16 posal previously submitted to the issuer by another
17 proponent that will be included in such material; or

18 (3) addresses substantially the same subject
19 matter as a previous proposal that shares the same
20 substantive concerns as a proposal previously in-
21 cluded in the proxy or consent solicitation material
22 for a meeting of the shareholders of an issuer—

23 (A) for a meeting of the shareholders con-
24 ducted in the preceding 5 calendar years; and

25 (B) if the most recent vote—

1 (i) occurred in the preceding 3 cal-
2 endar years; and

3 (ii)(I) if voted on once during such 5-
4 year period, received less than 10 percent
5 of the votes cast;

6 (II) if voted on twice during such 5-
7 year period, received less than 20 percent
8 of the votes cast; or

9 (III) if voted on three or more times
10 during such 5-year period, received less 40
11 percent of the votes cast.

12 (b) NULLIFICATION OF PROPOSED RULE.—The Se-
13 curities and Exchange Commission may not finalize or
14 apply the positions contained in the proposed rule entitled
15 “Substantial Implementation, Duplication, and Resubmis-
16 sion of Shareholder Proposals under Exchange Act Rule
17 14a–8” (87 Fed. Reg. 45052), issue any substantially
18 similar rule, or apply any substantially similar rule, in-
19 cluding with respect to a no-action or other interpretive
20 request.

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