

116TH CONGRESS
2D SESSION

H. R. 6360

To establish requirements on accelerated filers receiving Federal aid related to COVID–19, to establish requirements on all corporations until Federal aid related to COVID–19 is repaid, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2020

Ms. OCASIO-CORTEZ (for herself, Ms. TLAIB, and Ms. PRESSLEY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To establish requirements on accelerated filers receiving Federal aid related to COVID–19, to establish requirements on all corporations until Federal aid related to COVID–19 is repaid, 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. REQUIREMENTS ON ALL CORPORATIONS UNTIL**
4 **FEDERAL AID RELATED TO COVID–19 IS RE-**
5 **PAID.**

6 Any corporation that receives Federal aid related to
7 COVID–19 shall, until the date on which all such Federal

1 aid is repaid by the corporation to the Federal Govern-
2 ment, comply with the following:

3 (1) RESTRICTIONS ON EXECUTIVE BONUSES.—

4 The corporation may not pay a bonus to any execu-
5 tive of the corporation.

6 (2) BAN ON EXECUTIVE GOLDEN PARA-

7 CHUTES.—The corporation may not pay any type of
8 compensation (whether present, deferred, or contin-
9 gent) to an executive of the corporation, if such com-
10 pensation is in connection with the termination of
11 employment of the executive.

12 (3) BAN ON STOCK BUYBACKS.—The corpora-
13 tion may not purchase securities of the corporation.

14 (4) BAN ON DIVIDENDS.—The corporation may
15 not pay dividends on securities of the corporation.

16 (5) BAN ON FEDERAL LOBBYING.—The cor-
17 poration may not carry out any Federal lobbying ac-
18 tivities.

19 **SEC. 2. PERMANENT REQUIREMENTS ON ACCELERATED**
20 **FILERS RECEIVING FEDERAL AID RELATED**
21 **TO COVID-19.**

22 (a) IN GENERAL.—An accelerated filer that receives
23 Federal aid related to COVID-19 shall permanently com-
24 ply with the following:

25 (1) WORKER BOARD REPRESENTATION.—

1 (A) IN GENERAL.—At least $\frac{1}{3}$ of the mem-
2 bers of the accelerated filer’s directors are cho-
3 sen by the employees of the accelerated filer in
4 a one-employee-one-vote election process.

5 (B) COMPLIANCE DATE.—An accelerated
6 filer shall comply with the requirements under
7 subparagraph (A) not later than the end of the
8 2-year period beginning on the date of enact-
9 ment of this Act.

10 (C) DEFINITIONS.—In this paragraph—

11 (i) the term “director” has the mean-
12 ing given the term in section 3 of the Se-
13 curities Exchange Act of 1934 (15 U.S.C.
14 78c); and

15 (ii) the term “employee” has the
16 meaning given the term in section 2 of the
17 National Labor Relations Act (29 U.S.C.
18 152).

19 (2) ADDITIONAL DISCLOSURES.—If the securi-
20 ties of the corporation are traded on a national secu-
21 rities exchange, the corporation shall issue the fol-
22 lowing disclosures to the Securities and Exchange
23 Commission on a quarterly basis (and make such
24 disclosures available to shareholders of the corpora-
25 tion and the public):

1 (A) The political spending disclosures re-
2 quired under subsection (b).

3 (B) The human capital management dis-
4 closures required under subsection (c).

5 (C) The environmental, social, and govern-
6 ance disclosures required under subsection (d).

7 (D) The Federal aid disclosures required
8 under subsection (e).

9 (E) The disclosures of financial perform-
10 ance on a country-by-country basis required
11 under subsection (f).

12 (b) POLITICAL SPENDING DISCLOSURES.—

13 (1) IN GENERAL.—With respect to an acceler-
14 ated filer, the disclosures required under this sub-
15 section are—

16 (A) a description of any expenditure for
17 political activities made during the preceding
18 quarter;

19 (B) the date of each expenditure for polit-
20 ical activities;

21 (C) the amount of each expenditure for po-
22 litical activities;

23 (D) if the expenditure for political activi-
24 ties was made in support of or opposed to a
25 candidate, the name of the candidate and the

1 office sought by, and the political party affili-
2 ation of, the candidate;

3 (E) the name or identity of trade associa-
4 tions or organizations described in section
5 501(c) of the Internal Revenue Code of 1986
6 and exempt from tax under section 501(a) of
7 such Code which receive dues or other pay-
8 ments as described in paragraph (1)(A)(i)(III);

9 (F) a summary of each expenditure for po-
10 litical activities made during the preceding year
11 in excess of \$10,000, and each expenditure for
12 political activities for a particular election if the
13 total amount of such expenditures for that elec-
14 tion is in excess of \$10,000;

15 (G) a description of the specific nature of
16 any expenditure for political activities the cor-
17 poration intends to make for the forthcoming
18 fiscal year, to the extent the specific nature is
19 known to the corporation; and

20 (H) the total amount of expenditures for
21 political activities intended to be made by the
22 corporation for the forthcoming fiscal year.

23 (2) DEFINITIONS.—In this subsection:

1 (A) EXPENDITURE FOR POLITICAL ACTIVI-
2 TIES.—The term “expenditure for political ac-
3 tivities”—

4 (i) means—

5 (I) an independent expenditure
6 (as defined in section 301(17) of the
7 Federal Election Campaign Act of
8 1971 (52 U.S.C. 30101(17)));

9 (II) an electioneering communica-
10 tion (as defined in section 304(f)(3) of
11 that Act (52 U.S.C. 30104(f)(3))) and
12 any other public communication (as
13 defined in section 301(22) of that Act
14 (52 U.S.C. 30101(22))) that would be
15 an electioneering communication if it
16 were a broadcast, cable, or satellite
17 communication; or

18 (III) dues or other payments to
19 trade associations or organizations de-
20 scribed in section 501(c) of the Inter-
21 nal Revenue Code of 1986 and exempt
22 from tax under section 501(a) of that
23 Code that are, or could reasonably be
24 anticipated to be, used or transferred
25 to another association or organization

1 for the purposes described in sub-
2 clause (I) or (II); and

3 (ii) does not include—

4 (I) direct lobbying efforts
5 through registered lobbyists employed
6 or hired by the corporation;

7 (II) communications by a cor-
8 poration to its shareholders and exec-
9 utive or administrative personnel and
10 their families; or

11 (III) the establishment and ad-
12 ministration of contributions to a sep-
13 arate segregated fund to be utilized
14 for political purposes by a corpora-
15 tion.

16 (B) EXCEPTION.—The term “corporation”
17 does not include an investment company reg-
18 istered under section 8 of the Investment Com-
19 pany Act of 1940 (15 U.S.C. 80a–8).

20 (c) HUMAN CAPITAL MANAGEMENT DISCLOSURES.—

21 With respect to an accelerated filer, the disclosures re-
22 quired under this subsection are the following:

23 (1) Workforce demographic information, includ-
24 ing the number of full-time employees, the number
25 of part-time employees, the number of contingent

1 workers (including temporary and contract workers),
2 and any policies or practices relating to subcon-
3 tracting, outsourcing, and insourcing.

4 (2) Workforce stability information, including
5 information about the voluntary turnover or reten-
6 tion rate, the involuntary turnover rate, the internal
7 hiring rate, and the internal promotion rate.

8 (3) Workforce composition, including data on
9 diversity (including racial and gender composition)
10 and any policies and audits related to diversity.

11 (4) Workforce skills and capabilities, including
12 information about training of employees (including
13 the average number of hours of training and spend-
14 ing on training per employee per year), skills gaps,
15 and alignment of skills and capabilities with business
16 strategy.

17 (5) Workforce culture and empowerment, in-
18 cluding information about—

19 (A) policies and practices of the corpora-
20 tion relating to freedom of association and
21 work-life balance initiatives;

22 (B) any incidents of verified workplace
23 harassment in the previous 5 fiscal years of the
24 corporation; and

1 (C) policies and practices of the corpora-
2 tion relating to employee engagement and psy-
3 chological wellbeing, including management dis-
4 cussion regarding—

5 (i) the creation of an autonomous
6 work environment;

7 (ii) fostering a sense of purpose in the
8 workforce;

9 (iii) trust in management; and

10 (iv) a supportive, fair, and construc-
11 tive workplace.

12 (6) Workforce health and safety, including in-
13 formation about—

14 (A) the frequency, severity, and lost time
15 due to injuries, illness, and fatalities;

16 (B) the total dollar value of assessed fines
17 under the Occupational Safety and Health Act
18 of 1970;

19 (C) the total number of actions brought
20 under section 13 of the Occupational Safety
21 and Health Act of 1970 to prevent imminent
22 dangers; and

23 (D) the total number of actions brought
24 against the corporation under section 11(c) of

1 the Occupational Safety and Health Act of
2 1970.

3 (7) Workforce compensation and incentives, in-
4 cluding information about—

5 (A) total workforce compensation, includ-
6 ing disaggregated information about compensa-
7 tion for full-time, part-time, and contingent
8 workers;

9 (B) policies and practices about how per-
10 formance, productivity, and sustainability are
11 considered when setting pay and making pro-
12 motion decisions; and

13 (C) policies and practices relating to any
14 incentives and bonuses provided to employees
15 below the named executive level and any policies
16 or practices designed to counter any risks cre-
17 ate by such incentives and bonuses.

18 (8) Workforce recruiting, including information
19 about the quality of hire, new hire engagement rate,
20 and new hire retention rate.

21 (d) ENVIRONMENTAL, SOCIAL, AND GOVERNANCE
22 DISCLOSURES.—With respect to an accelerated filer, the
23 disclosures required under this subsection are disclosures
24 that satisfy the recommendations of the Task Force on

1 Climate-related Financial Disclosures of the Financial
2 Stability Board as reported in June, 2017.

3 (e) FEDERAL AID DISCLOSURES.—With respect to
4 an accelerated filer, the disclosure required under this sub-
5 section is a description of how the Federal aid related to
6 COVID–19 received by the corporation is being used to
7 support the corporation’s employees.

8 (f) DISCLOSURES OF FINANCIAL PERFORMANCE ON
9 A COUNTRY-BY-COUNTRY BASIS.—

10 (1) IN GENERAL.—With respect to an acceler-
11 ated filer, the disclosures required under this sub-
12 section are the following:

13 (A) CONSTITUENT ENTITY INFORMA-
14 TION.—Information on any constituent entity of
15 the corporation, including the following:

16 (i) The complete legal name of the
17 constituent entity.

18 (ii) The tax jurisdiction, if any, in
19 which the constituent entity is resident for
20 tax purposes.

21 (iii) The tax jurisdiction in which the
22 constituent entity is organized or incor-
23 porated (if different from the tax jurisdic-
24 tion of residence).

1 (iv) The tax identification number, if
2 any, used for the constituent entity by the
3 tax administration of the constituent enti-
4 ty's tax jurisdiction of residence.

5 (v) The main business activity or ac-
6 tivities of the constituent entity.

7 (B) TAX JURISDICTION.—Information on
8 each tax jurisdiction in which one or more con-
9 stituent entities is resident, presented as an ag-
10 gregated or consolidated form of the informa-
11 tion for the constituent entities resident in each
12 tax jurisdiction, including the following:

13 (i) Revenues generated from trans-
14 actions with other constituent entities.

15 (ii) Revenues not generated from
16 transactions with other constituent enti-
17 ties.

18 (iii) Profit or loss before income tax.

19 (iv) Total income tax paid on a cash
20 basis to all tax jurisdictions.

21 (v) Total accrued tax expense re-
22 corded on taxable profits or losses.

23 (vi) Stated capital.

24 (vii) Total accumulated earnings.

1 (viii) Total number of employees on a
2 full-time equivalent basis.

3 (ix) Net book value of tangible assets,
4 which, for purposes of this section, does
5 not include cash or cash equivalents, intan-
6 gibles, or financial assets.

7 (C) SPECIAL RULES.—The information
8 listed in subparagraph (B) shall be provided, in
9 aggregated or consolidated form, for any con-
10 stituent entity or entities that have no tax juris-
11 diction of residence. In addition, if a constituent
12 entity is an owner of a constituent entity that
13 does not have a jurisdiction of tax residence,
14 then the owner’s share of such entity’s revenues
15 and profits will be aggregated or consolidated
16 with the information for the owner’s tax juris-
17 diction of residence.

18 (2) DEFINITIONS.—In this subsection—

19 (A) the term “constituent entity” means,
20 with respect to an accelerated filer, any sepa-
21 rate business entity of the accelerated filer; and

22 (B) the term “tax jurisdiction”—

23 (i) means a country or a jurisdiction
24 that is not a country but that has fiscal
25 autonomy; and

1 (ii) includes a territory or possession
2 of the United States that has fiscal auton-
3 omy.

4 **SEC. 3. PERMANENT REQUIREMENTS ON ALL CORPORA-**
5 **TIONS RECEIVING FEDERAL AID RELATED TO**
6 **COVID-19.**

7 Any corporation that receives Federal aid related to
8 COVID-19 shall permanently comply with the following:

9 (1) PAID LEAVE FOR WORKERS.—The corpora-
10 tion shall provide at least 14 days of paid leave to
11 workers who—

12 (A) are unable to telework;

13 (B) need to be isolated or quarantined to
14 prevent the spread of COVID-19; or

15 (C) need time off to care for the needs of
16 family members.

17 (2) MINIMUM WAGE.—

18 (A) IN GENERAL.—The corporation shall
19 pay each employee (including full-time, part-
20 time, and tipped employees) of the corporation
21 a wage of not less than \$15 an hour, beginning
22 not later than January 1, 2021.

23 (B) SENSE OF CONGRESS.—It is the sense
24 of the Congress that each corporation described
25 under subparagraph (A)—

1 (i) should meet the minimum wage re-
2 quirements described under subparagraph
3 (A) before January 1, 2021, if the corpora-
4 tion is able; and

5 (ii) should ensure that other compa-
6 nies with respect to which the corporation
7 contracts also pay their employees the min-
8 imum wage described under subparagraph
9 (A).

10 (3) LIMITATION ON CEO AND EXECUTIVE
11 PAY.—The corporation may not have a CEO to me-
12 dian worker pay ratio of greater than 50 to 1 and
13 no officer or employee of the corporation may re-
14 ceived higher compensation than the chief executive
15 officer (or any equivalent position).

16 **SEC. 4. REQUIREMENTS ON ALL CORPORATIONS RECEIV-**
17 **ING FEDERAL AID RELATED TO COVID-19**
18 **UNTIL THE END OF THE EMERGENCY.**

19 Any corporation that receives Federal aid related to
20 COVID-19 shall, until the COVID-19 emergency ends,
21 comply with the following:

22 (1) WORKFORCE LEVELS AND BENEFITS.—The
23 corporation shall maintain at least the same work-
24 force levels and benefits that existed before the
25 COVID-19 emergency.

1 (2) MAINTENANCE OF WORKER PAY.—The cor-
2 poration shall maintain worker (either employee or
3 contractor, full-time or part-time) pay throughout
4 the entire duration of the COVID–19 emergency at
5 or above the pay level the worker was earning before
6 the emergency.

7 (3) MAINTENANCE OF COLLECTIVE BARGAINING
8 AGREEMENTS.—The corporation may not alter any
9 collective bargaining agreement that was in place at
10 the beginning of the COVID–19 emergency.

11 **SEC. 5. ENFORCEMENT; RULEMAKING.**

12 The Securities and Exchange Commission shall have
13 the authority to enforce this Act and may issue such rules
14 as may be necessary to carry out this Act.

15 **SEC. 6. SEVERABILITY.**

16 If any provision of this Act or the application of such
17 provision to any person or circumstance is held to be un-
18 constitutional, the remainder of this Act, and the applica-
19 tion of the provisions of this Act, to any person or cir-
20 cumstance shall not be affected thereby.

21 **SEC. 7. DEFINITIONS.**

22 In this Act:

23 (1) ACCELERATED FILER.—The Securities and
24 Exchange Commission shall define the term “accel-
25 erated filer” for purposes of this Act.

1 (2) CEO TO MEDIAN WORKER PAY RATIO.—

2 With respect to an accelerated filer, the term “CEO
3 to median worker pay ratio” means the ratio of—

4 (A) the annual total compensation, includ-
5 ing salary, equity, and any other form of com-
6 pensation of the chief executive officer (or any
7 equivalent position) of the corporation; and

8 (B) the median of the annual total com-
9 pensation of all employees of the corporation,
10 except the chief executive officer (or any equiva-
11 lent position) of the corporation.

12 (3) COVID–19 EMERGENCY.—The term
13 “COVID–19 emergency” means the period begin-
14 ning on the date of enactment of this Act and end-
15 ing on the date on which the Securities and Ex-
16 change Commission determines that the impact of
17 COVID–19 on the American financial system has
18 ended.

19 (4) FEDERAL AID.—The term “Federal aid”
20 means any emergency lending provided under section
21 13(3) of the Federal Reserve Act or any Federal fi-
22 nancial support in the form of a grant, loan, or loan
23 guarantee.

1 (5) S CORPORATION.—The term “S corpora-
2 tion” has the meaning given that term under section
3 1361(a) of the Internal Revenue Code of 1986.

4 (6) SECURITIES TERMS.—The terms “national
5 securities exchange” and “security” have the mean-
6 ing given those terms, respectively, under section 3
7 of the Securities Exchange Act of 1934.

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