

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**TO H.R. 7008**

**OFFERED BY Mr. Morelle**  
**Amendment #1**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Restore Trust in Gov-  
3 ernment Act”.

4 **SEC. 2. RESTRICTIONS ON TRADE AND OWNERSHIP OF**  
5 **COVERED INVESTMENTS.**

6 (a) **TABLE OF CONTENTS.**—The table of contents for  
7 chapter 131 of title 5, United States Code, is amended  
8 by adding at the end the following:

SUBCHAPTER IV. RESTRICTIONS ON TRADE AND OWNERSHIP OF COVERED  
INVESTMENTS

13151. Definitions.

13152. Trade and ownership of covered investments.

13153. Penalties.

9 (b) **RESTRICTIONS.**—Chapter 131 of title 5, United  
10 States Code, is amended by adding at the end a new sub-  
11 chapter:

12 **“SUBCHAPTER IV—RESTRICTIONS ON TRADE**  
13 **AND OWNERSHIP OF COVERED INVESTMENTS**

14 **“§ 13151. Definitions**

15 “In this subchapter:

1 “(1) COMMODITY.—The term ‘commodity’—

2 “(A) has the meaning given the term in  
3 section 1a of the Commodity Exchange Act (7  
4 U.S.C. 1a); and

5 “(B) does not include a precious metal (as  
6 defined in section 1027.100 of title 31, Code of  
7 Federal Regulations).

8 “(2) COVERED INDIVIDUAL.—The term ‘cov-  
9 ered individual’ means any of the following:

10 “(A) A Member of Congress, as defined in  
11 section 13101.

12 “(B) A dependent child (as defined in sec-  
13 tion 13101) or a spouse of a Member of Con-  
14 gress.

15 “(C) A trustee of a trust in which an indi-  
16 vidual described in subparagraph (A) or (B)  
17 has a beneficial interest in the principal or in-  
18 come of the trust as described in section  
19 1403(b)(5) of the Internal Revenue Code of  
20 1986.

21 “(D) A candidate for President and Vice  
22 President (as defined under section 30101 of  
23 title 52) from a major party (as defined in sec-  
24 tion 9002.6 of title 11, Code of Federal Regula-  
25 tions) who filed a statement of candidacy with

1 the Federal Election Commission on or after  
2 January 1, 2028.

3 “(3) COVERED INVESTMENT.—The term ‘cov-  
4 ered investment’—

5 “(A) means an investment in a security, a  
6 commodity, a future, or any comparable eco-  
7 nomic interest acquired through synthetic  
8 means, such as the use of a derivative, includ-  
9 ing an option, warrant, or other similar means;  
10 and

11 “(B) does not include—

12 “(i) a widely held investment fund de-  
13 scribed in section 13104(f)(8) that is di-  
14 versified and publicly traded on a national  
15 or regional stock exchange;

16 “(ii) a United States Treasury bill,  
17 note, or bond;

18 “(iii) a State or municipal government  
19 bill, note, or bond;

20 “(iv) any compensation received by a  
21 spouse or a dependent child described in  
22 paragraph (2) from an employer of the  
23 spouse or dependent child;

24 “(v) an interest in a small business  
25 concern and, in the case of an investment

1 in a family farm or ranch that qualifies as  
2 an interest in a small business concern, a  
3 future or commodity directly related to the  
4 farming activities and products of the farm  
5 or ranch;

6 “(vi) an interest in a limited liability  
7 company created for the sole purpose of  
8 purchasing or holding real estate that  
9 serves as the personal residences of the  
10 Member of Congress;

11 “(vii) any share of Settlement Com-  
12 mon Stock issued under section 7(g)(1)(A)  
13 of the Alaska Native Claims Settlement  
14 Act (43 U.S.C. 1606(g)(1)(A)); or

15 “(viii) any share of Settlement Com-  
16 mon Stock, as defined in section 3 of the  
17 Alaska Native Claims Settlement Act (43  
18 U.S.C. 1602).

19 “(4) DIVERSIFIED.—The term ‘diversified’,  
20 with respect to an investment fund, means such  
21 fund does not have a stated policy of concentrating  
22 its investments in any industry, business, single  
23 country other than the United States, or bonds of a  
24 single State within the United States except for the  
25 State in which the Member of Congress resides.

1           “(5) FUTURE.—The term ‘future’ means a fi-  
2           nancial contract obligating the buyer to purchase an  
3           asset or the seller to sell an asset, such as a physical  
4           commodity or a financial investment, at a predeter-  
5           mined future date and price.

6           “(6) SECURITY.—The term ‘security’ has the  
7           meaning given the term in section 3(a) of the Secu-  
8           rities Exchange Act of 1934 (15 U.S.C. 78e(a)).

9           “(7) SMALL BUSINESS CONCERN.—The term  
10          ‘small business concern’ has the meaning given that  
11          term under section 3 of the Small Business Act (15  
12          U.S.C. 632).

13          “(8) SUPERVISING ETHICS OFFICE.—The term  
14          ‘supervising ethics office’ has the meaning given the  
15          term in section 13101.

16   **“§ 13152. Trade and ownership of covered invest-**  
17   **ments**

18          “(a) CONDUCT DURING FEDERAL SERVICE.—Except  
19          as described in subsection (b)(1)(B) and subsections (e)  
20          through (g), no covered individual may, directly or indi-  
21          rectly, own or trade a covered investment.

22          “(b) COMPLIANCE.—

23                  “(1) REQUIREMENT.—To comply with sub-  
24                  section (a)—

1           “(A) a covered individual may not pur-  
2           chase a covered investment; and

3           “(B) a covered individual shall divest of  
4           any covered investment by the effective date es-  
5           tablished in paragraph (2) at fair market value.

6           “(2) EFFECTIVE DATE.—The effective date is  
7           established as follows:

8           “(A) 180 days for an individual who is a  
9           covered individual on the date of enactment of  
10          the Restore Trust in Government Act.

11          “(B) 90 days within the date on which an  
12          individual becomes a covered individual if such  
13          date occurs after the date of enactment of the  
14          Restore Trust in Government Act.

15          “(c) CERTIFICATES OF DIVESTITURE.—

16          “(1) APPLICATION OF CERTIFICATE OF DIVES-  
17          TITURE PROGRAM.—For purposes of section 1043 of  
18          the Internal Revenue Code of 1986—

19                 “(A) this section shall be treated as a Fed-  
20                 eral conflict of interest statute;

21                 “(B) any covered individual described in  
22                 section 13151(2)(A) shall be treated as an eligi-  
23                 ble person described in section 1043(b)(1)(A) of  
24                 such Code; and

1           “(C) any spouse or dependent child de-  
2           scribed in section 13151(2)(B) shall be treated  
3           as an eligible person described in section  
4           1043(b)(1)(B) of such Code.

5           “(2) ISSUANCE OF CERTIFICATE OF DIVESTI-  
6           TURE.—

7           “(A) IN GENERAL.—Each supervising eth-  
8           ics office shall issue a certificate of divestiture  
9           to each covered individual required to divest  
10          under this subchapter upon submission of proof  
11          of compliance by such individual with the re-  
12          quirements to divest or any extensions granted  
13          by the supervising ethics office.

14          “(B) ELIGIBILITY.—Such certificate shall  
15          include an identification of each specific prop-  
16          erty eligible for the application of the certificate  
17          of divestiture program as determined by the su-  
18          pervising ethics office.

19          “(d) INCOME TAX.—A loss from a transaction or  
20          holding involving a covered financial instrument that is  
21          conducted in violation of this section may not be deducted  
22          from the amount of income tax owed by the covered indi-  
23          vidual.

24          “(e) OCCUPATIONAL EXCEPTION.—A spouse or de-  
25          pendent child of a covered individual as described in sec-

1 tion 13151(2)(B) may trade any covered investment if  
2 such covered investment is not owned by a covered indi-  
3 vidual and if such trade is performed as a function of the  
4 primary occupation of the spouse or dependent child.

5 “(f) TRUSTS.—

6 “(1) QUALIFIED BLIND TRUST.—Any covered  
7 investment held in a qualified blind trust as defined  
8 in section 13104(f)(3) shall be divested in accord-  
9 ance with subsection (b)(1)(B) by the effective date  
10 established in subsection (b)(2).

11 “(2) FAMILY TRUST.—A supervising ethics of-  
12 fice may grant an exemption for covered investments  
13 held in a family trust only if—

14 “(A) no covered individual—

15 “(i) is a grantor of the family trust;

16 “(ii) contributed any covered invest-  
17 ment to the family trust; or

18 “(iii) has any authority over a trustee  
19 of the family trust, including the authority  
20 to appoint, replace, or direct the actions of  
21 such a trustee; and

22 “(B) the grantor of the family trust is or  
23 was a family member of the covered individual.

24 “(3) REQUESTS.—A covered individual seeking  
25 an exemption under paragraph (2) shall submit to

1 the applicable supervising ethics office a request for  
2 the exemption, in writing, certifying that the condi-  
3 tions described in that paragraph are met.

4 “(g) ASSETS ACQUIRED IN SPECIAL CIR-  
5 CUMSTANCES.—In the event that a covered individual ac-  
6 quires a covered investment after the date of enactment  
7 of the Restore Trust in Government Act other than by  
8 purchase (such as by marriage, inheritance, divorce settle-  
9 ment, or other circumstance), the covered individual shall  
10 have 90 days from the date on which such investment was  
11 acquired to divest such covered investment at fair market  
12 value.

13 “(h) EXTENSION.—A supervising ethics office may  
14 grant a covered individual an extension of time to comply  
15 with a divestment deadline under this subchapter if a cov-  
16 ered investment cannot be divested by such deadline due  
17 to low liquidity, vesting schedules, or contractual restric-  
18 tions.

19 “(i) INTERPRETATIVE GUIDANCE.—The supervising  
20 ethics office shall issue interpretive guidance on any rel-  
21 evant term not defined in this subchapter.

22 **“§ 13153. Penalties**

23 “(a) IN GENERAL.—

24 “(1) PENALTIES.—Any covered individual who  
25 violates the restrictions on trading or ownership of

1 covered investments in section 13152 shall, at the  
2 direction of the supervising ethics office—

3 “(A) pay a fee equal to ten percent of the  
4 value of the covered investment; and

5 “(B) disgorge the profits of any trans-  
6 action that violates the provisions of this sub-  
7 chapter.

8 “(2) PAYMENT OF PENALTY TO TREASURY.—A  
9 penalty imposed under paragraph (1)(B) shall be  
10 payable into the Treasury of the United States.

11 “(b) PAYMENT RESTRICTIONS.—A Member of Con-  
12 gress may not pay any of the penalties under this section  
13 by using amounts from the following sources:

14 “(1) The Members’ Representational Allowance.

15 “(2) The Senators’ Official Personnel and Of-  
16 fice Expense Account.

17 “(3) Any contribution (as defined in section  
18 301(8) of the Federal Election Campaign Act of  
19 1971 (52 U.S.C. 30101(8))) accepted as a can-  
20 didate, and any other donation received as support  
21 for activities of the individual as a holder of Federal  
22 office.

23 “(e) PUBLICATION.—Each supervising ethics office  
24 shall publish on a publicly available website a description  
25 of—

1           “(1) each fine assessed by the supervising eth-  
2           ics office pursuant to this section;

3           “(2) the reason why each such fine was as-  
4           sessed; and

5           “(3) the result of each assessment.”.

