[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. ______

To amend the Securities Exchange Act of 1934 to prohibit the Securities and Exchange Commission from compelling the inclusion or discussion of shareholder proposals or proxy or consent solicitation materials, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M__ _________ introduced the following bill; which was referred to the Committee on _______________

A BILL

To amend the Securities Exchange Act of 1934 to prohibit the Securities and Exchange Commission from compelling the inclusion or discussion of shareholder proposals or proxy or consent solicitation materials, 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,
SECTION 1. LIMITATION WITH RESPECT TO COMPELLING
THE INCLUSION OR DISCUSSION OF SHAREHOLDER PROPOSALS.

Section 14(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78n(a)) is amended by adding at the end the following:

"(3) LIMITATION WITH RESPECT TO COMPELLING DISCUSSION OF SHAREHOLDER PROPOSALS.—Except as provided in paragraph (2), the Commission may not compel an issuer to include in a proxy statement of the issuer—

"(A) any shareholder proposal; or

"(B) any discussion (either from the issuer or otherwise) related to a shareholder proposal contained in the proxy statement.

"(4) RULE OF CONSTRUCTION RELATING TO STATE AUTHORITY.—Nothing in this Act or any other securities law shall be construed to provide the Commission the authority to preempt the State regulation of shareholder proposals or proxy or consent solicitation materials."