

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To amend the Securities Exchange Act of 1934 to require covered issuers to carry out a racial equity audit every 2 years, 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 require covered issuers to carry out a racial equity audit every 2 years, 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 “[To be added Act of
5 2021]”.

1 **SEC. 2. RACIAL EQUITY AUDIT.**

2 (a) IN GENERAL.—The Securities Exchange Act of
3 1934 (15 U.S.C. 78a et seq.) is amended by inserting after
4 section 13A the following:

5 **“SEC. 13B. RACIAL EQUITY AUDIT.**

6 “(a) IN GENERAL.—Not later than the end of the
7 6-month period beginning on the date of enactment of this
8 section, and every 2 years thereafter, each covered issuer
9 shall—

10 “(1) conduct an independent audit to assess—

11 “(A) the issuer’s policies and practices on
12 civil rights, equity, diversity, and inclusion;

13 “(B) how such policies and practices affect
14 the issuer’s business; and

15 “(C) whether the issuer had direct or indi-
16 rect ties to or profited from the institution of
17 slavery;

18 “(2) issue a report to the Commission con-
19 taining—

20 “(A) all findings and determinations made
21 in carrying out the assessments required under
22 paragraph (1); and

23 “(B) to the extent the issuer identifies ties
24 to or profits from the institution of slavery, a
25 disclosure of the steps the issuer has taken to
26 reconcile such ties or profits; and

1 “(3) make the report described under para-
2 graph (2) available to the public, including on a
3 website of the issuer.

4 “(b) FAILURE TO ISSUE REPORT.—

5 “(1) FINE.—Any covered issuer that fails to
6 issue a report required under subsection (a)(2), or
7 that reports false, misleading, or inaccurate informa-
8 tion on such a report, shall be fined by the Commis-
9 sion in an amount of \$20,000 per day until the re-
10 port is issued, or until the report is corrected to not
11 be false, misleading, or inaccurate, as applicable.

12 “(2) TRANSFER OF AMOUNTS.—The Commis-
13 sion shall transfer all fines collected pursuant to
14 paragraph (1) to the Secretary of the Treasury and
15 the Secretary shall, without further appropriation,
16 use such funds to carry out the duties of the Office
17 of Reparations Programs.

18 “(c) COVERED ISSUER DEFINED.—In this section,
19 the term ‘covered issuer’ means an issuer that—

20 “(1) is required to file an annual report under
21 section 13(a) or 15(d); and

22 “(2) has more than 100 employees.”.

23 (b) OFFICE OF REPARATIONS PROGRAMS.—Chapter
24 3 of title 31, United States Code, is amended—

1 (1) in subchapter I, by adding at the end the
2 following:

3 **“§ 317. Office of Reparations Programs**

4 “(a) ESTABLISHMENT.—There is established, within
5 the Department of the Treasury, an Office of Reparations
6 Programs.

7 “(b) DUTIES.—The Office of Reparations Programs
8 shall provide grants for down payment assistance, home-
9 ownership, startup capital, and funded savings programs
10 for Black communities, as well other programs determined
11 appropriate by the Secretary in furtherance of racial eq-
12 uity.

13 “(c) FUNDING.—

14 “(1) AUTHORIZATION OF APPROPRIATIONS.—
15 There is authorized to be appropriated to the Sec-
16 retary of the Treasury \$3,000,000,000 to carry out
17 this section.

18 “(2) ADMINISTRATIVE COSTS.—The Secretary
19 may use 2 percent of amounts appropriated to carry
20 out this section for administrative expenses related
21 to carrying out the duties of the Office of Repara-
22 tions Programs.”; and

23 (2) in the table of contents for such chapter, by
24 inserting after the item relating to section 316 the
25 following:

“317. Office of Reparations Programs.”.