

[DISCUSSION DRAFT]

118TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend the Securities Exchange Act of 1934 with respect to reviewable actions taken pursuant to delegated functions of the Securities and Exchange Commission, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. MEUSER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Securities Exchange Act of 1934 with respect to reviewable actions taken pursuant to delegated functions of the Securities and Exchange Commission, 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 [“\_\_\_\_\_ Act  
5 of 2024”].

1 **SEC. 2. REVIEWABLE ACTIONS.**

2 (a) IN GENERAL.—Subsection (b) of section 4A of  
3 the Securities Exchange Act of 1934 (15 U.S.C. 78d–1)  
4 is amended—

5 (1) by striking “(1) denies” and inserting “(A)  
6 denies”;

7 (2) by striking “(2) suspends” and inserting  
8 “(B) suspends”;

9 (3) by striking “(3) is” and inserting “(C) is”;

10 (4) by striking “With” and all that follows  
11 through “upon its own” and inserting the following:  
12 “(b) REVIEWABLE ACTIONS.—

13 “(1) IN GENERAL.—The Commission shall re-  
14 tain a discretionary right to review a reviewable ac-  
15 tion upon its own”; and

16 (5) by adding at the end the following:

17 “(2) REVIEWABLE ACTION DEFINED.—In this  
18 subsection, the term ‘reviewable action’ means any  
19 action delegated under subsection (a) that results  
20 in—

21 “(A) the issuance of any letter or any  
22 other communication granting or denying a re-  
23 quest for no-action relief in connection with a  
24 shareholder proposal; or

25 “(B) a rule (as defined in section 804 of  
26 title 5, United States Code).”.

1 (b) APPROVAL OF REVIEWABLE ACTIONS.—Section  
2 4A of the Securities Exchange Act of 1934 (15 U.S.C.  
3 78d–1) is amended by adding at the end the following:

4 “(d) APPROVAL OF REVIEWABLE ACTIONS.—A re-  
5 viewable action (as defined in subsection (b)) may only  
6 take effect—

7 “(1) with the signed approval of the Chairman;

8 or

9 “(2) through agreement of the Chairman and  
10 Commissioners, which may be reached without con-  
11 vening a meeting.

12 “(e) CIRCULATION WITH COMMISSION.—Upon re-  
13 quest by a Commissioner, the Chairman of the Commis-  
14 sion shall provide the Commissioner with—

15 “(1) copies of any signed approval under sub-  
16 section (d)(1) of a reviewable action; and

17 “(2) the record with respect to such reviewable  
18 action.

19 “(f) ANNUAL REPORT ON REVIEWABLE ACTIONS RE-  
20 LATING TO SHAREHOLDER PROPOSALS.—Not later than  
21 1 year after the date of the enactment of this subsection  
22 and annually thereafter, the Commission shall submit to  
23 the Committee on Financial Services of the House of Rep-  
24 resentatives and the Committee on Banking, Housing, and  
25 Urban Affairs of the Senate, a report that includes—

1           “(1) a summary of each reviewable action de-  
2           scribed in subsection (b)(2)(A) issued in the year  
3           preceding the report;

4           “(2) an analysis of how such reviewable action  
5           is carried out in accordance with section 240.14a-8  
6           of title 17, Code of Federal Regulations (or a suc-  
7           cessor regulation); and

8           “(3) an analysis of how such reviewable ac-  
9           tion—

10                   “(A) protects investors;

11                   “(B) maintains fair and orderly markets;

12                   or

13                   “(C) facilitates capital formation.”.

14 **SEC. 3. REPORT OF GENERAL COUNSEL ON DELEGATED**  
15 **FUNCTIONS.**

16           Not later than 15 days after the date of the enact-  
17           ment of this Act, and not later than 30 days after any  
18           change in the person or vacancy of the Chairman of the  
19           Securities and Exchange Commission thereafter, the Gen-  
20           eral Counsel of the Securities and Exchange Commission  
21           shall submit to Congress a report that—

22                   (1) in the case of the first report, lists each  
23                   function delegated by the Commission pursuant to  
24                   subsection (a) of section 4A of the Exchange Act

1 (15 U.S.C. 78d–1) as of the day before the date of  
2 the enactment of this Act; and

3 (2) in the case of each subsequent report, lists  
4 each function delegated by the Commission pursuant  
5 to such subsection during the period beginning on  
6 the date the preceding report was submitted.