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(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

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

To amend chapter 131 of title 5 to prohibit Members of Congress and their spouses and dependents from owning or trading stocks, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

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

**A BILL**

To amend chapter 131 of title 5 to prohibit Members of Congress and their spouses and dependents from owning or trading stocks, 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 “Restore Trust in Con-  
5       gress Act”.

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

3 (a) TABLE OF CONTENTS.—The table of contents for  
4 chapter 131 of title 5, United States Code, is amended  
5 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.

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

9 “SUBCHAPTER IV—RESTRICTIONS ON TRADE  
10 AND OWNERSHIP OF COVERED INVESTMENTS  
11 “§ 13151. Definitions

12 “In this subchapter:

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

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

17 “(B) does not include a precious metal (as  
18 defined in section 1027.100 of title 31, Code of  
19 Federal Regulations).

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

22 “(A) A Member of Congress as defined in  
23 section 13101.

1           “(B) A dependent child as defined in sec-  
2           tion 13101 or a spouse of a Member of Con-  
3           gress.

4           “(C) An individual or entity described in  
5           section 13104(f)(3)(A) with respect to a cov-  
6           ered investment placed in a trust for any indi-  
7           vidual described in subparagraphs (A) or (B).

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

10           “(A) means an investment in a security, a  
11           commodity, a future, or any comparable eco-  
12           nomic interest acquired through synthetic  
13           means, such as the use of a derivative, includ-  
14           ing an option, warrant, or other similar means;  
15           and

16           “(B) does not include—

17           “(i) a widely held investment fund de-  
18           scribed in section 13104(f)(8) that is di-  
19           versified and publicly traded on a national  
20           or regional stock exchange;

21           “(ii) a United States Treasury bill,  
22           note, or bond;

23           “(iii) a State or municipal government  
24           bill, note, or bond;

1 “(iv) any compensation received by  
2 the spouse or dependent child of a covered  
3 official from their employer;

4 “(v) an interest in a small business  
5 concern;

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 residence 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. 78c(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 (d)  
20          through (f), 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 Congress 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 Congress 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) OCCUPATIONAL EXCEPTION.—A spouse or de-  
20          pendent child of a Member of Congress may trade any  
21          covered investment if such covered investment is not  
22          owned by a covered individual and if such trade is per-  
23          formed as a function of the primary occupation of the  
24          spouse or dependent child.

25          “(e) TRUSTS.—

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

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

9                   “(A) no covered individual—

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

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

13                           “(iii) has any authority over a trustee  
14                           of the family trust, including the authority  
15                           to appoint, replace, or direct the actions of  
16                           such a trustee; and

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

19           “(3) REQUESTS.—A covered individual seeking  
20           an exemption under paragraph (2) shall submit to  
21           the applicable supervising ethics office a request for  
22           the exemption, in writing, certifying that the condi-  
23           tions described in that paragraph are met.

24           “(f) ASSETS ACQUIRED IN SPECIAL CIR-  
25           CUMSTANCES.—In the event that a covered individual ac-



1   quires a covered investment after the date of enactment  
2   of the Restore Trust in Congress Act other than by pur-  
3   chase (such as by marriage, inheritance, divorce settle-  
4   ment, or other circumstance), the covered individual shall  
5   have 90 days from the date on which such investment was  
6   acquired to divest such covered investment at fair market  
7   value.

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

14       “(h) INTERPRETATIVE GUIDANCE.—The supervising  
15  ethics office shall issue interpretive guidance on any rel-  
16  evant term not defined in this subchapter.

17   **“§ 13153. Penalties**

18       “(a) IN GENERAL.—

19           “(1) PENALTIES.—Any covered individual who  
20   violates the restrictions on trading or ownership of  
21   covered investments in section 13152 shall, at the  
22   direction of the supervising ethics office—

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

1           “(B) disgorge the profits of any trans-  
2           action that violates the provisions of this sub-  
3           chapter.

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

7           “(b) PAYMENT RESTRICTIONS.—A Member of the  
8           House of Representatives may not pay any of the penalties  
9           under this section by using amounts from the following  
10          sources:

11           “(1) The Members’ Representational Allowance.

12           “(2) Any contribution (as defined in section  
13           301(8) of the Federal Election Campaign Act of  
14           1971 (52 U.S.C. 30101(8))) accepted as a can-  
15           didate, and any other donation received as support  
16           for activities of the individual as a holder of Federal  
17           office.

18           “(c) PUBLICATION.—Each supervising ethics office  
19           shall publish on a publicly available website a description  
20           of—

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

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

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