

# **A BILL**

To strengthen shareholder oversight and transparency for corporate political spending, to safeguard democratic accountability in publicly traded corporations, and for other purposes.

**To establish shareholder oversight, transparency, and governance requirements for corporate political expenditures, to strengthen democratic accountability in corporate decision-making, and for other purposes.**

---

## **SECTION 1. SHORT TITLE.**

This Act may be cited as the "**Anti-Capture Corporate Governance Act of 2025**"

---

## **SECTION 2. FINDINGS AND PURPOSES.**

### **(a) Findings:**

1. Corporations are artificial entities created under state and federal law and exercise rights only through the shareholders who own them, except where otherwise provided by statute.
2. Corporate political spending is frequently initiated by executive officers without meaningful shareholder input, even though such expenditures may expose the corporation to reputational or financial risk.
3. Shareholders have a fundamental interest in how corporate funds are used, including any use for political advocacy or electoral influence.
4. Disclosure and internal governance requirements do not restrict political speech; rather, they help ensure that political expenditures represent the judgment and priorities of the corporation's owners.
5. *Citizens United v. Federal Election Commission* (2010) does not prohibit Congress from establishing reasonable governance, disclosure, and authorization requirements for corporate expenditures.
6. Foreign influence and opaque ownership structures pose a risk of distorting democratic processes.
7. Strengthening transparency, shareholder rights, and internal accountability reduces potential corruption, increases public trust, and enhances corporate responsibility in political activity.

### **(b) Purposes. The purposes of this Act are:**

1. To increase democratic oversight within corporations over political spending.
2. To require shareholders to authorize corporate political expenditures above certain thresholds.
3. To ensure transparency of corporate ownership and potential foreign influence before corporations engage in political spending.

4. To require corporations to adopt annual political spending budgets approved by shareholders.
  5. To protect workers and investors through enhanced disclosure requirements.
  6. To establish a Corporate Democracy Office within the Securities and Exchange Commission (SEC) to enforce and oversee compliance.
- 

## SECTION 3. DEFINITIONS.

For purposes of this Act:

1. **"Corporation"** means any publicly traded corporation registered with the Securities and Exchange Commission.
  2. **"Political expenditure"** means any expenditure made to influence any federal election, ballot measure, political communication, or public policy advocacy, including contributions to Super PACs, 501(c)(4) organizations, or political advertising campaigns.
  3. **"Shareholder"** means any individual or entity holding equity in the corporation.
  4. **"Beneficial owner"** means any natural person who directly or indirectly owns or controls 1% or more of the corporation's shares.
  5. **"Annual authorization vote"** means a vote of shareholders held once per year for the purpose of approving political expenditures.
  6. **"Political spending budget"** means the maximum aggregate amount a corporation is authorized to spend on political expenditures in a given fiscal year.
  7. **"Foreign-influenced corporation"** means a corporation in which: (A) a single foreign investor owns 5% or more of shares; (B) foreign investors collectively own 20% or more; or (C) any foreign national serves on the board of directors.
- 

## SECTION 4. SHAREHOLDER APPROVAL FOR POLITICAL EXPENDITURES.

### (a) Annual Shareholder Vote Required.

1. Any corporation making political expenditures exceeding \$50,000 in a fiscal year must first obtain approval through an Annual Authorization Vote.
2. A political expenditure is prohibited unless approved by a majority of shares cast.
3. Approval shall authorize only the *amount* of political spending, not the content or viewpoint of the spending.

### (b) Additional Votes.

If a corporation seeks to exceed its approved political spending budget, it must obtain supplemental shareholder approval through a special vote.

---

## **SECTION 5. POLITICAL SPENDING BUDGET.**

### **(a) Budget Requirement.**

Each corporation must adopt an annual political spending budget, approved by shareholders during the Annual Authorization Vote.

### **(b) Limitations.**

1. No political expenditure may exceed the approved budget.
  2. A corporation may allocate the approved budget at its discretion, consistent with fiduciary duties, but must report expenditures under Section 8.
- 

## **SECTION 6. BENEFICIAL OWNERSHIP AND FOREIGN INFLUENCE DISCLOSURE.**

### **(a) Pre-Expenditure Disclosure.**

Before engaging in political expenditures, a corporation must file a Political Spending Authorization Report with the SEC, including:

1. A list of all beneficial owners holding 1% or more equity.
2. The citizenship of all beneficial owners holding 1% or more equity.
3. Disclosure of any foreign ownership meeting the thresholds of a foreign-influenced corporation.
4. Disclosure of any foreign nationals serving on the board.

### **(b) Restrictions on Foreign-Influenced Corporations.**

Foreign-influenced corporations are prohibited from making any political expenditures.

---

## **SECTION 7. WORKER NOTIFICATION.**

Any corporation that makes political expenditures exceeding \$50,000 in a fiscal year must notify all employees within 10 business days, including:

1. The amount spent.
  2. The general purpose of the expenditure.
  3. Whether the expenditure aligns with the political spending budget and shareholder authorizations.
-

## **SECTION 8. DISCLOSURE OF POLITICAL EXPENDITURES.**

### **(a) Real-Time Reporting.**

Corporations must disclose political expenditures exceeding \$10,000 to the SEC within 48 hours.

### **(b) Public Access.**

The SEC shall maintain a publicly accessible database of all corporate political expenditures.

### **(c) Annual Report.**

Corporations must disclose all political expenditures in their annual report to shareholders.

---

## **SECTION 9. CORPORATE DEMOCRACY OFFICE.**

### **(a) Establishment.**

There is established within the SEC a **Corporate Democracy Office (CDO)**.

### **(b) Duties. The CDO shall:**

1. Review Political Spending Authorization Reports.
2. Verify the accuracy of beneficial ownership disclosures.
3. Ensure compliance with shareholder voting requirements.
4. Investigate alleged violations.
5. Issue civil penalties for noncompliance.

### **(c) Powers.**

The CDO may issue subpoenas, conduct audits, and refer cases to the Department of Justice when necessary.

---

## **SECTION 10. ENFORCEMENT AND PENALTIES.**

### **(a) Civil Penalties.**

Corporations that violate this Act shall be subject to:

1. Fines up to three times the amount of the unlawful political expenditure.
2. Additional SEC sanctions for failure to report.
3. Liability for securities fraud if disclosures were knowingly inaccurate.

### **(b) Executive Liability.**

Corporate officers who authorize political expenditures in violation of this Act may be held personally liable for civil penalties.

---

## **SECTION 11. SEVERABILITY.**

If any provision of this Act is held unconstitutional, the remainder of the Act shall not be affected.

---

## **SECTION 12. EFFECTIVE DATE.**

This Act shall take effect 180 days after enactment.