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.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “[To be added Act of 2021]”. 
SEC. 2. RACIAL EQUITY AUDIT.

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

“SEC. 13B. RACIAL EQUITY AUDIT.

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

“(1) conduct an independent audit to assess—

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

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

“(C) whether the issuer had direct or indirect ties to or profited from the institution of slavery;

“(2) issue a report to the Commission containing—

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

“(B) to the extent the issuer identifies ties to or profits from the institution of slavery, a disclosure of the steps the issuer has taken to reconcile such ties or profits; and
“(3) make the report described under paragraph (2) available to the public, including on a website of the issuer.

“(b) FAILURE TO ISSUE REPORT.—

“(1) FINE.—Any covered issuer that fails to issue a report required under subsection (a)(2), or that reports false, misleading, or inaccurate information on such a report, shall be fined by the Commission in an amount of $20,000 per day until the report is issued, or until the report is corrected to not be false, misleading, or inaccurate, as applicable.

“(2) TRANSFER OF AMOUNTS.—The Commission shall transfer all fines collected pursuant to paragraph (1) to the Secretary of the Treasury and the Secretary shall, without further appropriation, use such funds to carry out the duties of the Office of Reparations Programs.

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

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

“(2) has more than 100 employees.”.

(b) OFFICE OF REPARATIONS PROGRAMS.—Chapter 3 of title 31, United States Code, is amended—
(1) in subchapter I, by adding at the end the following:

§ 317. Office of Reparations Programs

(a) Establishment.—There is established, within the Department of the Treasury, an Office of Reparations Programs.

(b) Duties.—The Office of Reparations Programs shall provide grants for down payment assistance, homeownership, startup capital, and funded savings programs for Black communities, as well other programs determined appropriate by the Secretary in furtherance of racial equity.

(c) Funding.—

(1) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary of the Treasury $3,000,000,000 to carry out this section.

(2) Administrative Costs.—The Secretary may use 2 percent of amounts appropriated to carry out this section for administrative expenses related to carrying out the duties of the Office of Reparations Programs.”; and

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

“317. Office of Reparations Programs.”.