

119TH CONGRESS
1ST SESSION

H. R. 52

To require the Securities and Exchange Commission to amend a rule of the Commission relating to shareholder proposals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2025

Mr. BIGGS of Arizona (for himself, Mr. OGLES, and Mr. CRANE) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Securities and Exchange Commission to amend a rule of the Commission relating to shareholder proposals, 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 “Stop Woke Investing
5 Act”.

6 **SEC. 2. SHAREHOLDER PROPOSALS.**

7 (a) DEFINITIONS.—In this section:

8 (1) ACCELERATED FILER; LARGE ACCELER-
9 ATED FILER.—The terms “accelerated filer” and
10 “large accelerated filer” have the meanings given the

1 terms in section 240.12b–2 of title 17, Code of Fed-
2 eral Regulations, or any successor regulation.

3 (2) COMMISSION.—The term “Commission”
4 means the Securities and Exchange Commission.

5 (3) MATERIAL.—The term “material”, when
6 used to qualify a financial risk or financial return—

7 (A) means a financial risk or financial re-
8 turn in which there is a substantial likelihood
9 that a reasonable investor would attach impor-
10 tance when—

11 (i) evaluating the potential financial
12 risks or returns of an existing or prospec-
13 tive investment; or

14 (ii) exercising, or declining to exercise,
15 any rights with respect to securities; and

16 (B) does not include—

17 (i) furthering nonpecuniary, environ-
18 mental, social, political, ideological, or
19 other goals or objectives; or

20 (ii) any portion of a financial risk or
21 financial return that primarily relates to
22 events that—

23 (I) involve a high degree of un-
24 certainty regarding what may occur in
25 the long-term future; and

1 (II) are systemic, general, or not
2 investment-specific in nature.

3 (4) NON-ACCELERATED FILER.—The term
4 “non-accelerated filer” means an issuer that is not
5 an accelerated filer or a large accelerated filer.

6 (b) AMENDMENTS REQUIRED.—Not later than 180
7 days after the date of enactment of this Act, the Commis-
8 sion shall amend section 240.14a–8 of title 17, Code of
9 Federal Regulations, or any successor regulation, to pro-
10 vide that the shareholder proposals that a company in-
11 cludes on the proxy card of the company, and includes
12 along with any supporting statement in the proxy state-
13 ment of the company, shall be determined in accordance
14 with the following:

15 (1) A company shall determine the proposals to
16 include with respect to any 1 annual or special meet-
17 ing of shareholders as follows:

18 (A) Subject to paragraph (2), if the com-
19 pany is a non-accelerated filer, the company
20 shall not be required to include more than 2
21 proposals submitted by shareholders.

22 (B) Subject to paragraph (2), if the com-
23 pany is an accelerated filer, the company shall
24 not be required to include more than 4 pro-
25 posals submitted by shareholders.

1 (C) Subject to paragraph (2), if the com-
2 pany is a large accelerated filer, the company
3 shall not be required to include more than 7
4 proposals submitted by shareholders.

5 (2) A proposal may not be included under para-
6 graph (1) unless the proposal has a material effect
7 on the financial performance of the applicable com-
8 pany.

9 (3) The method for determining which pro-
10 posals to include under subparagraphs (A), (B), and
11 (C) of paragraph (1) shall be—

12 (A) determined by the company; and

13 (B) disclosed to the Commission.

14 (4) The order in which the company receives
15 the proposals shall have no bearing in determining
16 whether a proposal is so included.

17 (5) If any 2 or more proposals submitted are
18 substantially similar, all such proposals shall be con-
19 sidered to be a single proposal for the purposes of
20 this subsection.

21 (6) No proposal submitted by a member of the
22 board of directors of the company may be so in-
23 cluded.

24 (c) RULES OF CONSTRUCTION.—Nothing in this sec-
25 tion may be construed—

1 (1) to require a company to include a share-
2 holder proposal in the proxy statement of the com-
3 pany if, under rules prescribed by the Commission,
4 the proposal otherwise is not required to be included
5 in the proxy statement;

6 (2) to authorize or approve any Commission
7 rule or claim of authority to require a company to
8 include the proposal of a shareholder in the proxy
9 statement of the company; or

10 (3) to restrict the ability of the Commission to
11 repeal any rule requiring a company to include the
12 proposal of a shareholder in the proxy statement of
13 the company.

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