To prohibit public companies from repurchasing their shares on the open market, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. BALDWIN (for herself, Mr. BLUMENTHAL, Mr. MARKEY, and Mr. SANDERS) introduced the following bill; which was read twice and referred to the Committee on ____________________

A BILL

To prohibit public companies from repurchasing their shares on the open market, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Reward Work Act”.

SEC. 2. PROHIBITION ON STOCK BUYBACKS ON THE OPEN MARKET.

(a) DEFINITIONS.—In this section—

(1) the term “covered issuer” means an issuer that—
(A) receives financial assistance relating to the coronavirus disease 2019 (COVID–19) pandemic; and

(B) has repurchased more than $1,000,000,000 of the securities of the issuer on the open market over the during the previous 5-year period;

(2) the terms “equity security”, “exchange”, and “issuer” have the meanings given the terms in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c); and


(b) PROHIBITIONS.—Notwithstanding any other provision of law, no covered issuer may purchase an equity security of the covered issuer on a national securities exchange.

(c) NO FORCE OR EFFECT.—Section 240.10b–18 of title 17, Code of Federal Regulations, shall have no force or effect.

(d) RULE OF CONSTRUCTION.—Nothing in this section may be construed to affect tender offers subject to section 240.13e–4 and sections 240.14e–1 through 240.14f–1 of title 17, Code of Federal Regulations.
SEC. 3. WORKER REPRESENTATION ON CORPORATE BOARD

OF DIRECTORS.

(a) Definitions.—In this section—

(1) the term “covered issuer” has the meaning
given the term in section 2(a);

(2) the term “director” has the meaning given
the term in section 3 of the Securities Exchange Act
of 1934 (15 U.S.C. 78c); and

(3) the term “employee”—

(A) has the meaning given the term in sec-
tion 2 of the National Labor Relations Act (29
U.S.C. 152);

(B) includes any individual employed by an
employer subject to the Railway Labor Act (45
U.S.C. 151 et seq.).

(b) Registration Requirements for Securities.—Section 12(b) of the Securities Exchange Act of
1934 (15 U.S.C. 78l(b)(1)) is amended by adding at the end the following:

“(4)(A) In this paragraph, the term ‘covered
issuer’ means an issuer that—

“(i) receives financial assistance relating to
the coronavirus disease 2019 (COVID–19) pan-
demic; and

“(ii) has repurchased more than
$1,000,000,000 of the securities of the issuer
on the open market over the during the previous 5-year period.

“(B) No covered issuer may register securities on a national exchange unless at least 1/3 of the covered issuer’s directors are chosen by the covered issuer’s employees in a one-employee-one-vote election process.”.

(c) POLICY.—The Securities and Exchange Commission, in consultation with the National Labor Relations Board, shall promulgate regulations—

(1) to ensure that elections of directors of covered issuers are fair and democratic; and

(2) to ensure that 1/3 of a covered issuer’s board of directors will be composed of employee representatives within 2 years of the date of enactment of this Act.

SEC. 4. REGULATIONS.

The Securities and Exchange Commission shall promulgate regulations to direct national securities exchanges and covered issuers, as defined in section 2(a), to comply with this Act and the amendments made by this Act.