

116TH CONGRESS
1ST SESSION

S. _____

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 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.

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 “Reward Work Act”.

5 **SEC. 2. PROHIBITION ON STOCK BUYBACKS ON THE OPEN**
6 **MARKET.**

7 (a) DEFINITIONS.—In this section—

8 (1) the terms “equity security”, “exchange”,
9 and “issuer” have the meanings given the terms in

1 section 3 of the Securities Exchange Act of 1934
2 (15 U.S.C. 78c); and

3 (2) the term “national securities exchange”
4 means an exchange registered under section 6 of the
5 Securities Exchange Act of 1934 (15 U.S.C. 78f).

6 (b) PROHIBITIONS.—Notwithstanding any other pro-
7 vision of law, no issuer may purchase an equity security
8 of the issuer on a national securities exchange.

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

12 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion may be construed to affect tender offers subject to
14 section 240.13e–4 and sections 240.14e–1 through
15 240.14f–1 of title 17, Code of Federal Regulations.

16 **SEC. 3. WORKER REPRESENTATION ON CORPORATE BOARD**
17 **OF DIRECTORS.**

18 (a) DEFINITIONS.—In this section—

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

22 (2) the term “employee” has the meaning given
23 the term in section 2 of the National Labor Rela-
24 tions Act (29 U.S.C. 152).

1 (b) REGISTRATION REQUIREMENTS FOR SECURI-
2 TIES.—Section 12(b) of the Securities Exchange Act of
3 1934 (15 U.S.C. 78l(b)(1)) is amended by adding at the
4 end the following:

5 “(4) No issuer may register securities on a na-
6 tional exchange unless at least $\frac{1}{3}$ of the issuer’s di-
7 rectors are chosen by the issuing company’s employ-
8 ees in a one-employee-one-vote election process.”.

9 (c) POLICY.—The Securities and Exchange Commis-
10 sion, in consultation with the National Labor Relations
11 Board, shall promulgate regulations—

12 (1) to ensure that director elections at issuing
13 firms are fair and democratic; and

14 (2) to ensure that $\frac{1}{3}$ of an issuer’s board of di-
15 rectors will be composed of employee representatives
16 within 2 years of the date of enactment of this Act.

17 **SEC. 4. REGULATIONS.**

18 The Securities and Exchange Commission shall pro-
19 mulgate regulations to direct national securities exchanges
20 and issuers, as defined in section 2(a), to comply with this
21 Act and the amendments made by this Act.