

H.B. No. \_\_ , S.B. No. \_\_

Author/Sponsor: \_\_\_\_\_

Session: 119th Congress, 2025-2026

An Act relating to the prohibition of the owning, trading, and selling of individual stocks and similar assets by members of Congress, their spouses, and their dependent children.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF FLORIDA, UNITED STATES OF AMERICA

SECTION 1. SHORT TITLE.

This Act may be cited as the “Ban on Individual Stock Trading Act”

SECTION 2. PURPOSE AND FINDINGS.

**(a) Statement of Purpose**

The purpose of this Act is to eliminate all conflicts of interest embedded amongst members of congress by prohibiting the ownership, trading, and selling of individual securities during their tenure in office. By removing the financial incentives that may compromise decision-making, this legislation seeks to strengthen ethical safeguards, enhance accountability, and restore public confidence in federal institutions. In doing so, it ensures that legislative decisions are made solely in the interest of the American people and reinforces integrity within the federal government.

**(b) Findings**

- I. Members of Congress regularly access non-public information through briefings and committee oversight responsibilities that have potential influence and affect over financial markets.

- II. When members of Congress regulate committees concerning large industries such as healthcare, technology, energy, commerce, etc., it creates a conflict of interest when members exchange and maintain investments within those industries.
- III. Current legislation known as the Stop Trading on Congressional Knowledge (STOCK) Act of 2012 increased disclosure requirements but failed to impose the necessary sanctions sufficient to deter this misconduct.
- IV. Current penalties for late disclosure are minimal, have had little effect, and resulted in no proper enforcement actions since the law has been imposed.
- V. Public trust in Congress has heavily declined. The STOCK Act failed to restore trust in Congress, with Americans perceiving lawmakers as unethically prioritizing personal financial gain over public duty and responsibility.
- VI. Public opinion has demonstrated bipartisan support for stronger restrictions on congressional stock trading, with approximately 86 percent of Americans in support of an overall ban on individual stock ownership by lawmakers.

### SECTION 3. DEFINITIONS

For the purposes of this Act:

**(a) Covered Individual**

Any active Member of the United States Senate or House of Representatives, their spouses, and any dependent children.

**(b) Prohibited Assets**

Assets prohibited under this Act include:

1. Individual traded stocks
2. Industry-specific exchange-traded funds (ETFs)
3. Hedge funds and private equity funds within specific industries
4. Derivatives tied to specific companies

5. Any similar financial investment where covered individuals may benefit from specific industries

**(c) Permitted Investments**

1. Diversified mutual funds
2. Assets held within a Qualified Blind Trust
3. State or municipal bonds where covered individuals exercise no control over particular holdings
4. United State Treasury Secreteries

**(d) Qualified Blind Trust (QBT)**

A “Qualified Blind Trust” is a financial trust managed by an independent trustee in which the covered individual has no communication regarding decisions of asset management. This complies with standards established under the Ethics in Government Act of 1978.

**SECTION 4. SUBSTANSIVE PROHIBITIONS**

**(a) General Prohibition**

All covered individuals, as defined in Section 3 of this Act, shall be prohibited from purchasing, selling, trading, or owning any prohibited assets during their tenure in office.

**(b) Mandatory Divestment or Transfer**

Any covered individual who holds a prohibited asset on the date of enactment of this Act shall, within the compliance period established under Section 6:

1. Divest such prohibited asset, or
2. Transfer such assets into a Qualified Blind Trust

**(c) Amendment to Existing Law**

The Stop Trading on Congressional Knowledge Act of 2012 is hereby amended to the extent that any provision permitting the ownership or trading of individual securities by covered individuals during their tenure in office is superseded by the prohibitions established under this Act.

**(d) Continuing Disclosure Obligations**

Covered individuals shall continue to comply with all applicable financial disclosure requirements under existing federal laws; however, disclosure shall not be substituted for compliance with the prohibitions established.

SECTION 5. ENFORCEMENT/ADMINISTRATION

**(a) Congressional Oversight**

The House Committee on Ethics and the Senate Select Committee on Ethics shall be responsible for monitoring and enforcing compliance with this Act.

**(b) Investigative Process**

The respective Ethics Committees shall have authority to review financial disclosures, initiate investigations upon credible evidence of violation, and refer repeated or willful violations to the United States Department of Justice for further investigation.

**(c) Forfeiture Administration**

Any profits derived from prohibited transactions shall be forfeited to the United States Treasury.

**(d) Public Transparency**

All required financial disclosures shall be made publicly accessible in a searchable, sortable, and downloadable format not later than 10 days after filing to ensure transparency and accountability.

SECTION 6. COMPLIANCE PERIOD AND PENALTIES.

**(a) Compliance**

1. Any covered individual holding prohibited assets shall be divested or transferred into a Qualified Blind Trust within 180 days of enactment
2. Newly sworn Members shall comply within 90 days of assuming office

**(b) Penalties**

Any Covered Individual found in violation of this Act shall:

1. Pay a fine equal to 10% or more of the prohibited asset's value during the time of its violation.
2. Forfeit all profits derived from the transactions to the United States Treasury.
3. Repeated violations may result in increased fines or be referred for criminal investigation under federal insider trading statutes.

## ANALYSIS OF RESEARCH

Members of Congress hold positions of significant power, with access to confidential information through legislative briefings and committee oversight of major industries such as healthcare, energy, and technology. This access creates inherent conflicts of interest when lawmakers are permitted to trade individual stocks. Although Congress enacted the Stop Trading on Congressional Knowledge Act (STOCK Act) in 2012 to prohibit insider trading and require disclosure of stock transactions within 30–45 days, the law has been proven largely ineffective in deterring such trading activity. The STOCK Act's framework relies heavily on transparency rather than prevention. Through miniscule penalties for noncompliance (often a \$200 fine for late disclosures), it fails to impose proper consequences that serve as a meaningful deterrent. Additionally, no member of Congress has been successfully prosecuted under the Act, despite multiple allegations and high-profile incidents, including the stock trades made following confidential COVID-19 briefings.

Research and public opinion data strongly support the need for stricter reform. Disclosure after a trade does not possess a strong enough deterrent to eliminate the conflict of interest entirely or undo the potential incentives for financial gain. The disclosure requirement, although important, merely reveals this fact. Rather than restoring trust, the transparency required by the STOCK Act has often heightened public skepticism by exposing patterns of suspicious trading without meaningful consequences. Polling consistently shows overwhelming bipartisan support for reform. Approximately 86% of Americans support banning members of Congress from trading individual stocks altogether. These findings demonstrate clear gaps in current law and justify stronger preventative measures, enhancements in enforcement mechanisms, and substantial penalties to effectively address insider trading concerns within Congress.

## BIPARTISAN APPEAL

This issue has overwhelming bipartisan support, with nearly 86% of Americans agreeing with banning congressional members from trading stocks. The limitations of congressional stock trading does not necessarily advance a political partisan agenda. Rather, it addresses a common concern regarding the integrity of the government. For conservatives, the bill reinforces free-market principles by ensuring government officials cannot exploit privileged information for personal gain, promoting equal treatment under the law. For progressives, it advances fairness and economic justice by preventing lawmakers from profiting off industries and policies that directly affect working-class communities, while strengthening governmental accountability. Limiting congressional stock trading promotes public trust, safeguards economic stability, and strengthens democratic institutions by ensuring elected officials prioritize community well-being over personal financial interests.

## PROCEDURAL/ADMINISTRATIVE PROVISIONS

(a) **Severability:** If any provision of this Act is held to be unconstitutional, the remainder of this Act, and the application of its remaining provisions shall not be affected and shall remain in effect.

(b) **Effective Date:** This Act shall take effect 30 days after the date of enactment. Current Members of Congress shall comply within 180 days of enactment, and newly sworn Members shall comply within 90 days of assuming office, as provided in Section 6 of this Act.

(c) **Repealer Clause:** Any provision of federal law that is inconsistent with the prohibitions established under this Act is hereby repealed or amended.

## SUMMARY

The Ban on Individual Stock Trading Act prohibits all Members of the United States Senate and House of Representatives, their spouses, and dependent children from owning, purchasing, selling, or trading individual stocks and similar securities during their tenure in office. Covered individuals holding such assets at the time of the Act's enactment must either divest or transfer them into a Qualified Blind Trust to be managed independently.

This legislation strengthens enforcement mechanisms beyond the STOCK Act by establishing meaningful penalties, including fines equal to 10 percent of the value of prohibited assets and forfeiture of profits to the United States Treasury. Repeated violations may be referred to the Department of Justice for further investigation. Financial disclosures must remain publicly accessible in a searchable and downloadable format to ensure transparency. The Act is designed to eliminate conflicts of interest, enhance public trust in Congress, and ensure that legislative decisions are made solely in the interest of the American people.

## SOURCES

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