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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend title 52, United States Code, to prohibit candidates for Federal office from trading in contracts on the outcome of their own elections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. DAVIS of North Carolina introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 52, United States Code, to prohibit candidates for Federal office from trading in contracts on the outcome of their own elections, 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 “No Betting on Your
5 Own Race Act”.

1 **SEC. 2. TRADING BY CANDIDATES IN CONTRACTS ON THEIR**
2 **OWN ELECTIONS.**

3 (a) IN GENERAL.—Subchapter I of chapter 301 of
4 title 52, United States Code, is amended by adding at the
5 end the following:

6 **“§ 30147. Trading by candidates in contracts on their**
7 **own elections**

8 “(a) DEFINITIONS.—In this section:

9 “(1) CANDIDATE.—The term ‘candidate’ has
10 the meaning given the term in section 301 of the
11 Federal Election Campaign Act of 1971 (52 U.S.C.
12 30101).

13 “(2) COVERED PLATFORM.—The term ‘covered
14 platform’ means any registered entity, designated
15 contract market, swap execution facility, broker,
16 intermediary, or other platform that facilitates trad-
17 ing in political event contracts.

18 “(3) POLITICAL EVENT CONTRACT.—The term
19 ‘political event contract’ means any agreement,
20 transaction, swap, option, contract, derivative, or
21 other event contract that allows a person to pur-
22 chase, sell, trade, or otherwise obtain direct financial
23 exposure based on the outcome of—

24 “(A) a Federal election;

25 “(B) a primary election;

26 “(C) a caucus;

1 “(D) the nomination of a candidate;

2 “(E) control of Congress;

3 “(F) any other political or governmental
4 event by rule by the Commodity Futures Trad-
5 ing Commission.

6 “(4) COVERED ELECTION CONTRACT.—The
7 term ‘covered election contract’ means, with respect
8 to a candidate, a political event contract the payout
9 or resolution of which depends on—

10 “(A) the outcome of an election, primary
11 election, caucus, convention, or nomination con-
12 test in which the candidate is seeking nomina-
13 tion for election, or election, to Federal office;

14 “(B) whether the candidate is, becomes, or
15 remains a candidate in such a contest; or

16 “(C) the vote share, margin, or placement
17 of the candidate in such a contest.

18 “(5) COVERED PERSON.—The term ‘covered
19 person’ means, with respect to a candidate, the can-
20 didate, a spouse or dependent child of the candidate,
21 or an authorized committee of the candidate as de-
22 fined in 52 U.S.C. § 30101(6).

23 “(b) OFFENSE.—Whoever, being a covered person
24 purchases, sells, acquires, disposes of, or holds any inter-
25 est, directly or indirectly, in a covered election contract

1 with respect to the candidate shall be civilly fined under
2 52 U.S.C. § 30109 \$10,000 per violation; or an amount
3 equal to 3 times the net financial gain attributable to the
4 violation, whichever is greater.

5 “(c) INDIRECT INTERESTS.—For purposes of sub-
6 section (b), a person acts indirectly if the person—

7 “(1) causes, directs, requests, or induces an-
8 other person to acquire, hold, or dispose of the inter-
9 est;

10 “(2) holds a beneficial interest in the interest,
11 however titled; or

12 “(3) provides funds used by another person to
13 acquire the interest, with knowledge of the intended
14 use.

15 “(e) DIVESTMENT.—It shall not be a violation of sub-
16 section (b) for a person to hold an interest in a contract
17 that becomes a covered election contract with respect to
18 that person, or to dispose of such an interest, during the
19 minimum period required by covered platforms to divest
20 such contract, beginning on the date on which the person
21 becomes a candidate.

22 “(f) PROTECTION FOR COVERED PLATFORMS.—

23 “(1) NO LIABILITY UNDER THIS SECTION.—No
24 penalty under this section shall apply to a covered
25 platform, or to any officer, director, employee, or

1 agent of a covered platform acting within the scope
2 of that person's duties.

3 “(2) GOOD FAITH COMPLIANCE ACTIONS.—A
4 covered platform, and any officer, director, em-
5 ployee, or agent thereof, shall not be liable to any
6 person under any Federal or State law, or under any
7 contract, for any action taken in good faith to pre-
8 vent or remedy a violation of subsection (b), includ-
9 ing restricting, suspending, or closing an account, or
10 cancelling, voiding, or unwinding a position or trans-
11 action.

12 “(3) GOOD FAITH REPORTING.—A covered plat-
13 form, and any officer, director, employee, or agent
14 thereof, shall not be liable to any person under any
15 Federal or State law for reporting in good faith a
16 suspected violation of this section to the Commodity
17 Futures Trading Commission, the Attorney General,
18 or the Federal Election Commission, and shall not
19 be required to notify any person that such a report
20 has been made.”.

21 **SEC. 3. PUBLICATION OF CANDIDATE INFORMATION AND**
22 **CANDIDATE NOTIFICATION.**

23 (a) IN GENERAL.—The Federal Election Commission
24 shall establish and maintain a publicly available, machine-
25 readable list of each individual who is a candidate (as de-

1 fined in section 301 of the Federal Election Campaign Act
2 of 1971 (52 U.S.C. 30101)), which shall include, for each
3 such individual—

4 (1) the name of the individual and any identi-
5 fier assigned to the individual by the Commission;

6 (2) the office sought; and

7 (3) the date on which the individual became a
8 candidate and, if applicable, the date on which the
9 individual ceased to be a candidate.

10 (b) AVAILABILITY.—The Commission shall make the
11 list described in subsection (a) available at no charge and
12 shall update the list not less frequently than weekly.

13 (c) CANDIDATE NOTIFICATION.—The Federal Elec-
14 tion Commission, in coordination with State and territory
15 boards of elections, shall ensure that each individual who
16 is a candidate (as defined in section 301 of the Federal
17 Election Campaign Act of 1971 (52 U.S.C. 30101)) is no-
18 tified, when a candidate files for federal office, of the pro-
19 hibitions and requirements under this Act.

20 **SEC. 4. EFFECTIVE DATE.**

21 This Act, and the amendments made by this Act,
22 shall apply with respect to conduct occurring on or after
23 the date of enactment of this Act.