

S 979

Broad-Based Stock Option Plan Transparency Act of 2003

Congress: 108 (2003–2005, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: May 1, 2003

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S5671) (May 1, 2003)

Official Text: <https://www.congress.gov/bill/108th-congress/senate-bill/979>

Sponsor

Name: Sen. Ensign, John [R-NV]

Party: Republican • **State:** NV • **Chamber:** Senate

Cosponsors (20 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Allard, Wayne [R-CO]	R · CO		May 1, 2003
Sen. Allen, George [R-VA]	R · VA		May 1, 2003
Sen. Bennett, Robert F. [R-UT]	R · UT		May 1, 2003
Sen. Boxer, Barbara [D-CA]	D · CA		May 1, 2003
Sen. Burns, Conrad R. [R-MT]	R · MT		May 1, 2003
Sen. Cantwell, Maria [D-WA]	D · WA		May 1, 2003
Sen. Coleman, Norm [R-MN]	R · MN		May 1, 2003
Sen. Craig, Larry E. [R-ID]	R · ID		May 1, 2003
Sen. Crapo, Mike [R-ID]	R · ID		May 1, 2003
Sen. Feinstein, Dianne [D-CA]	D · CA		May 1, 2003
Sen. Murray, Patty [D-WA]	D · WA		May 1, 2003
Sen. Reid, Harry [D-NV]	D · NV		May 1, 2003
Sen. Smith, Gordon H. [R-OR]	R · OR		May 1, 2003
Sen. Stabenow, Debbie [D-MI]	D · MI		May 1, 2003
Sen. Warner, John [R-VA]	R · VA		May 1, 2003
Sen. Domenici, Pete V. [R-NM]	R · NM		May 5, 2003
Sen. Kennedy, Edward M. [D-MA]	D · MA		May 12, 2003
Sen. Bingaman, Jeff [D-NM]	D · NM		Jun 9, 2003
Sen. Nickles, Don [R-OK]	R · OK		Jun 18, 2003
Sen. Talent, Jim [R-MO]	R · MO		May 18, 2004

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	May 1, 2003

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Summary (as of May 1, 2003)

Broad-Based Stock Option Plan Transparency Act of 2003 - Directs the Securities and Exchange Commission (SEC) to require that certain mandatory periodic reports include detailed information regarding stock option plans, stock purchase plans, and other arrangements involving an employee acquisition of an equity interest in the publicly traded company, particularly with respect to the dilutive effect of such plans.

Requires such reports to include: (1) a discussion, written in "plain English" of the dilutive effect of stock option plans, including tables or graphic illustrations; (2) expanded disclosure of the dilutive effect of employee stock options upon the earnings per share number of the company; (3) prominent placement and increased comparability of all stock options related information; and (4) a summary of the stock options granted to the five most highly compensated executive officers of the company, including any outstanding stock options of those officers.

Directs the SEC to study and report to Congress on the effectiveness of the enhanced disclosures in increasing transparency to investors.

Prohibits the SEC from recognizing as generally accepted accounting principles for purposes of enforcing the securities laws any accounting standards related to the treatment of stock options that it did not recognize for that purpose before April 1, 2003.

Instructs the Secretary of Commerce to report to Congress on a study and analysis of broad-based employee stock option plans, particularly in the high technology and any other high growth industries.

Actions Timeline

- **May 1, 2003:** Introduced in Senate
- **May 1, 2003:** Sponsor introductory remarks on measure. (CR S5670-5671)
- **May 1, 2003:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S5671)