Public Trust and Integrity Act of 2025

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 "Public Trust and Integrity Act of 2025."

Section 2. Findings.

1. Financial Conflicts in Government: Congress finds that public confidence in government is undermined when officials use their positions for personal financial gain. The Stop Trading on Congressional Knowledge Act of 2012 (STOCK Act) prohibits members of Congress and federal employees from profiting from non-public information (insider trading) and requires reporting of financial transactions . However, officials have continued to engage in stock trading that poses conflicts of interest, and many have failed to report trades despite the STOCK Act's requirements, facing little to no penalty . Transparency alone has proven insufficient, as lawmakers' ongoing trading activity has exposed clear conflicts of interest . The majority of Americans – across the political spectrum – believe that members of Congress should not be allowed to trade individual stocks given the obvious conflict of interest this creates .

2. Need for Term Limits: Congress further finds that prolonged tenure in elected office can lead to entrenched power structures and reduced accountability. There are currently no term limits for members of the U.S. House of Representatives or U.S. Senate, allowing some individuals to serve for several decades. Public support for congressional term limits is overwhelming: approximately 87% of American adults favor limiting the number of terms that members of Congress can serve . Multiple proposals have been introduced to amend the Constitution to impose term limits, for example by limiting Senators to two six-year terms and Representatives to three two-year terms . Term limits would foster a legislature of citizen representatives rather than career politicians, increasing accountability to voters and encouraging fresh ideas and perspectives in Congress.

3. Abuse of Tax-Exempt Status by Wealthy Organizations: Congress finds that religious and other nonprofit organizations are granted tax-exempt status under 26 U.S.C. §501(c)(3) to encourage charitable and religious work, on the condition that they operate exclusively for exempt purposes and not for private gain . Such organizations are prohibited from engaging in partisan political activities or excessive lobbying, and no part of their earnings may unjustly benefit private individuals . (This longstanding rule is

commonly known as the Johnson Amendment of 1954, which prohibits all 501(c)(3) nonprofits from endorsing or opposing political candidates .) Despite these rules, enforcement has been sporadic. In nearly 70 years since the Johnson Amendment's enactment, only one church is publicly known to have lost its tax-exempt status for overt political campaigning – indicating that some organizations have been able to flout the law without consequence. Additionally, certain religious organizations have accumulated enormous wealth while operating tax-free. For example, the Lakewood Church in Texas (pastored by Joel Osteen) reportedly had an annual budget of about $90 million in 2017 , and the Church of Scientology's combined entities have been valued at over $1.2 billion in assets . Such excessive accumulation of wealth calls into question whether these entities are functioning as genuine charities or essentially as for-profit enterprises shielded by a religious designation.

4. Purpose: Therefore, it is the intent of Congress to restore public trust in government and ensure fairness in the tax code by: (a) prohibiting policymakers from engaging in financial trading that creates conflicts of interest; (b) imposing reasonable term limits on congressional service; and (c) strengthening the requirements for tax-exempt status to prevent abuse by organizations that accumulate excessive wealth or engage in partisan political activity while enjoying tax benefits. By closing loopholes and clearly defining ethical boundaries, this Act aims to promote integrity and accountability in both the public and nonprofit sectors.

Section 3. Definitions.

For purposes of this Act:

- Covered Official: The term "covered official" means any elected or appointed official of the United States Government, or any employee thereof, who exercises policy-making influence. This includes, but is not limited to, Members of Congress, the President and Vice President, Cabinet Secretaries and agency heads, senior executive branch officials, congressional staff in decision-making or advisory roles (such as committee staff directors, chiefs of staff, and policy advisors), and any other officers or employees who shape, direct, or influence legislative or regulatory policy. (This broad definition is intended to encompass individuals covered by federal ethics and financial disclosure laws, including those required to file public financial disclosure reports under the Ethics in Government Act of 1978.)

- Policy-Making Influence: The term "policy-making influence" refers to the ability to materially affect or advise on the development, drafting, or implementation of public laws, regulations, or policies. This includes individuals who have significant advisory roles or decision-making authority in the legislative or executive branches, even if they are not the final decision-maker. (For example, a senior agency official who drafts regulations or a congressional committee counsel who crafts legislation has policy-making influence.)

- Covered Financial Instrument: The term “covered financial instrument” means any investment or asset that could create a conflict of interest due to its market-sensitive nature. This includes, without limitation, individual stocks, bonds, sector-specific mutual funds or ETFs, options, futures, commodities, cryptocurrency or other digital assets, and other financial instruments whose value is not fixed. It also includes any derivative related to any such instrument. Excluded from this definition are widely-held, diversified investment funds or pension funds in which the covered official has no control over specific investment decisions . For example, a broad index mutual fund or Thrift Savings Plan fund would not be considered a “covered” instrument, nor would U.S. Treasury securities or cash bank accounts. The intent is to target financial holdings that could present a temptation for an official to misuse insider knowledge or policy influence for personal gain.

- Immediate Family: The term “immediate family” means a covered official’s spouse and any dependent children. For purposes of this Act, any financial interest or transaction that would be prohibited for a covered official is likewise prohibited for their immediate family members, to prevent evasion of the rules by transferring assets to a spouse or child. (For example, if a Senator is barred from trading a particular stock, their spouse is equally barred from trading that stock, and any such trade by the spouse will be treated as a violation by the Senator.)

- Excessive Wealth (for Tax-Exempt Organizations): The term “excessive wealth” with respect to a religious or other 501(c)(3) organization means possessing assets or income far beyond what is needed to fulfill its tax-exempt purpose, such that the retention of this wealth primarily serves to expand the organization’s financial power or benefit insiders rather than to further charitable or religious goals. For purposes of this Act, an organization shall be presumed to have excessive wealth if either: (A) its total net assets (cash, investments, property, endowments, etc., minus liabilities) exceed $100 million, or (B) its average annual gross revenue (including donations, contributions, and any business income) for the past three years exceeds $50 million. The Secretary of the Treasury may adjust these dollar thresholds for inflation and shall issue regulations to further define “excessive wealth” in terms of an organization’s obligations to devote resources to its charitable mission. (This definition targets large megachurches or nonprofits whose financial holdings are extremely large; it is not intended to affect smaller community churches or charities.)

- Religious Organization: The term “religious organization” means a church, congregation, or other organization organized and operated primarily for religious worship or spiritual purposes that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code. This term includes churches, mosques, synagogues, temples, and comparable religious congregations, as well as integrated auxiliaries or ministries of such organizations. (For example, a stand-alone ministry or televangelism organization that has 501(c)(3) status and primarily engages in religious preaching would be considered a religious organization for the purposes of this Act.)

- Political Campaign Intervention: The term “political campaign intervention” means participating or intervening in any political campaign on behalf of, or in opposition to, any candidate for public office, as that concept is used in 26 U.S.C. §501(c)(3). This includes directly or indirectly making contributions to a candidate’s campaign, endorsing or opposing candidates publicly, distributing statements for or against a candidate, or otherwise using organizational funds or resources to influence an election . (Nonpartisan voter education or registration drives conducted in compliance with IRS guidance are not considered intervention, whereas a sermon from the pulpit explicitly urging a vote for or against a candidate would be.)

- Substantial Lobbying: The term “substantial lobbying” means attempting to influence legislation to such an extent that it becomes a substantial part of a 501(c)(3) organization’s activities, in violation of the limitations in 26 U.S.C. §501(c)(3) . In general, “substantial” lobbying may be evaluated by either the “no substantial part” qualitative test or the expenditure test under 26 U.S.C. §501(h) (for organizations that elect it). For the purposes of this Act, a religious or charitable organization engages in substantial lobbying if more than 5% of its annual expenditures or activities (whichever is higher) are devoted to influencing legislation, or if it exceeds the allowable dollar limits under the §501(h) expenditure test (if it has so elected). The IRS is empowered to issue detailed regulations clarifying this definition in quantitative terms.

Section 4. Ban on Financial Trading by Government Officials.

(a) Prohibition on Trading and Ownership of Conflicting Assets: Notwithstanding any other provision of law, no covered official shall, during their period of public service, own or trade any covered financial instrument. In other words, from the time an individual assumes office as a covered official until the time they leave office, they are prohibited from purchasing or selling stocks, bonds, commodities, cryptocurrencies, or other covered financial instruments for their personal account. They also may not maintain ownership of such instruments during their tenure, except as placed in a qualified blind trust or excepted under subsection (d) below. The purpose of this prohibition is to eliminate conflicts of interest and remove any temptation for officials to use inside information or their policy influence for personal financial benefit. (Example: A Member of Congress who is privy to non-public economic data or pending regulatory decisions cannot buy or sell stocks based on that knowledge, and indeed cannot trade stocks at all while in office.)

(b) Divestiture or Blind Trust Requirement: Within 90 days of assuming a position as a covered official (or within 90 days of this Act's enactment for current officials), the individual must eliminate any holdings of covered financial instruments in one of the following ways:

- (1) Divestiture: Sell off the asset in question. The official may divest by selling the stock, bond, or other instrument on the open market (or otherwise disposing of it), thus removing the conflict. Proceeds may be reallocated to non-conflicting investments (e.g. diversified index funds or Treasury securities) that are not "covered" instruments. The timing of such divestiture should be done in a manner to avoid market manipulation – e.g., using blind liquidation via a third-party broker if necessary.

- (2) Placement in a Qualified Blind Trust: Transfer the asset into a qualified blind trust managed by an independent trustee, pursuant to the Ethics in Government Act and OGE (Office of Government Ethics) regulations. The official must have no control over the decisions of the blind trust and no knowledge of its specific holdings or transactions. The trustee must be a disinterested party (not a family member, business partner, or anyone with close ties to the official). Once in the blind trust, the assets may be bought or sold by the trustee without the official's knowledge; because the official is shielded from knowledge of the trust's holdings, this arrangement mitigates conflicts. Importantly, simply labeling a trust as "blind" is not sufficient – it must truly comply with OGE requirements (e.g., the official must genuinely not know whether the trust still holds the conflicted stock or has sold it).

- (3) Other Compliance Mechanism Approved by Ethics Officials: In unusual circumstances, an official may propose an alternative mechanism to avoid conflicts (for instance, pre-arranged divestment over time to prevent market disruption, or conversion of certain assets to an equivalent conflict-free form). Such an alternative must be reviewed and approved by the designated agency ethics official or the Ethics Committee of the House/Senate (as applicable) to ensure it equally achieves the Act's purposes.

If a covered official fails to divest or place prohibited holdings into a blind trust within the 90-day grace period, they will be in violation of this Act. Transferring assets to a spouse or dependent is not an acceptable loophole – any asset so transferred is still considered indirectly "owned" by the official via immediate family, and thus must also be divested or put in a blind trust in compliance with this subsection.

(c) Ongoing Ban on Trading: During the covered official's time in office, they (and their immediate family) may not actively buy or sell covered financial instruments. Even after divestiture, if new conflicts arise (e.g., through inheritance or gift of stocks), the official must promptly (within 30 days) divest or place those new assets into a blind trust. The covered official also may not direct any third party (such as an investment manager) to trade on their behalf in a way that violates this ban. Essentially, no active trading for personal gain is allowed while crafting or implementing public policy.

(d) Permissible Holdings and Transactions: The prohibition in subsection (a) is not intended to bar officials from all forms of saving or investment. The following are explicitly permitted and are not considered “covered financial instruments” for purposes of the ban:

- Diversified Mutual Funds and Index Funds: As noted in definitions, holdings in broad-based investment funds (e.g., an S&P 500 index fund or a target-date retirement fund) are permitted, provided the fund is widely diversified and the official neither controls the fund’s investments nor has insider knowledge of its holdings . Regular contributions to and withdrawals from such funds (including Thrift Savings Plan funds or similar retirement accounts) are allowed.

- U.S. Government Bonds and Securities: Investments in U.S. Treasury bonds, notes, or other federal government securities are allowed. These instruments are backed by the government and not considered a conflict (since an official’s duties are presumed to align with the interest of the nation as a whole).

- Bank Accounts, CDs, Money Market Funds: Holding cash in a checking or savings account, certificates of deposit, or money market funds is allowed. Normal banking transactions (earning interest, etc.) do not pose a conflict of interest with policy-making duties.

- Real Property: Ownership of real estate for personal use or for passive rental income is permitted (e.g., a home, vacation property, or rental property), so long as such ownership does not conflict with the official’s duties. (If, for instance, a covered official owns a significant real estate development and is in a position to influence zoning laws or federal housing grants benefiting that development, that could raise ethical issues under other conflict-of-interest rules, but it is not a “financial instrument” covered by this Act.)

- Qualified Blind Trust Transactions: Transactions executed by the independent trustee of a qualified blind trust in which the official’s assets are held are not considered violations, since the official has no knowledge or control. However, the official must not receive any communication from the trustee about specific transactions or holdings, aside from what is permitted by OGE regulations (typically only broad statements of net worth or income for reporting purposes).

(e) Disclosure of Financial Interests: In order to promote transparency and enforce compliance, all covered officials shall be subject to robust financial disclosure requirements while in office, above and beyond existing law:

- Initial Disclosure: Upon entering office (or upon this Act’s effective date for current officials), a covered official shall file a report itemizing all financial interests (stocks, bonds, commodities, etc.) held by themselves or their immediate family. This report shall be made public and shall serve as a baseline to ensure all such interests are addressed via divestiture or blind trust.

- Monthly Transaction Reports: If a covered official (or their spouse/dependent) does engage in any financial transaction that is permitted (for example, buying a home, selling a piece of real estate, or reallocating funds between permitted investments), they must file a monthly report detailing such transactions. (Note: Since trading of covered instruments is banned, these reports will mostly capture transactions like sales required for compliance or movements in allowed assets.) If no reportable transactions occurred in a given month, the official should certify that no covered transactions took place. These reports shall be filed within 30 days after the end of each month and made publicly available online, similar to how the STOCK Act mandated periodic disclosures of trades (but on a more frequent schedule).

- Annual Disclosure of Accounts: Each covered official shall file an annual disclosure report showing all assets, liabilities, income sources, and significant gifts, in line with (and expanding upon) the requirements of the Ethics in Government Act. This includes bank account balances, interests in any business, real estate holdings, and any other financial interests, whether or not prohibited. Additionally, the official must provide an annual statement from any blind trust trustee confirming that the trust remains in compliance with required blind trust conditions (without revealing the trust's holdings). These annual disclosures shall be made under penalty of perjury and be available for public inspection.

- Public Accessibility: All disclosures required by this subsection shall be published on an official government website in a searchable, sortable format. Redactions should be minimal, permitted only for sensitive personal identifiers (like account numbers) but not for the size or nature of the holdings. The goal is to allow the press and public to monitor officials' finances in near-real time, further dissuading any attempts at unethical behavior.

(f) Enforcement and Penalties: Violation of the provisions of this section by a covered official (or their immediate family, as attributed to the official) shall carry consequences designed to ensure compliance:

- Financial Penalties: Any official found to have knowingly violated the trading ban (e.g. by buying or selling a stock) or the divestiture requirement shall be subject to a civil penalty of up to the greater of $50,000 or the amount of profit gained (or loss avoided) by the prohibited transaction. In addition, any profits realized from such transaction shall be disgorged – i.e. paid over to the U.S. Treasury – so that the violator does not keep any ill-gotten gain. If the violation is willful, the civil penalty may be increased up to $250,000 per violation or an amount equal to three times the profit gained or loss avoided, in line with insider trading penalties.

- Criminal Penalties: If an official's violation involves deliberate corruption – for instance, trading based on inside information or concealing trades – existing criminal statutes may apply. The STOCK Act clarified that members of Congress and federal officials are subject to insider trading laws ; accordingly, an official who trades on non-public information can be prosecuted under securities laws (15 U.S.C. §§ 78j & 78ff, for example). Moreover, any false statements or willful omissions in the required disclosures are punishable under 18 U.S.C. §1001 (false statements) or other applicable laws. Significant willful violations of this Section could be classified as a felony, with referral to the Department of Justice for investigation. (By explicitly forbidding the trades in the first place, this Act strengthens the ability to prosecute since any trade itself is unauthorized, simplifying proof of illicit intent.)

- Ethics Proceedings and Removal: For members of Congress, any violation of this section shall be referred to the House or Senate Ethics Committee (as appropriate) for review. The Ethics Committee may recommend sanctions including reprimand, censure, or even expulsion in cases of flagrant or repeated violations. Likewise, executive branch covered officials may face administrative action: a willful violation of these requirements would constitute a serious ethics offense and ground for removal or termination of federal employment. Agency Inspectors General shall have oversight to investigate violations within their agencies, and the Office of Government Ethics shall receive and review all disclosure filings for compliance.

- Private Right of Action: To bolster enforcement, this Act authorizes a limited private right of action whereby a nonprofit watchdog organization or group of citizens may petition a federal court to compel compliance if an executive branch agency or congressional committee unreasonably fails to enforce the provisions of this Section against a covered official. Before such action, the petitioners must give notice to the relevant enforcement bodies (e.g., House Ethics Committee or DOJ) and allow 60 days for action. This provision ensures that enforcement cannot be completely stymied by inaction.

- Whistleblower Protections: Employees or staff who report a covered official's potential violation of the trading ban or disclosure requirements shall be protected from retaliation under the Whistleblower Protection Act and related statutes. Retaliating against an employee for reporting non-compliance with this Section is, in itself, an offense subject to disciplinary action.

In summary, the trading ban is comprehensive – it covers all angles to prevent an official from benefiting financially from their role. The penalties and enforcement mechanisms are designed to ensure that the ban has teeth and that violations will be detected and punished, thereby preserving the public's trust that officials are working for the public good, not their own wallets.

Section 5. Term Limits for Members of Congress.

(a) Term Limits Established: The following term limits are hereby imposed on the tenure of service in the United States Congress:

- U.S. House of Representatives: No person shall be elected to the House of Representatives more than three times. In other words, an individual may serve at most three full terms as a U.S. Representative (for a total of 6 years if the terms are consecutive).

- U.S. Senate: No person shall be elected to the Senate more than two times. An individual may serve at most two full terms as a U.S. Senator (for a total of 12 years if the terms are consecutive).

These numerical limits are lifetime limits for the respective chamber. Service terms need not be consecutive; once a person has been elected to the House three times, they are ineligible for further election to the House at any future date (and similarly for two elections to the Senate). The intent is to set a maximum number of terms in a particular office that a person can hold in their lifetime.

(b) Partial Term Service: In determining eligibility under these limits, partial terms shall be accounted for as follows: if a person serves more than half of a term in either chamber, it shall count as one of the allowed terms. For example:

- If an individual is elected or appointed to fill a vacancy in the House and serves more than 1 year of that term, that service counts as one of the three House terms.

- If an individual is appointed to fill a Senate vacancy and serves more than 3 years of the remaining term, it counts as one of the two Senate terms.

  If a person serves less than or up to half of a term (e.g., a one-year House fill-in, or up to three years in the Senate), that partial service does not count toward the term limit tally. This provision prevents the scenario where a very brief service would unfairly consume one of a person's allowed terms, while ensuring that significant service is counted.

(c) Cumulative Service and Different Offices: The term limits apply separately to each chamber. A person who serves three terms in the House could subsequently be elected to the Senate (up to two terms there), and vice versa. However, a person cannot evade the limits by switching back and forth indefinitely; the lifetime cap is three in the House and two in the Senate. Moreover, the Act is not intended to impose an overall cap on cumulative legislative service between both chambers (aside from the individual caps). For instance, someone could, in theory, serve 6 years in the House and 12 in the Senate for a total of 18 years in Congress under these limits. Congress finds this total to be a reasonable maximum legislative career in line with the principle of citizen legislators.

(This Section does not address service in other branches; it only limits legislative branch terms. It does not limit, for example, how long one could serve as a Supreme Court Justice or in appointed executive roles, which are outside the scope of this Act.)

(d) Implementation and Transition: These term limits shall apply prospectively. Terms of office that began before the enactment of this Act shall not be counted toward the limits. Upon enactment, the "clock" for term limits starts fresh:

- An incumbent House member at the time of enactment may still run for three more terms thereafter, regardless of how many terms they have already served.

- An incumbent Senator may run for two more six-year terms thereafter, regardless of past service.

  However, if an incumbent has already served longer than the new limit (for example, a Senator who is in their third term when this Act is enacted), that person will be allowed to complete their current term but not run for re-election. (They have exceeded the new limit and thus become term-limited once their current term ends.)

To effectuate these limits, the Act may serve as a legislative mandate to accompany a constitutional amendment. Congress acknowledges that binding term limits on Congress likely require a constitutional amendment (per Supreme Court precedent in U.S. Term Limits, Inc. v. Thornton, 1995). Therefore, Congress states its intent to propose and pass a Constitutional Amendment mirroring the above limits. Until such an amendment is adopted, however, it is the sense of Congress that members should voluntarily adhere to these limits, and Congress shall take all actions within its power (such as internal rules or statute) to enforce the spirit of these limits. For example, Congress could refuse to seat a member who attempts to serve beyond the limits, citing this Act as expressing a qualification standard, though ultimate constitutional enforcement may depend on amendment ratification.

(e) Waiver in Exceptional Circumstances: The term limits established may be temporarily waived for a particular seat only if both houses of Congress, by a two-thirds vote, determine that such a waiver is necessary to ensure continuity of government during a time of national emergency (for instance, if a large number of members are unable to serve due to a crisis). Such a waiver would allow an incumbent to run for an additional term beyond the limit, only once, and does not permanently reset the clock. This is a contingency measure and is expected to be used sparingly, if ever.

(f) No Retroactive Benefits or Extended Terms: Nothing in this Act permits an officeholder to extend their current term beyond what is provided in existing law. (For example, a Representative's two-year term is not lengthened; this Act only limits future opportunities to run for office, it does not extend anyone's term in office.) Moreover, term-limited members are not barred from running for a non-consecutive term in the same office after a break in service if they have not hit the lifetime cap. (For example, someone who served 2 terms in the House, sat out for a term, and then ran again could still only serve one more term before hitting the lifetime three-term cap.)

(g) Severability: If any portion of this Section 5 (Term Limits) is held to be unconstitutional or invalid, the remainder of Section 5 and the rest of the Act shall not be affected. The term limit numbers (three for House, two for Senate) are declared by Congress to be independent provisions; if a court found, say, the limit on House terms acceptable but not the Senate (or vice versa), Congress would have intended the valid limit to stand on its own.

Through these term limit provisions, Congress seeks to encourage regular turnover in office, mitigate the accumulation of power by long-term incumbents, and affirm the principle that elected office is a temporary public trust and not a lifelong sinecure. These changes reflect the broadly expressed will of the electorate for fresh leadership and more competitive elections .

Section 6. Taxation of Certain Religious and Charitable Organizations.

(a) Political and Lobbying Activities – Enforcement of 501(c)(3) Restrictions: Under current law (26 U.S.C. §501(c)(3)), a charitable or religious organization must not participate in political campaigns and must limit its lobbying to an “insubstantial” portion of its activities . This Act mandates stricter enforcement of those rules:

- The IRS shall revoke the tax-exempt status of any religious or 501(c)(3) organization that knowingly engages in political campaign intervention in violation of the law . Such intervention includes endorsing or opposing candidates for public office, making campaign contributions, or otherwise coordinating with political campaigns. Upon determination (for example, evidence of a church bulletin or official statement endorsing a candidate, or funds spent on political advertisements), the IRS must initiate revocation of 501(c)(3) status. The loss of status will mean the organization becomes taxable and contributions to it are not tax-deductible for donors.

- The IRS shall similarly take action against organizations that engage in excessive lobbying. If a religious organization’s lobbying expenditure or activity is found to exceed the allowable limits (as defined in Section 3 “Substantial Lobbying”), the IRS shall first issue a warning and require corrective measures. Continued violation will result in either reclassification of the organization (for instance, to a 501(c)(4) social welfare organization which can lobby but has no tax-deductible contributions) or revocation of tax-exempt status altogether.

- These enforcement actions are intended to end the historical pattern of lax enforcement. Congress notes that in decades past, only one church has lost tax-exempt status for political activity , and it is the intent of this Act that the IRS no longer “look the other way” when blatant violations occur. The IRS is directed to implement a clear, fair process: a violation should be documented (e.g., collecting the political endorsement evidence), the organization should be notified and given an opportunity to respond, but if confirmed, revocation should proceed. The IRS may impose lesser penalties (like intermediate sanctions or excise taxes) for minor or first-time infractions, but any egregious or repeat violation shall trigger mandatory revocation.

- An organization that loses its tax-exempt status under these provisions due to political activity or lobbying will be ineligible to apply for reinstatement as a 501(c)(3) for a period of at least 5 years. If and when it does reapply, it must demonstrate to the IRS's satisfaction that it will comply with the restrictions going forward (which may include agreeing to special monitoring or reporting requirements as a condition of reinstatement).

(b) Excessive Wealth Accumulation – New Conditions on Tax-Exempt Status: In addition to enforcing behavioral restrictions, Congress finds that extremely wealthy religious organizations should not indefinitely enjoy tax exemption if they are not deploying their resources for the public good. Therefore, the following provisions address "excessive wealth" in tax-exempt organizations:

- If a religious organization's assets or revenues exceed the thresholds defined as "excessive wealth" (Section 3), the IRS shall conduct a review or audit focusing on whether the organization is appropriately using its assets to further charitable purposes. The IRS is granted authority to require the organization to justify its accumulation of wealth. For example, the organization might explain that it is raising funds for a large capital project like building a hospital or that it maintains a reserve to fund 5 years of operations for stability. Legitimate reasons for large assets (such as an endowment supporting a university or a major upcoming charity project) will be taken into account.

- If the IRS determines that an organization's accumulation of wealth is unreasonable or not substantially related to its exempt purpose, the IRS shall issue a notice to the organization outlining the concern and giving the organization a chance to respond or take corrective action. Corrective action might include increasing charitable program expenditures, reducing the solicitation of further donations until existing funds are used, or restructuring the organization (e.g., spinning off taxable business enterprises that generate profit).

- Excise Tax on Excess Assets: As a deterrent, this Act imposes an excise tax on extraordinarily large endowments or asset holdings of charitable organizations. Specifically, for any tax-exempt religious organization that has investment assets (excluding assets actively used in carrying out the organization's exempt mission, like church buildings or schools) exceeding $100 million, a yearly excise tax of 2% shall be applied to the amount of those assets above $100 million. The Secretary of the Treasury can adjust the rate or threshold by regulation to target only the top tier of organizations. (This is analogous to the existing excise tax on large private college endowments enacted in 2017, but here applied to mega-churches or similar entities.) The proceeds of this excise tax will go to the general treasury or to a fund for charitable purposes as Congress may direct. Importantly, an organization can avoid this tax by spending down its assets on its charitable programs, thereby dropping below the threshold.

- Revocation for Failure to Comply: If, after warnings and an opportunity to cure, an organization persists in hoarding excessive wealth without adequate justification or use, the IRS shall revoke its 501(c)(3) status. For instance, if a ministry consistently amasses surpluses and builds a vast investment portfolio while spending only a tiny fraction on actual charity or religious programs, and it refuses to significantly increase its program spending, it would lose tax exemption. The organization could continue to operate, but as a taxable entity (potentially as a for-profit corporation or trust). Donors to that organization would no longer receive tax deductions for contributions, reflecting that the entity is not behaving like a charity.

- These measures are preventive and conditional, not an outright tax on all churches. They target only those outliers accumulating vast wealth or engaging in business-like income generation without commensurate charitable outlay. For example, evidence from public reports indicates some organizations like certain televangelist ministries or the Church of Scientology hold assets in the hundreds of millions or more . Under this Act, those organizations would face scrutiny and potential taxation or loss of status unless they can demonstrate that their funds are being used in alignment with charitable purposes.

(c) Private Inurement and Compensation: Existing law already prohibits private inurement – no part of a charity's net earnings may unjustly benefit an insider (like the founder or officers) . This Act reinforces that principle:

- If the IRS finds that leaders of a religious organization are receiving excessive compensation or benefits (for example, lavish perks, personal use of corporate assets like private jets, or unreasonably high salaries) such that it effectively constitutes profit distribution, the IRS shall impose intermediate sanctions (excise taxes on the individuals and possibly on the managers involved) per 26 U.S.C. §4958 (which deals with excess benefit transactions) . This Act increases the tax rate or penalties under §4958 for organizations covered by "excessive wealth" criteria, recognizing that excess benefit in a mega-organization can be very large in dollar terms.

- In flagrant cases of private inurement – for instance, if a religious leader essentially treats the organization's treasury as their personal bank account – the IRS shall revoke tax-exempt status outright. (Historically, this was one rationale for revoking Scientology's exemption in the 1960s due to L. Ron Hubbard's personal enrichment .) This Act makes clear that any such abuse will result in loss of exemption.

(d) Enhanced Transparency and Reporting: To aid enforcement and provide the public and donors with information:

- Any religious or other 501(c)(3) organization that exceeds $10 million in annual revenue or $30 million in assets (figures chosen well below the "excessive" threshold, to cast a wider net for transparency) must file an annual information return (Form 990) with the IRS, even if such filing is not otherwise required for churches. The IRS shall develop a simplified Form 990 for churches that captures key financial data (income, major expenditures, salaries of top officials, assets/liabilities) without delving into donor lists or violating congregants' privacy. This form will be publicly available. The aim is to shine light on the finances of large organizations that have significant economic impact.

- Organizations meeting the "excessive wealth" criteria (over $50M revenue or $100M assets) shall additionally be required to publicly disclose a summary of their financial condition on their own websites and to their members. This includes disclosure of total revenues, total expenses (with breakdown of program vs. administrative vs. fundraising expenses), highest-paid employees' compensation, and end-of-year assets and liabilities. Essentially, the kind of information one would find on a Form 990 for a public charity should be available even for large churches that historically haven't reported it.

- The IRS is authorized to share information with the FEC (Federal Election Commission) and other relevant agencies if a 501(c)(3) appears to be engaging in prohibited political activity. For instance, if a church spends money on electioneering, the FEC might investigate it as an unregistered political committee in addition to the IRS revoking exemption. Conversely, if the FEC finds a pattern of campaign expenditures tied to a church, it can alert the IRS. Inter-agency cooperation will ensure enforcement doesn't fall through bureaucratic cracks.

(e) Coordination with FEC and Campaign Finance Law: If a religious organization loses its tax-exempt status for engaging in political campaigns, it may still be subject to other laws. This Act affirms that nothing in this Section shall be construed to permit what election law forbids. For example, a church that uses donations to fund ads for a candidate might violate not only tax law but also campaign finance laws (by making an unreported campaign expenditure). The relevant authorities should pursue all applicable violations. The removal of tax-exempt status does not shield an organization or its leaders from liability for campaign finance violations, should they occur. In fact, by stripping the veneer of 501(c)(3) status, such an entity engaging in politics might be treated as a political organization subject to FEC regulation.

(f) Religious Freedom Safeguard: Congress respects the First Amendment and the freedom of religion. These provisions do not dictate doctrine, worship, or religious belief – they only set conditions on tax benefits provided by the government. A church that wishes to endorse candidates or accumulate wealth without transparency is free to do so, but it cannot do so as a tax-exempt charity. By the principle set forth in Regan v. Taxation With Representation (1983), the government can condition tax-exempt status on an organization abstaining from political campaigning. This Act thus balances religious liberty with the government's interest in not subsidizing partisan political activity or excessive wealth hoarding. All actions taken by the IRS under this Act must be neutral and non-arbitrary, targeting objective financial and political criteria, not the content of religious teachings.

In summary, Section 6 ensures that megachurches and other wealthy or politically active nonprofits are held to the standards expected of charities. If they want to retain the privilege of tax exemption, they must truly behave like charities – focusing on their charitable/religious mission, not on politics or profit. Those that choose not to comply will lose that privilege. This restores a level playing field and public confidence that tax-exempt organizations are serving public, not private, interests .

Section 7. General Provisions and Effective Dates.

(a) Effective Date: This Act shall take effect 60 days after enactment, except where otherwise specified:

- The ban on financial trading (Section 4) will apply to all covered officials then in office or entering office thereafter. Current officials will have 60 days plus the 90-day divestiture period to come into full compliance. The enhanced disclosure requirements begin with the first reporting period after the 60-day mark.

- The term limits (Section 5) are effective for future elections as described. Practically, this means the limits will begin to constrain who may appear on ballots for Congress after the date of enactment (subject to the transition rules in Section 5(d)). Congress shall promptly follow up by passing a joint resolution for a constitutional amendment to ensure these limits have full legal force.

- The tax-exempt organization provisions (Section 6) become effective at the start of the first tax year beginning after the date of enactment, except that the enforcement of political intervention rules is effective immediately upon enactment. (If, for example, a church endorses a candidate the day after enactment, that act would trigger the new mandatory revocation process.) The IRS shall issue guidance within the 60-day window to clarify the new excise tax on excess assets and the new filing requirements, but the thresholds and principles outlined take effect as law regardless of whether guidance is issued by that time.

(b) Regulations and Implementation: Relevant agencies are authorized and directed to promulgate regulations to implement this Act within 180 days of enactment. This includes:

- The Office of Government Ethics (OGE) and Securities and Exchange Commission (SEC) for Section 4 (to coordinate on blind trust standards and public reporting formats).

- The Federal Election Commission (FEC) to work with IRS on any overlapping areas in Section 6.

- The Department of the Treasury (including the IRS) for Section 6, as noted, to define "excessive wealth" metrics more precisely and to set forth the process for enforcement.

  These regulations should be consistent with the intent of Congress as expressed in this Act and shall be reported to the relevant congressional committees.

(c) Severability: If any provision of this Act, or the application of any provision to any person or circumstance, is held invalid or unconstitutional, the remainder of the Act and the application of its provisions to other persons or circumstances shall not be affected. Congress declares that it would have enacted this Act and each section, subsection, sentence, and clause thereof, irrespective of the fact that any one or more provisions might be declared invalid. For example, if the term limits are struck down by the courts, the rest of the Act (trading ban and nonprofit reforms) shall continue in force, and vice versa .

(d) Congressional Reporting and Oversight: One year after this Act's effective date, and annually for five years, the relevant agencies shall report to Congress on the implementation and impact of this Act:

- OGE and the House and Senate Ethics Committees shall report statistics on compliance with the financial trading ban (e.g., number of blind trusts created, number of violations found and penalties imposed, summary of assets held by officials in compliance).

- The Comptroller General (Government Accountability Office) shall conduct a review of whether the trading ban has improved public trust and whether any adjustments are needed.

- The IRS shall report the number of organizations warned or sanctioned under the new rules, how many had tax-exempt status revoked for political activity or excessive wealth, and aggregate data on the finances of large religious organizations (while respecting taxpayer confidentiality, this can be done in summary form).

- These reports will be submitted to the House Committee on Oversight and the Senate Committee on Homeland Security and Governmental Affairs (for the ethics portions) and to the tax-writing committees (House Ways and Means, Senate Finance) for the nonprofit portions, and shall be publicly available.

(e) Short Title Reference: This Act may be referred to as the Public Trust and Integrity Act. Where appropriate, provisions of this Act may be incorporated into titles of the U.S. Code (for example, the financial restrictions may be placed in Title 5 or Title 18; the term limits in Title 2 as a statutory note pending constitutional amendment; and the tax provisions in Title 26). Citations in future legislation or legal documents to the “Public Trust and Integrity Act of 2025” shall be construed to refer to this Act and its amendments to various codes (such as the STOCK Act amendments, the new term limit rules, or the changes to §501(c)(3) enforcement).

(f) Conclusion: By enacting this comprehensive legislation, Congress affirms the principles that public office is a public trust, not to be exploited for private gain, and that tax-exempt status is a privilege, not a right, reserved for organizations that truly operate in the public interest. These reforms are designed to close loopholes and strengthen ethical governance, thereby increasing public trust in federal officials and ensuring that taxpayer subsidies to nonprofits are not misused. Congress urges all covered individuals and organizations to familiarize themselves with these new rules and to uphold not just the letter but the spirit of the law in service of the American people.

Sources: Key provisions of this Act draw upon and reinforce existing laws such as the STOCK Act of 2012 (which banned insider trading by officials) , the Ethics in Government Act, constitutional amendment proposals for term limits , and the Internal Revenue Code’s requirements for 501(c)(3) organizations . Enforcement data and public opinion informing this Act include reports of STOCK Act under-enforcement , polling on term limits (nearly 87% public support) , and investigations into nonprofit abuses (e.g., wealth accumulation by certain megachurches and rare IRS enforcement actions) . Through this Act, Congress responds to these findings with statutory changes to better align law and ethics with the expectations of the American public.