



This Bill Analysis reflects the contents of the bill as it was presented in committee.

SENATE BILL 1057: Required Disclosures/Proxy Advisory Services.

2025-2026 General Assembly

Committee:	Senate Finance. If favorable, re-refer to Judiciary. If favorable, re-refer to Rules and Operations of the Senate	Date:	June 16, 2026
Introduced by:	Sens. Craven, B. Newton, Overcash	Prepared by:	Zoey Howe Staff Attorney
Analysis of:	First Edition		

OVERVIEW: Senate Bill 1057 would create a new Article 10, Proxy Advisor Transparency Act, under Chapter 78C. This act would require proxy advisors to make certain disclosures to shareholders and company boards of directors when the proxy advisors make a recommendation against company management or policy.

CURRENT LAW: Proxy advisors fall under Section 14 of the Securities and Exchange Act, which regulates corporate proxy solicitations, tender offers, and shareholder communications.

BILL ANALYSIS: Section 1 of the bill contains legislative findings to provide background information on the legislation.

Section 2 of the bill would create a new Article 10, Proxy Advisor Transparency Act, under Chapter 78C and would do the following:

- Create definitions, including the following:
 - Default recommendation or policy. – A system or set of rules, principles, or guidelines designed to assist with voting decisions on any company proposal or proxy proposal.
 - Proxy advisor. – A person who, for compensation, provides a proxy advisory service to shareholders of a company or to other persons with authority to vote on behalf of shareholders of a company. The term does not include a bank or bank holding company or trust company, or a broker dealer, investment advisor, attorney, accountant, or their agents.
 - Proxy advisory service. – Any of the following services provided in connection with a company or to a person in this State by a proxy advisor:
 - Advice or a recommendation on how to vote on a company proposal or proxy proposal.
 - Proxy statement research and analysis regarding a company proposal or proxy proposal.
 - Development of proxy voting recommendations or policies, including establishing default recommendations or policies.

The term does not include services carried out as part of securities brokerage, investment advisory, fiduciary, trust, or estate administrative services.

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- Require proxy advisors who make a recommendation or default recommendation against company management or policy that is not based on a written financial analysis to make the following disclosures:
 - A clear and conspicuous disclosure to each shareholder that identifies the service being provided, the recommendation or policy at issue, and states that the recommendation or policy was not based on written financial analysis of the impact on investors.
 - The same disclosure must also be provided to the board of directors of each company that is the subject of advice on a recommendation or research and analysis on a proposal, if that service is being provided by the proxy advisor.
 - A public and conspicuous disclosure on the front page of the proxy advisor's website that the proxy advisory services include one or more recommendations or policies that are against company management and are not based on written financial analysis of the impact on investors.
- Require proxy advisors who make a recommendation or default recommendation against company management or policy that is based on a written financial analysis to make the following disclosures:
 - A clear and conspicuous disclosure to each shareholder that identifies the service being provided, the recommendation or policy at issue, states that the recommendation or policy was based on written financial analysis of the impact on investors, and states that the analysis is available upon request.
 - The same disclosure must also be provided to the board of directors of each company that is the subject of advice on a recommendation or research and analysis on a proposal, if that service is being provided by the proxy advisor.
- Require each proxy advisor that provides proxy advisor services to register annually with the Secretary of State and pay an annual \$100 fee.
- Provide that a violation of this Article is an unfair and deceptive trade practice under Chapter 75.
- Allows a person aggrieved by violation of this Article to bring an action seeking declaratory judgment or injunctive relief against a proxy advisor, with the option for the Attorney General to intervene in the action.

Section 3 is a severability provision.

EFFECTIVE DATE: Senate Bill 1057 would become effective October 1, 2026 and apply to proxy services provided on or after that date.

BACKGROUND: [H.R. 3402](#) and [H.R. 4098](#) have been introduced in the 119th Congress and contain provisions that would regulate proxy advisors. Both bills were referred to the House Financial Services Committee in 2025.

Similarly, [H.R. 4590](#) and [H.R. 4589](#) were introduced in the 118th Congress and contained provisions that would regulate proxy advisors, but neither bill passed.