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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. ______

To prohibit a covered individual from engaging in covered transactions involving prediction market contracts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. TORRES of New York introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To prohibit a covered individual from engaging in covered transactions involving prediction market contracts, and for other purposes.

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 Integrity in Financial Prediction Markets Act of 2026’’.

SEC. 2. PROHIBITION ON COVERED TRANSACTIONS INVOLVING PREDICTION MARKET CONTRACTS.

(a) IN GENERAL.—It shall be unlawful for a covered individual to knowingly engage in a covered transaction if the covered individual—

(1) at the time of the covered transaction, possesses material nonpublic information relevant to such covered transaction; or

(2) may reasonably obtain such material nonpublic information in the course of performing official duties, including when such information would not otherwise be available to a member of the public exercising reasonable diligence.

(b) DEFINITIONS.—In this section:

(1) COVERED INDIVIDUAL.—The term ''covered individual'' means—

(A) an elected official of the Federal Government;

(B) an employee of the House of Representatives or the Senate;

(C) a political appointee; or

(D) an employee of an Executive agency, as defined in section 105 of title 5, United States Code.

(2) MATERIAL NONPUBLIC INFORMATION.—The term ''material nonpublic information'' means information—

(A) that a reasonable investor would consider important in making an investment decision; and

(B) that is not publicly available.

(3) PREDICTION MARKET CONTRACT.—The term ''prediction market contract'' means any financial instrument, contract, or derivative—

(A) listed on or offered by a platform engaged in interstate commerce; and

(B) tied to the occurrence or non-occurrence of a future event, including market-based event contracts.

(4) COVERED TRANSACTION.—The term ''covered transaction'' means the purchase, sale, or exchange of any prediction market contract related to a—

(A) government policy;

(B) government action; or

(C) political outcome.