

# SENATE BILL REPORT

## SJM 8005

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As of January 14, 2025

**Brief Description:** Requesting that Congress enact legislation that would reinstate the separation of commercial and investment banking functions that were in effect under the Glass-Steagall act.

**Sponsors:** Senator Hasegawa.

**Brief History:**

**Committee Activity:** Business, Financial Services & Trade: 1/16/25.

**Brief Summary of Bill**

- Requests the U.S. Congress to enact legislation to reinstate the separation of commercial and investment banking functions that were in effect under the Glass-Steagall Act.

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### SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES & TRADE

**Staff:** Clint McCarthy (786-7319)

**Background:** The Glass-Steagall Act was passed by the U.S. Congress in 1933 as the Banking Act, which prohibited commercial banks from participating in the investment banking business. Glass-Steagall was sponsored by Senator Carter Glass, a former Treasury Secretary, and Representative Henry Steagall, a member of the House of Representatives and chairman of the House Banking and Currency Committee. The act was passed as an emergency measure to counter the failure of almost 5000 banks during the Great Depression.

The Gramm-Leach-Bliley Act of 1999 (GLBA) was passed by Congress on November 12, 1999. The GLBA repealed most of the Glass-Steagall Act of 1933.

**Summary of Bill:** The bill requests the U.S. Congress to reinstate the separation of

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commercial and investment banking functions that were in effect under the Glass Steagall Act.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.