OLR Bill Analysis
HB 7329

AN ACT CONCERNING DARK MONEY AND DISCLOSURE OF FOREIGN POLITICAL SPENDING AND OF POLITICAL ADVERTISING ON SOCIAL MEDIA.

SUMMARY
This bill changes laws affecting campaign finance and elections. Principally, it does the following:

1. modifies registration requirements for political committees (known as PACs), including expanding the contents of the registration statement;

2. codifies “independent expenditure political committee” (known as an IE-only PAC) as a type of PAC and requires IE-only PACs to register with the State Elections Enforcement Commission (SEEC);

3. expands independent expenditure (IE) and covered transfer disclosure requirements;

4. increases the maximum penalties for failing to file IE reports;

5. prohibits foreign-influenced entities from making contributions or expenditures;

6. establishes a $100,000 aggregate calendar year limit on contributions to a party committee from the federal account of the political party's national committee, subject to certain exceptions;

7. modifies disclaimer requirements for party candidate listings and Internet communications;

8. defines “online platform” and “qualified political
advertisement” for purposes of state campaign finance laws and establishes records requirements for them;

9. establishes an additional illegal campaign finance practice; and

10. modifies the circumstances under which SEEC must dismiss a complaint within one year after receiving it.

The bill also makes minor, technical, and conforming changes. In several instances it conforms law with practice, including requiring that reports for IEs made for or against (1) statewide office or legislative candidates, or statewide referenda, be filed with SEEC and (2) municipal office candidates or municipal referenda be filed with town clerks (§ 4).

EFFECTIVE DATE: Upon passage, except the provisions concerning online platforms are effective January 1, 2020.

§ 5 — PAC REGISTRATIONS

By law, most PACs must register with SEEC and designate a treasurer; they may also designate a deputy treasurer. The registration statement must include, among other things, the name of the committee and its purpose.

The bill does the following:

1. requires that PAC chairpersons be individuals (i.e., human beings) with direct, extensive, and substantive decision-making authority over committee activities concerning raising and spending funds;

2. defines “principal officer” for purposes of the statements;

3. expands the registration statement’s required contents; and

4. changes the deadline for filing PAC registrations from no later than 10 days after the day of organization to no later than 10 days after receiving contributions, or making or incurring expenditures, of more than $1,000 in the aggregate.
**Principal Officer**

By law, a PAC’s registration statement must include its principal officers’ names and addresses. The bill defines “principal officer” as an individual who, with respect to the PAC:

1. occupies a title, office, or position other than chairperson, treasurer, or deputy treasurer;

2. serves on an advisory panel, including a steering committee, executive committee, or similar body, in order to influence or authorize decisions about fundraising, solicitation, or expenditures to other committees; or

3. participates in selecting the PAC’s chairperson, treasurer, deputy treasurer, or their replacements.

**Required Contents**

The bill expands the required contents of the PAC registration statement. Under the bill, if a committee files a report with the Federal Election Commission (FEC), IRS, or similar out-of-state agency, the bill requires that the registration statement include identifying information under which such filings are made.

In addition, if a committee is established or controlled by a person or individual acting as an agent for the person, the statement must indicate the person’s name. If a committee is established or controlled by a person other than a human being, the statement must indicate the name of the CEO or an equivalent. Current law requires only that a PAC established by a business entity or organization (labor union) indicate the name of the entity or organization.

**§§ 1, 2, 6, 8 & 9, 11-13, 15, 17 & 18 — IE-ONLY PACS**

The bill codifies “independent expenditure political committee” (known as an IE-only PAC) as a type of PAC under Connecticut's campaign finance laws and, like other committees that make IEs, requires their registration with SEEC. It defines them as PACs that make only (1) IEs and (2) contributions to other IE-only PACs.
The bill makes several conforming changes, including specifying that (1) individuals, business entities, and labor unions may make contributions to IE-only PACs and (2) various types of IE-only PACs, such as those formed for a single election or primary, are prohibited from making contributions, other than to other IE-only PACs (see BACKGROUND). It also establishes disclosure requirements for these PACs.

**Lawful Purposes (§ 6)**

The bill defines “lawful purposes of the committee” for IE-only PACs as promoting the following:

1. a political party;
2. the success or defeat of candidates for nomination or election to a public office or position regulated by state campaign finance laws; or
3. the success or defeat of referendum questions.

It requires these committees to act entirely independently of any candidate, candidate committee, party committee, PAC (other than an IE-only PAC), or agent of such a candidate or committee.

Existing law generally allows PACs to pay specific expenses to accomplish their lawful purposes.

**Surplus Distributions (§ 8)**

By law, candidate committees and PACs, other than exploratory committees or PACs organized for ongoing political activities, must generally spend or distribute surplus funds within 90 days after (1) a primary when a candidate loses or (2) March 31 following an election or a referendum held in November.

The bill establishes a surplus distribution procedure for IE-only PACs, other than those formed for ongoing activities. Specifically, it requires them to distribute surplus funds, according to the schedule outlined above, to (1) their contributors, on a prorated basis; (2) state or
municipal governments or agencies; or (3) tax-exempt organizations.

§§ 3-4 & 7 — REPORTING IEs AND COVERED TRANSFERS

By law, persons must disclose information about IEs they make that exceed $1,000 in the aggregate by filing certain reports. A “person” is an individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company, or any other legal entity (other than the state or its political or administrative subdivisions)(CGS § 9-601(10)).

The bill does the following:

1. changes the period during which IE disclosure reports are subject to a 24-hour electronic filing deadline;

2. expands disclosure requirements for persons that make IEs without forming a PAC (known as “incidental spenders”) and for IE-only PACs;

3. conforms law with practice by requiring that, to disclose IEs, (a) incidental spenders use SEEC’s long- and short-form reports and (b) PACs, including IE-only PACs, use SEEC’s campaign finance forms for PACs formed in Connecticut.

Twenty-four Hour Report Filing Deadline (§ 3)

Under current law, a person must electronically file a disclosure report within 24 hours after making or obligating to make an IE that (1) is made or obligated during a primary or general election campaign and (2) promotes the success or defeat of a statewide office or legislative candidate.

The bill instead applies the 24-hour electronic filing requirement to such IEs made or obligated to be made during the period (1) beginning July 1 in a regular election year or, in the case of a special election for state senator or state representative, the day the governor issues writs of election and (2) ending on the day following the primary or general election for which the IE is made or incurred. In the case of a special election, a person that makes or obligates to make an IE that exceeds
$1,000 in the aggregate before the governor issues the writs must electronically file the IE report within 24 hours after the governor issues the writs.

For any other IE, existing law requires that the reports be filed according to the same schedule as the periodic statements filed by PACs (CGS § 9-608).

**Disclosures by Incidental Spenders (§ 3)**

Existing law requires persons, other than PACs (as discussed above), to disclose information about IEs they make using SEEC's long- and short-form reports (i.e., SEEC Form 26)(see BACKGROUND). The bill adds to the information that these IE-makers must disclose in these reports.

Under the bill, they must additionally disclose the following in the long-form report:

1. the name of the human being who had direct, extensive, and substantive decision-making authority over the IE being disclosed, as well as his or her mailing address, telephone number, and e-mail;

2. for the person making or obligating to make the IE, a statement indicating if the person files a report with the FEC, the IRS, or any similar out-of-state agency, and identifying information under which any filing is made;

3. generally, any street address that is different from any mailing address required by the form;

4. for a referendum, its date, the question's text, and whether the IE supported or opposed it; and

5. whether the person making or obligating to make the IE is a foreign-influenced entity, and, if so, a description of the facts establishing the person as such.

The bill also requires the individual who files the long-form report
to certify, under penalty of false statement, that due inquiry was made by the CEO, CFO, or equivalent officer to determine that the IE-maker was not a foreign national on the date when the IE was made or obligated to be made (see BACKGROUND).

Under the bill, the short-form report must additionally disclose the following:

1. for a referendum, the question's text and an allocation of the expenditure in support or opposition to it and

2. any other information SEEC requires to facilitate compliance with state campaign finance laws.

Under current law if a person makes the IE from a dedicated IE account, the IE report and disclaimer (see below) can include only persons who made covered transfers to it directly. The bill instead requires that the report and disclaimer include this information at a minimum.

**Disclosures by IE-Only PACs (§ 7)**

Existing law requires PACs to disclose information about their IEs by filing campaign finance statements with SEEC (i.e., SEEC Form 20 for regular PACs and SEEC Form 40 for IE-only PACs). Under the bill, an IE-only PAC must include additional information in these statements if any of its contributors received covered transfers that exceed $5,000 in the aggregate during the 12-month period preceding the applicable primary or election. The requirement applies when persons contribute more than $1,000 in the aggregate.

By law, a “covered transfer” is, with certain exceptions, any donation, transfer, or payment of funds by a person to a recipient that (1) makes IEs or (2) transfers funds to another person that makes IEs (CGS § 9-601(29)).

**Dedicated Accounts.** Under the bill, a person that makes a contribution exceeding $1,000 in the aggregate to an IE-only PAC from a dedicated IE-expenditure account must provide (to the IE-only
PAC’s treasurer) the source and amount of each donation, transfer, or payment that exceeds $5,000 in the aggregate to the account. The treasurer must include this information in the periodic campaign finance statements the PAC files with SEEC. A “dedicated IE-account” is one that is segregated from any other account the person controls.

The bill creates parameters for dedicated IE-accounts that are used to make contributions to IE-only PACs. It (1) allows such an account to receive covered transfers directly from any person, other than the person establishing it, and (2) prohibits the account from receiving covered transfers from any other account the person that established it controls, with one exception: a covered transfer can be moved to a dedicated account from another account that person controls, upon a covered transfer-maker's request, for the purpose of making IEs. In that case, it must be treated as a covered transfer directly to the dedicated IE-account.

**Other Sources.** A person that makes a contribution exceeding $1,000 in the aggregate to an IE-only PAC from a source other than a dedicated IE-expenditure account must provide (to the IE-only PAC’s treasurer) the source and amount of each donation, transfer, or payment exceeding $5,000, in the aggregate, to the person during the 12 months before the primary or election for which the IE is made. The treasurer must include this information in the periodic campaign finance statements the PAC files with SEEC.

**Additional Requirements.** The bill prohibits recipients of covered transfers that exceed $5,000 in the aggregate from knowingly making a contribution to an IE-maker without complying with all of the source and amount disclosure requirements described above.

In addition, a person that makes contributions to an IE-only PAC that separately or in the aggregate exceed $1,000 per calendar year must provide the IE-only PAC with additional information if it receives covered transfers that separately or in the aggregate exceed $5,000. Specifically, the person must provide the IE-only PAC with a statement, signed under penalty of false statement. By law, false
statement is a class A misdemeanor, punishable by up to one year in prison, up to a $2,000 fine, or both.

Under the bill, the statement must include:

1. the name of the contributor’s employer or employers, if the contributor is a human being;

2. the contributor's status as a client or communicator lobbyist, or an immediate family member of a communicator lobbyist, under the State Code of Ethics;

3. a certification that the contributor is not a state contractor, principal of a state contractor, foreign national, or otherwise prohibited from making a contribution to the IE-only PAC; and

4. any person’s name required for disclosure and the corresponding covered transfer amounts.

SEEC must prepare a form for the above certification statement and make it available to treasurers and contributors. The form must explain the term "covered transfer," and IE-only PACs must include the form's information in any written solicitation they conduct.

The bill prohibits IE-only PAC treasurers from accepting contributions from the contributors described above without the required information. Such a treasurer must (1) send a request by certified mail, return receipt requested, within three business days after receiving a contribution without a certification and (2) refrain from making the deposit until obtaining it. If the contributor still does not provide the certification, the treasurer must return the contribution at the end of the reporting period in which it was received or within 14 days after the treasurer's written request, whichever is later.

The bill provides treasurers a complete defense to any action taken against them, including an investigation by SEEC, concerning a contribution they deposit based on a signed certification later determined to be false.
Penalties for Failure to File an IE Report (§ 3)

The bill increases the maximum civil penalties SEEC may impose for failure to file certain required IE reports. It also subjects IEs that support or oppose referendum questions to these penalties.

Specifically, existing law allows SEEC to impose a maximum penalty of $10,000 for failure to file more than 90 days before a primary or general election. The bill extends this penalty to IEs that support or oppose a referendum.

For failure to file in 90 days or less before a primary or general election, SEEC may currently impose a maximum penalty of $20,000. The bill instead allows SEEC to impose a penalty of up to $20,000 or twice the amount of any unreported IE, including for a referendum, whichever is greater.

Currently, a knowing and willful failure to file an IE report is punishable by a fine of up to $50,000. The bill instead allows SEEC to impose a civil penalty of up to $50,000 or 10 times the amount of any unreported expenditure, whichever is greater.

In addition, the bill establishes personal liability for a civil penalty that remains unpaid after the latter of one year after the date when (1) SEEC imposed it or (2) a final judgment is issued following any judicial review of SEEC’s action. Specifically, the bill makes the following individuals personally liable:

1. in the case of a committee, the chairperson and any officer or

2. in the case of a person other than a committee, (a) the CEO, CFO, or equivalent; (b) any other officer; and (c) any manager who had direct, extensive, and substantive decision-making authority over the IE or IEs made or obligated to be made.

§§ 1, 3 & 19 — FOREIGN–INFLUENCED ENTITIES

Federal law generally prohibits foreign nationals from making contributions, donations, or IEs in connection with federal, state, or local elections (see BACKGROUND). The bill additionally prohibits
foreign-influenced entities from making (1) a contribution, or an express or implied promise to make a contribution, or (2) an expenditure. It similarly prohibits a person from soliciting, accepting, or receiving a contribution from a foreign-influenced entity.

**Definitions (§ 1)**

Under the bill, a "foreign-influenced entity" means an entity in which:

1. one foreign owner holds, owns, controls, or has directly or indirectly acquired beneficial ownership of at least 5% of the total equity or outstanding voting shares;

2. multiple foreign owners hold, own, control, or have directly or indirectly acquired beneficial ownership of at least 20% of the total equity or outstanding voting shares; or

3. any foreign owner participates in any way, directly or indirectly, in the process of making decisions regarding the expenditures or contributions made by the entity.

A “foreign owner” is a (1) foreign national or (2) entity in which a foreign national holds, owns, controls, or otherwise has directly or indirectly acquired beneficial ownership of at least 50% of the total equity or outstanding voting shares.

Finally, “foreign national” has the same meaning as under federal law (see BACKGROUND).

**§§ 14 & 16 — PARTY COMMITTEES AND FEDERAL ACCOUNTS**

The bill establishes a $100,000 aggregate calendar year limit on contributions to a party committee from the federal account of the political party's national committee. It exempts from this limit electronic or printed documentation that the national committee creates or maintains and provides to the party committee, such as a party platform, issue paper, or voter registry list.

In addition, the bill prohibits PACs organized for ongoing political
activities from receiving contributions from the federal account of a political party's national committee. Currently, these PACs are the only type organized under Connecticut law that are permitted to accept such contributions.

§ 20 — POLITICAL ATTRIBUTIONS

By law, printed, video, and audio political communications must include certain attributions, known as “disclaimers.” Among other things, they must identify the person making the expenditure for the communication.

IEs for Printed Communications

The law prohibits a person from making an IE for written, typed, or printed communications, including those on a billboard or that are web-based, unless the communication has a disclaimer on its face. Under the bill, when the communication is paid for by an entity (not a human being), the disclaimer must include the name of the individual who had direct, extensive, and substantive decision-making authority over the IE.

Party Candidate Listings

Current law requires that party committees (i.e., state central and town) use the appropriate disclaimer in any print, television, or social media promotion of a slate of candidates (disclaimers by individual candidates are not required). The bill expands the disclaimer to cover organization expenditures for party candidate listings and extends it to legislative caucus and legislative leadership committees, as well as party committees.

By law, a “party candidate listing” is a communication that (1) lists the name or names of candidates for election; (2) is distributed through public advertising (e.g., cable television, newspapers, or similar media), direct mail, telephone, electronic mail, publicly accessible Internet sites, or personal delivery; and (3) is made to promote the success or defeat of a candidate or slate of candidates seeking nomination or election, or to aid or promote the success or defeat of a referendum question or a political party. The communication cannot
be a solicitation for or on behalf of a candidate committee.

**Reporting Covered Transfers Identified in Advertisements**

By law, if a person identified in a political communication disclaimer as a top five transferor is also a recipient of a covered transfer ("recipient transferor"), the IE-maker must disclose in its reports to SEEC the names of the top five transferors to that recipient transferor. The “top five transferors” are the five persons that made the five largest aggregate covered transfers of $5,000 or more to the person making the communication during the 12 months before the applicable primary or election.

The bill eliminates provisions in current law that prohibit certain disclosures in these reports. Specifically, the bill lifts the prohibition on disclosing the name of any person that made a covered transfer to a 501(c)(4) organization if the organization is a top five transferor. (Under federal law, these organizations are not required to publicly disclose their donors.)

It also lifts the prohibition on disclosing the name of any person that made a covered transfer to a top five transferor if (1) the recipient accepts covered transfers from 100 or more different sources and (2) no source accounts for 10% or more of the covered transfers accepted by the recipient during the 12 months immediately preceding the applicable primary or election.

The bill also specifies that a person is not required to list in a disclaimer any other person that made a covered transfer to it of less than $5,000 in the aggregate during the 12 months immediately preceding a referendum for which an IE is made. This provision already applies to primaries and elections.

**Internet Communications**

The bill modifies the disclaimer requirements for certain Internet communications, as shown in Table 1.

**Table 1: Disclaimer Requirements for Certain Internet Communications**
### Current Law vs. The Bill

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<tr>
<th>Type of Communication</th>
<th>Current Law</th>
<th>The Bill</th>
</tr>
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<tbody>
<tr>
<td>Internet text advertisement that</td>
<td>Internet text advertisement that (1) appears based on the result</td>
<td>Any Internet communication disseminated through a medium that makes it</td>
</tr>
<tr>
<td></td>
<td>(1) appears based on the result of an Internet search and (2) has</td>
<td>impossible to provide all disclaimer information required by law</td>
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<td></td>
<td>200 or fewer characters in its text</td>
<td></td>
</tr>
<tr>
<td>Disclaimer Requirements</td>
<td>Communication need not disclose the top five transferors but must (1)</td>
<td>Communication must, in a clear and conspicuous way, (1) state</td>
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<tr>
<td></td>
<td>include a link to a website disclosing the names of the top five</td>
<td>the name of the person who paid for the communication and (2) provide</td>
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<tr>
<td></td>
<td>transferors and (2) contain any other disclaimer information required by</td>
<td>a way for anyone who receives the communication to obtain, with minimal</td>
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<td></td>
<td>law</td>
<td>effort and without receiving or viewing additional material, the</td>
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<td>remainder of the disclaimer information required by law</td>
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### § 23 — ONLINE PLATFORMS

The bill defines “online platform” and “qualified political advertisement” for purposes of state campaign finance laws and establishes records requirements for them, including making certain records open to the public. It specifies that these requirements are in addition to any other requirements in state law for reporting or disclosing contributions and expenditures.

Under the bill, an online platform must maintain a complete record of purchase requests for qualified political advertisements by a person whose requests exceed $200 during a calendar year. The platform must make any such record available for online public inspection in a machine-readable format. Any person submitting a purchase request for a qualified political advertisement must provide the online platform with all the information it needs to comply with these requirements.

### Definitions

The bill defines "online platform" as any public-facing Internet website, application, or digital application, including a social network, advertisement network, or search engine that sells qualified political advertisements and that has (1) for seven of the last 12 months at least 400,000 unique monthly visitors or users that have a U.S. Internet
protocol address or (2) advertising revenue that exceeds $1,000 per year.

A "qualified political advertisement" is any advertisement, including sponsorship and search engine marketing, that is an expenditure.

**Required Information**

Records that online platforms maintain to comply with the bill’s requirements (i.e., those of purchase requests for qualified political advertisements) must contain the following:

1. a digital copy of the qualified political advertisement;
2. a description of the advertisement’s target audience, the number of generated views, and the date and time it was first and last shown;
3. information on the average rate charged for the advertisement and, as applicable, information on the name of a candidate the advertisement referenced and the office sought, the primary or election referenced, or the referendum referenced;
4. for (a) a purchase request by or on behalf of a candidate, the name of the candidate, authorized candidate committee, and committee treasurer or (b) any other purchase request, the name of the person purchasing the advertisement; the name, address, and phone number of a contact individual; and, in the case of a person other than a human being, the name of an individual with direct, extensive, and substantive decision-making authority over the purchase request.

**Providing and Maintaining Records**

Information provided or maintained in accordance with the bill’s provisions must be (1) made available as soon as possible and (2) retained by an online platform for at least four years. If an online platform includes a digital copy of a qualified political advertisement in any filing with the FEC, Federal Communications Commission, or
similar federal agency, it may make available only identifying information sufficient to find that report.

**Penalties**

The bill subjects online platforms that fail to comply with its requirements to civil penalties imposed by SEEC. Specifically, failure to maintain a complete record of any purchase request for a qualified political advertisement is punishable by a maximum penalty of $10,000. However, if the failure is for a qualified political advertisement that is made or obligated to be made 90 days or less before a primary, election, or referendum, the maximum penalty is $20,000 or twice the amount of the total of all qualified political advertisements not maintained as part of the record, whichever is greater.

For any knowing and willful failure that SEEC finds, the online platform is subject to an additional civil penalty of up to $50,000 or 10 times the amount of the total of all qualified political advertisements not maintained as part of such record, whichever is greater. In such a case, SEEC may refer the matter to the chief state's attorney.

### § 21 — ILLegal PRACTICES

The bill establishes an additional illegal campaign finance practice. By law, those who knowingly and willfully commit an illegal practice are guilty of a class D felony, punishable by imprisonment of up to five years, a fine of up to $5,000, or both (CGS § 9-623).

Under the bill, a person is guilty of an illegal practice if that person structures, assists in structuring, or attempts to structure or assist in structuring, a solicitation; contribution; expenditure; disbursement; or other transaction in order to evade state campaign finance laws.

### § 22 — SEEC INVESTIGATIONS

By law, SEEC receives complaints from the secretary of the state, registrars of voters, town clerks, and individuals under oath about alleged election law violations. It investigates and holds hearings as it deems appropriate (CGS § 9-7b(a)(1)). The bill modifies the
circumstances under which SEEC must dismiss a complaint within one year after receiving it.

**Time Limit**

Currently SEEC must dismiss any complaint it receives on or after January 1, 2018, for which it does not issue a final opinion within one year after receiving the complaint. However, the deadline must be extended if specified actions delay the final decision’s issuance.

The bill instead requires SEEC to dismiss any such complaint for which it does not find reason to believe, within one year after receiving the complaint, that an election law violation occurred. The bill (1) requires that the deadline for making this finding be extended for the same reasons that the final decision deadline must be extended under current law and (2) establishes additional reasons for extending this deadline. As under current law, the one-year deadline must be extended by the length of the delay.

**Extensions**

Under current law, the one-year deadline for SEEC to issue a final decision must be extended if its issuance is delayed for any of the following reasons:

1. extension or continuance granted to a respondent by SEEC or its staff before issuing the decision;

2. issuance of a subpoena in connection with the complaint;

3. litigation in state or federal court related to the complaint; or

4. consultation with the chief state's attorney, attorney general, U.S. Department of Justice, or U.S. attorney for Connecticut.

The bill similarly requires an extension, for these same reasons, of the one-year deadline for finding reason to believe that an election law violation occurred. (SEEC regulations generally prohibit the commission from proceeding with a contested case unless it finds, by a majority vote of a quorum, reason to believe that a violation occurred
The bill also requires an extension if a reason to believe finding is delayed because of an investigation by the commission or its staff involving a potential (1) IE violation or (2) state election law violation by a foreign national or foreign-influenced entity (see FOREIGN-INFLUENCED ENTITIES above).

BACKGROUND

IE-Only PACs

In Declaratory Ruling 2013-02, SEEC ruled that, in light of a line of cases ruling that contribution limits to IE-Only PACs are unconstitutional, it would no longer enforce contribution limits to PACs that receive and spend funds only for IEs unless it received further guidance from the legislature or a court.

Long- and Short-Form IE-Reports

As part of these reports, a person must disclose the source and amount of any covered transfer of $5,000 or more in the aggregate that it received during the 12 months before the applicable primary or election. This requirement applies if the IE (for which the report is being filed) is made or obligated to be made 180 days or less before the primary or election.

Foreign Nationals and Related Federal Law

Foreign Nationals. Federal law defines a “foreign national” as any of the following:

1. a government of a foreign country and a foreign political party;

2. a person outside of the United States unless it is established that the person is (a) an individual and a U.S. citizen domiciled within the United States or (b) not an individual, has its principal place of business in the United States, and is organized under, or created by, the United States, a state, or other place subject to U.S. jurisdiction;

3. a partnership, association, corporation, organization, or other
combination of persons organized under the laws of, or having its principal place of business in, a foreign country; or

4. an individual who is not a U.S. citizen or national and is not lawfully admitted for permanent residence (52 U.S.C. § 30121(b) and 22 U.S.C. § 611(b)).

**Prohibited Activities.** Federal law prohibits a foreign national from, among other things, directly or indirectly making:

1. in connection with a federal, state, or local election, a contribution or donation of money or anything of value; an express or implied promise to make a contribution or donation; or an expenditure or IE or

2. a contribution or donation to a federal, state, or local political party's committee.

It similarly prohibits a person from soliciting, accepting, or receiving any contribution or donation described above from a foreign national (52 U.S.C. § 30121 and 11 C.F.R. § 110.20).

**Related Bills**

sSB 642, reported favorably by the Government Administration and Elections (GAE) Committee, also defines “online platform” and “qualified political advertisement” and establishes related records requirements.

SB 1042, reported favorably by the GAE Committee, makes the same changes to SEEC’s complaint disposition process.

sHB 5815, reported favorably by the GAE Committee, establishes a disclaimer requirement for certain political communications that contain altered images.

sHB 7210, reported favorably by the GAE Committee, also makes it an illegal practice to structure, assist in structuring, or attempt to structure or assist in structuring, a solicitation; contribution; expenditure; disbursement; or other transaction in order to evade state
campaign finance laws.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable
Yea 12  Nay 3  (04/01/2019)