

Senate File 2078 - Introduced

SENATE FILE 2078

BY DICKEY

A BILL FOR

1 An Act relating to campaign finance, including participation in
2 ballot issue campaigns by foreign nationals and investigations
3 of election misconduct, and making penalties applicable.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 68A.102, Code 2026, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 12A. "*Directly or indirectly*" means acting
4 either independently or jointly with, through, or on behalf of a
5 committee or other person.

6 NEW SUBSECTION. 14A. "*Foreign national*" means any of the
7 following:

8 a. An individual who is not a citizen or lawful permanent
9 resident of the United States.

10 b. A government or political subdivision of a foreign
11 country.

12 c. A foreign political party.

13 d. An entity, such as a partnership, association,
14 corporation, organization, or other combination of persons, that
15 is organized under the laws of, or has its principal place of
16 business in, a foreign country.

17 e. A United States entity, such as a partnership,
18 association, corporation, or organization, that is wholly owned
19 or majority-owned by a foreign national, unless both of the
20 following apply:

21 (1) All contributions and expenditures made by the entity are
22 derived entirely from funds generated by the entity's operations
23 in the United States.

24 (2) All decisions concerning contributions and expenditures
25 are made by an individual who is a citizen or lawful permanent
26 resident of the United States, except that a person who is not a
27 citizen or lawful permanent resident of the United States may set
28 overall budget amounts for the entity.

29 Sec. 2. Section 68A.203, subsection 3, Code 2026, is amended
30 by adding the following new paragraph:

31 NEW PARAGRAPH. f. All affirmations obtained pursuant to
32 subsection 5, if applicable.

33 Sec. 3. Section 68A.203, Code 2026, is amended by adding the
34 following new subsection:

35 NEW SUBSECTION. 5. Upon receipt of a contribution from a

1 donor by a political committee expressly advocating the passage
2 or defeat of a ballot issue, the treasurer shall obtain from the
3 donor an affirmation that the donor is not a foreign national and
4 has not knowingly or willfully accepted funds in excess of one
5 hundred thousand dollars in aggregate from one or more foreign
6 nationals within the four years immediately preceding the date
7 the contribution is made.

8 Sec. 4. Section 68A.402, subsection 8, Code 2026, is amended
9 by adding the following new paragraphs after unnumbered paragraph
10 1:

11 NEW PARAGRAPH. a. A report filed by a political committee
12 pursuant to this subsection shall include an affirmation by the
13 treasurer of the political committee that the political committee
14 has not knowingly or willfully received, solicited, or accepted a
15 contribution from a foreign national.

16 NEW PARAGRAPH. b. A report filed by a political committee
17 pursuant to this subsection shall include an affirmation by the
18 treasurer of the political committee that no donor associated
19 with a contribution covered by the report is a foreign national
20 and that no donor associated with a contribution covered by
21 the report has knowingly or willfully received, solicited, or
22 accepted, whether directly or indirectly, funds in excess of one
23 hundred thousand dollars in aggregate from one or more foreign
24 nationals within the four years immediately preceding the date
25 the contribution was made to the political committee.

26 Sec. 5. Section 68A.404, subsection 2, paragraph c, Code
27 2026, is amended to read as follows:

28 c. A foreign national shall not make an independent
29 expenditure, directly or indirectly, that advocates the
30 nomination, election, or defeat of any candidate or the passage
31 or defeat of any ballot issue. ~~As used in this section, "foreign~~
32 ~~national" means a person who is not a citizen of the United~~
33 ~~States and who is not lawfully admitted for permanent residence.~~
34 ~~"Foreign national" includes a foreign principal, such as a~~
35 ~~government of a foreign country or a foreign political party,~~

~~1 partnership, association, corporation, organization, or other
2 combination of persons that has its primary place of business in
3 or is organized under the laws of a foreign country. "Foreign
4 national" does not include a person who is a citizen of the
5 United States or who is a national of the United States.~~

6 Sec. 6. Section 68A.404, subsection 5, Code 2026, is amended
7 by adding the following new paragraph:

8 NEW PARAGRAPH. i. For an independent expenditure statement
9 for a communication which expressly advocates the passage or
10 defeat of a ballot issue, an affirmation that the person making
11 the independent expenditure has not knowingly or willfully
12 accepted funds in excess of one hundred thousand dollars in
13 aggregate from one or more foreign nationals within the four
14 years immediately preceding the date the expenditure was made and
15 will not do so through the date of the election in which the
16 ballot issue will appear on the ballot.

17 Sec. 7. NEW SECTION. **68A.507 Influence by foreign national**
18 **prohibited — investigation.**

19 1. A foreign national shall not direct, dictate, control, or
20 directly or indirectly participate in the decision-making process
21 of a person regarding the person's activities to influence
22 a ballot issue, including decisions concerning the making of
23 contributions or expenditures to influence a ballot issue.

24 2. A foreign national shall not solicit, directly or
25 indirectly, the making of a contribution or expenditure by
26 another person to influence a ballot issue.

27 3. a. An investigation of a violation of this section,
28 section 68A.203, subsection 5, section 68A.402, subsection
29 8, section 68A.404, subsection 2, paragraph "c", or section
30 68A.404, subsection 5, paragraph "i", or an investigation
31 undertaken pursuant to a court order issued following a complaint
32 submitted under section 68B.32B, shall, to the greatest extent
33 possible, shield the identity of lawful donors to a tax-exempt
34 organization.

35 b. A governmental entity or employee of a governmental entity

1 engaged in the investigation of a violation of this chapter shall
2 not collect, or require the submission of, information concerning
3 the identity of a donor to a tax-exempt organization other than
4 those directly related to a violation of this chapter.

5 c. In addition to the penalty provided in section 68A.701,
6 a person who knowingly or willfully violates this section,
7 section 68A.203, subsection 5, section 68A.402, subsection 8,
8 section 68A.404, subsection 2, paragraph "c", or section 68A.404,
9 subsection 5, paragraph "i", shall be subject to a civil
10 penalty of ten thousand dollars or three times the amount of
11 the contribution or expenditure, whichever is greater, to be
12 collected by the board and deposited in the general fund of the
13 state.

14 4. A governmental entity or employee of a governmental entity
15 shall not disclose information concerning the identity of a
16 donor to a tax-exempt organization to the public or another
17 governmental entity, other than to another governmental entity
18 directly involved in an investigation described in subsection
19 3. This subsection does not apply to information concerning the
20 identity of a donor after a final determination has been made
21 that the donor violated a provision of this chapter.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 This bill relates to campaign finance. The bill defines
26 the terms "directly or indirectly" and "foreign national" for
27 purposes of the bill and for independent campaign expenditures
28 and transfers of campaign funds under current law.

29 The bill requires the treasurer of a political committee
30 expressly advocating the passage or defeat of a ballot issue that
31 receives a contribution from a donor to obtain an affirmation
32 that the donor is not a foreign national and has not knowingly or
33 willfully accepted funds in excess of \$100,000 in aggregate from
34 one or more foreign nationals within the four years immediately
35 preceding the date the contribution is made.

1 The bill also requires a political committee expressly
2 advocating the passage or defeat of a ballot issue to include
3 with its required reports to the Iowa ethics and campaign
4 disclosure board affirmations that the political committee has
5 not knowingly or willfully received, solicited, or accepted
6 contributions from a foreign national, or from a donor that has
7 knowingly or willfully accepted funds in excess of \$100,000 in
8 aggregate from one or more foreign nationals within the four
9 years immediately preceding the date the contribution is made.
10 A person required to file an independent expenditure report must
11 also affirm that the person will not knowingly or willfully
12 accept funds in excess of \$100,000 in aggregate from one or more
13 foreign nationals through the date of the election in which the
14 ballot issue will appear on the ballot.

15 The bill prohibits a foreign national from directly or
16 indirectly participating in the decision-making process of a
17 person regarding the person's activities to influence a ballot
18 issue. The bill requires a governmental entity conducting an
19 investigation related to certain forms of election misconduct
20 to, to the greatest extent possible, shield the identity of
21 lawful donors to tax-exempt organizations. The bill prohibits
22 a governmental entity from collecting information regarding the
23 identity of a donor to a tax-exempt organization that is not
24 directly related to a violation of Code chapter 68A (campaign
25 finance). The bill also prohibits a governmental entity from
26 disclosing information concerning the identity of a donor to a
27 tax-exempt organization to the public or another governmental
28 entity, other than to another governmental entity directly
29 involved in an investigation, unless a final determination has
30 been made that the donor violated a provision of Code chapter
31 68A.

32 A person who knowingly or willfully violates a provision of
33 the bill shall be subject to a civil penalty of \$10,000 or three
34 times the amount of the contribution or expenditure, whichever
35 is greater, to be collected by the Iowa ethics and campaign

1 disclosure board and deposited in the general fund of the state.
2 By operation of law, a person who willfully violates a provision
3 of the bill is also guilty of a serious misdemeanor. A serious
4 misdemeanor is punishable by confinement for no more than one
5 year and a fine of at least \$430 but not more than \$2,560.

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