

**Senate File 2204 - Introduced**

SENATE FILE 2204

BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SF 2078)

**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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