HOUSE DOCKET, NO. 2535 FILED ON: 1/17/2019

HOUSE . . . . . No. 703

The Commonwealth of Massachusetts

PRESENTED BY:

Harold P. Naughton, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to limit political spending by foreign-influenced corporations.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Harold P. Naughton, Jr.	*12th Worcester*	*1/17/2019*

HOUSE DOCKET, NO. 2535 FILED ON: 1/17/2019

HOUSE . . . . . No. 703

By Mr. Naughton of Clinton, a petition (accompanied by bill, House, No. 703) of Harold P. Naughton, Jr., relative to limiting political spending by foreign-influenced corporations. Election Laws.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *2904* OF 2017-2018.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-First General Court
(2019-2020)

An Act to limit political spending by foreign-influenced corporations.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 1 of Chapter 55 is hereby amended by inserting the following definitions:-- "Chief executive officer", the highest-ranking officer or decision-making individual with authority over the corporation's affairs.

"Corporation", a corporation, company, limited liability company, limited partnership, business trust, business association, or other similar entity.

"Foreign national," a foreign principal, or an individual who is not a citizen of the United States or a national of the United States and who is not lawfully admitted for permanent residence.

"Foreign owner", a foreign national or a corporation wherein a foreign national holds, owns, controls, or otherwise has directly or indirectly acquired beneficial ownership of equity or voting shares in an amount that is equal to or greater than 50 percent of the total equity or outstanding voting shares.

"Foreign-influenced corporation", a corporation for which (1) a foreign owner holds, owns, controls, or otherwise has directly or indirectly acquired beneficial ownership of equity or voting shares in an amount that is equal to or greater than 5 percent of the total equity or outstanding voting shares; or (2) foreign owners hold, own, control, or otherwise have directly or indirectly acquired beneficial ownership of equity or voting shares in an amount that is equal to or greater than 20 percent of the total equity or outstanding voting shares.

"Foreign principal", a government of a foreign country, or a foreign political party, or 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.

SECTION 2: Section 8 of said chapter 55 is hereby amended by inserting after the second paragraph the following new paragraphs:--

No foreign-influenced corporation shall make an independent expenditure, or an electioneering communication expenditure, or a contribution to an independent expenditure PAC as defined in section 18A.

Any corporation that makes an independent expenditure, or an electioneering communication expenditure, or a contribution to an independent expenditure PAC as defined in section 18A, shall, within 7 business days after making such expenditure or contribution, file with the director, a statement of certification, signed by the chief executive officer under penalty

of perjury, avowing that, after due inquiry, the corporation was not a foreign-influenced corporation on the date such expenditure or contribution was made.

SECTION 3: Section 18G of chapter 55 is further amended by inserting after the second sentence of paragraph two the following:--

Unless the individual, corporation, group, association, labor union or other entity making the independent expenditure or electioneering communication has received a statement of certification from each person or entity required to be listed in the top contributors, avowing under penalty of perjury that none of the funds used to make each such person or entity's contribution were derived from foreign-influenced corporations, the advertisement or communication shall also include the statement: "Some of the funds used to pay for this message may have been provided by foreign-influenced corporations" or alternatively "May be partly funded by foreign-influenced corporations." The individual, corporation, group, association, labor union or other entity making the independent expenditure or electioneering communication shall be entitled to rely such a statement of certification provided by the contributor, unless the individual, corporation, group, association, labor union or other entity has actual knowledge that such certification is false.