



ARIZONA HOUSE OF REPRESENTATIVES

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Senate: JUDE DP 4-3-0-0 | 3rd Read: 17-9-4-0

House: FMAE DP 4-2-0-1

SCR 1027: elections; foreign contributions; certification; donations

Sponsor: Senator Bolick, LD 2

Caucus & COW

Overview

Prohibits government entities from receiving funds or in-kind contributions from foreign nationals, establishes restrictions on foreign influence in ballot measure elections and prescribes certification and reporting requirements and penalties for violations.

History

Campaign finance reports are required to be filed by any candidate committee, political action committee or political party. These reports must include the total receipts during the reporting period including contributions from out-of-state individuals and political action committees. In addition, disbursements or expenditures advocating for the election or defeat of a candidate and the passage or defeat of a ballot measure must be included. Campaign finance reports must be accompanied by a certification by a committee's treasurer, issued under penalty of perjury, that the contents of the report are true and correct (A.R.S. §§ [16-901](#), [16-926](#)).

The Attorney General enforces election statutes and regulations through civil and criminal actions ([A.R.S. § 16-1021](#)).

Provisions

Donations from Foreign Nationals & Certifications

1. Prohibits an Arizona government entity from using monies or in-kind goods or services that are donated, directly or indirectly, by a foreign national. (Sec. 1)
2. Directs a person or vendor who provides services to a government entity for election administration to provide a certification to the Secretary of State that includes a dated and sworn statement under penalty of perjury that the person is not knowingly the recipient, directly or indirectly, of monies from a foreign national. (Sec. 1)
3. Requires a person who must provide a certification to the Secretary of State pursuant to this act to update the certification annually. (Sec. 1)
4. Instructs a person to update their initial certification within 5 business days if the person obtains information that was unknown at the time of the initial certification. (Sec. 1)
5. States an updated certification must include a new statement that the person is not knowingly the recipient, directly or indirectly, of donations from a foreign national. (Sec. 1)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note

6. Exempts, from the certification requirement, a person or organization that provides common goods or a facility that serves as a voting location. (Sec. 1)
7. Specifies the Secretary of State must require government entities to provide a quarterly report listing any person or vendor that provides services to that government entity for election administration. (Sec. 1)
8. Instructs the Secretary of State to notify, by email, any government entity that fails to file its quarterly report and advise them of possible enforcement actions. (Sec. 1)
9. Requires the Secretary of State to maintain records of certifications and to post these certifications on their website. (Sec. 1)
10. Asserts that a person or vendor that fails to provide a certification or provides an inaccurate certification to the Secretary of State invalidates any agreement with the government entity and the state and its political subdivisions are barred from entering into or continuing a contract with that person. (Sec. 1)
11. States a person or vendor that knowingly fails to provide an accurate initial or updated certification is guilty of a class 1 misdemeanor. (Sec. 1)

Enforcement Provisions

12. Authorizes the Attorney General to file an action for a knowing violation of the prohibition on donations from a foreign national and the required certification to the Secretary of State. (Sec. 1)
13. States the action can include a request for injunction, damages of at least \$5,000 for each knowing violation and any other relief the court can provide. (Sec. 1)
14. Clarifies that a person is also subject to other penalties prescribed by this act. (Sec. 1)
15. Authorizes any qualified elector or state officer to bring a civil action to enjoin or enforce certain provisions of this act. (Sec. 1)
16. Asserts the court must award, to a qualified elector or state officer who prevails in an action:
 - a) Injunctive relief sufficient to prevent the defendant from violating or aiding violations of this act;
 - b) Damages in the amount of \$1,000 per day from the date of noncompliance until the defendant comes into compliance; and
 - c) Costs and attorney fees. (Sec. 1)
17. Clarifies that the remedies, duties, prohibitions and penalties prescribed by this act are in addition to all other causes of action, remedies and penalties prescribed by law. (Sec. 1)

Influencing the Outcome of a Ballot Measure Election

18. Prohibits a foreign national from directing, dictating, controlling or directly or indirectly participating in the decision-making process of any person, entity or committee's activities to influence the outcome of a ballot measure. (Sec. 2)
19. Prohibits a person, entity or committee from knowingly or willfully receiving, soliciting, accepting or using contributions, expenditures or in-kind goods or services contributed directly or indirectly by a foreign national to influence the outcome of a ballot measure election. (Sec. 2)

20. Instructs a person, entity or committee that is required to file campaign finance reports to:
 - a) Certify, in those reports and under penalty of perjury, that the person, entity or committee has not knowingly or willfully received, solicited or accepted, directly or indirectly, contributions, expenditures or in-kind goods or services from a foreign national to influence the outcome of a ballot measure election; and
 - b) Affirm that each person that contributed to influence the outcome of a ballot measure election is not a foreign national and has not knowingly or willfully received, solicited or accepted, directly or indirectly, contributions, expenditures or in-kind goods or services from one or more prohibited sources aggregating more than \$100,000 during the 4-year period preceding the date on which the contribution is made. (Sec. 2)
21. Directs the Secretary of State to require a person, entity or committee that files a statement of organization with the intent to influence a ballot measure election to certify that no preliminary activity was funded by a prohibited source. (Sec. 2)
22. Outlines the certification requirements for a person that makes a contribution to a person, entity or committee to influence the outcome of a ballot measure election and exempts persons or organizations providing common goods. (Sec. 2)
23. Clarifies that the certification prescribed by this act is in addition to any other required campaign finance reports. (Sec. 2)
24. Clarifies that nothing in this act creates or eliminates any existing donor disclosure rights or duties beyond those enumerated in this act. (Sec. 2)
25. States that a determination that a person who is required to provide a certification and who has accepted contributions, expenditures or in-kind goods or serves from foreign nationals in an aggregate amount of more than \$100,000 within the applicable 4-year period has created a presumption that the person is in violation of this act. (Sec. 2)

Miscellaneous

26. Instructs all persons who make ballot measure expenditures to keep and preserve a record of the expenditure for 2 years following the election cycle in which the expenditure was made. (Sec. 3)
27. Requires a person, entity or committee that is required to file campaign finance reports and that receive ballot measure expenditures to keep and preserve a record of the expenditure for 2 years following the election cycle in which the expenditure was received. (Sec. 3)
28. Defines *common goods*, *contribution*, *expenditure*, *foreign national*, *person* and *preliminary activity*. (Sec. 1, 2)
29. Requires the Secretary of State to submit the proposition to the voters at the next general election.
30. Becomes effective if approved by the voters and on proclamation of the Governor.