

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 21-0318.01 Bob Lackner x4350

SENATE BILL 21-177

SENATE SPONSORSHIP

Bridges,

HOUSE SPONSORSHIP

Woodrow,

Senate Committees

State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 **CONCERNING RESTRICTIONS ON FOREIGN-INFLUENCED MONEY IN**
102 **POLITICAL CAMPAIGNS IN THE STATE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill prohibits a foreign-influenced corporation from making an electioneering communication or a regular biennial school electioneering communication.

The bill also expands the group of persons and entities currently prohibited from expending money on an independent expenditure in connection with an election in the state to include a foreign-influenced

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

corporation. An independent expenditure committee is prohibited from knowingly accepting a donation from any foreign-influenced corporation.

The bill prohibits an independent expenditure committee from knowingly accepting a contribution, donation, or transfer from a covered organization if all or part of the contribution, donation, or transfer includes money received by the independent expenditure committee from a foreign-influenced corporation.

The bill prohibits any person from using funds from a foreign-influenced corporation to make either an electioneering communication or a regular biennial school electioneering communication.

A for-profit corporation that is authorized to make a contribution or donation is required to affirm in writing under penalty of perjury that it is not a foreign-influenced corporation before it makes any permissible contributions or donations. The bill prohibits any person from accepting a permissible contribution or donation from a nonprofit corporation unless the written affirmation is provided before the contribution or donation is received by the recipient. The recipient of the contribution or donation is required to retain the written affirmation for not less than one year following the date of the end of the election cycle during which the contribution or donation is received. An affirmation statement is not required if the for-profit corporation has previously provided a statement to the recipient in the 3-month period prior to the date on which it makes the permissible contribution or donation.

The bill defines the terms "foreign-influenced corporation", "foreign owner", and "widely held diversified fund".

1 *Be it enacted by the General Assembly of the State of Colorado:*
2 **SECTION 1.** In Colorado Revised Statutes, 1-45-103, **add** (10.7)
3 and (10.9) as follows:
4 **1-45-103. Definitions - repeal.** As used in this article 45, unless
5 the context otherwise requires:
6 (10.7) (a) "FOREIGN-INFLUENCED CORPORATION" MEANS A
7 CORPORATION:
8 (I) IN WHICH A SINGLE FOREIGN OWNER HOLDS, OWNS, CONTROLS,
9 OR OTHERWISE HAS DIRECT OR INDIRECT BENEFICIAL OWNERSHIP OF FIVE
10 PERCENT OR MORE OF THE TOTAL EQUITY, OUTSTANDING VOTING SHARES,

1 MEMBERSHIP UNITS, OR OTHER APPLICABLE OWNERSHIP INTERESTS OF THE
2 CORPORATION;

3 (II) IN WHICH TWO OR MORE FOREIGN OWNERS, IN AGGREGATE,
4 OWN, CONTROL, OR OTHERWISE HAVE DIRECT OR INDIRECT BENEFICIAL
5 OWNERSHIP OF TWENTY PERCENT OR MORE OF THE TOTAL EQUITY,
6 OUTSTANDING VOTING SHARES, MEMBERSHIP UNITS, OR OTHER
7 APPLICABLE OWNERSHIP INTERESTS OF THE CORPORATION; OR

8 (III) IN WHICH A SINGLE FOREIGN GOVERNMENT, INCLUDING A
9 CENTRALLY OWNED FOREIGN BANK AND FOREIGN SOVEREIGN WEALTH
10 FUND OWNS, CONTROLS, OR OTHERWISE HAS DIRECT OR INDIRECT
11 BENEFICIAL OWNERSHIP OF ONE PERCENT OR MORE OF THE TOTAL EQUITY,
12 OUTSTANDING VOTING SHARES, MEMBERSHIP UNITS, OR OTHER
13 APPLICABLE OWNERSHIP INTERESTS OF THE CORPORATION.

14 (b) FOR PURPOSES OF THIS SUBSECTION (10.7),
15 "FOREIGN-INFLUENCED CORPORATION" SHALL NOT APPLY TO A NONPROFIT
16 CORPORATION.

17 (10.9) (a) "FOREIGN OWNER" MEANS A PERSON OR ENTITY THAT:

18 (I) HOLDS, OWNS, CONTROLS, OR OTHERWISE HAS DIRECT OR
19 INDIRECT BENEFICIAL OWNERSHIP OF EQUITY, OUTSTANDING VOTING
20 SHARES, MEMBERSHIP UNITS, OR OTHER APPLICABLE OWNERSHIP
21 INTERESTS OF THE CORPORATION; AND

22 (II) IS A GOVERNMENT OF A FOREIGN COUNTRY; A POLITICAL
23 PARTY BASED IN A FOREIGN COUNTRY; A PARTNERSHIP, ASSOCIATION,
24 CORPORATION, ORGANIZATION, OR OTHER COMBINATION OF PERSONS
25 ORGANIZED UNDER THE LAWS OF OR HAVING ITS PRINCIPAL PLACE OF
26 BUSINESS IN A FOREIGN COUNTRY; OR IS A NATURAL PERSON WHO IS NOT
27 A CITIZEN OF THE UNITED STATES.

1 (b) (I) "FOREIGN OWNER" DOES NOT INCLUDE A PERSON OR ENTITY
2 WHOSE OWNERSHIP OR EQUITY INTEREST IN ANY OTHER ORGANIZATION OR
3 ENTITY IS MAINTAINED THROUGH A WIDELY HELD DIVERSIFIED FUND
4 BASED IN THE UNITED STATES.

5 (II) FOR PURPOSES OF SUBSECTION (10.9)(b)(I) OF THIS SECTION,
6 "WIDELY HELD DIVERSIFIED FUND" MEANS A POOLED INVESTMENT SUCH
7 AS A MUTUAL FUND, COMMON TRUST FUND OF A FINANCIAL INSTITUTION,
8 OR A LIMITED PARTNERSHIP IN WHICH THE POOLED INVESTMENT:

9 (A) HAS MORE THAN ONE HUNDRED PARTICIPANTS;

10 (B) HOLDS MORE THAN FIFTY-FIVE PERCENT OF THE VALUE OF ITS
11 INVESTMENT PORTFOLIO IN THE SECURITIES OF ANY ISSUER OTHER THAN
12 THE UNITED STATES GOVERNMENT;

13 (C) HOLDS NO MORE THAN TWENTY PERCENT OF THE VALUE OF ITS
14 PORTFOLIO IN ANY PARTICULAR ECONOMIC OR GEOGRAPHIC SECTOR; AND

15 (D) IS INDEPENDENTLY MANAGED SO THAT NO INVESTOR IN THE
16 FUND, OR A MEMBER OF THE IMMEDIATE FAMILY OF ANY INVESTOR,
17 EXERCISES CONTROL OVER, OR HAS THE ABILITY TO EXERCISE CONTROL
18 OVER, THE FINANCIAL INTERESTS HELD BY THE POOLED INVESTMENT,
19 INCLUDING ANY INDIRECT CONTROL THAT THE FUND MAY HAVE OVER ANY
20 CORPORATION OR OTHER ENTITY THAT HAS ISSUED SECURITIES THAT ARE
21 PART OF THE INVESTMENT PORTFOLIO OF THE FUND.

22 **SECTION 2.** In Colorado Revised Statutes, 1-45-103.7, **amend**
23 (5.5) as follows:

24 **1-45-103.7. Contribution limits - county offices - treatment of**
25 **independent expenditure committees - contributions from limited**
26 **liability companies - voter instructions on spending limits -**
27 **definitions.** (5.5) (a) A natural person who is not a citizen of the United

1 States, a foreign government, or a foreign corporation shall not establish,
2 register, or maintain a political committee, small donor committee,
3 political party, issue committee, or small-scale issue committee, or make
4 an electioneering communication or regular biennial school
5 electioneering communication.

6 (b) A FOREIGN-INFLUENCED CORPORATION SHALL NOT MAKE AN
7 ELECTIONEERING COMMUNICATION OR A REGULAR BIENNIAL SCHOOL
8 ELECTIONEERING COMMUNICATION.

9 **SECTION 3.** In Colorado Revised Statutes, 1-45-107.5, **amend**
10 (1); and **add** (15), (16), and (17) as follows:

11 **1-45-107.5. Independent expenditures - restrictions on foreign**
12 **corporations - registration - disclosure - disclaimer requirements -**
13 **definitions.** (1) Notwithstanding any other provision of law, ~~no~~ NEITHER
14 ANY natural person who is not a citizen of the United States NOR ANY
15 foreign government, ~~or~~ foreign corporation, OR FOREIGN-INFLUENCED
16 CORPORATION may expend ~~moneys~~ MONEY on an independent
17 expenditure in connection with an election in the state, and no
18 independent expenditure committee may knowingly accept a donation
19 from any natural person who is not a citizen of the United States OR any
20 foreign government, ~~or any~~ foreign corporation, OR FOREIGN-INFLUENCED
21 CORPORATION.

22 (15) IN ADDITION TO ANY OTHER APPLICABLE REQUIREMENTS
23 AFFECTING COVERED ORGANIZATIONS UNDER THIS SECTION, NO
24 INDEPENDENT EXPENDITURE COMMITTEE MAY KNOWINGLY ACCEPT A
25 CONTRIBUTION, DONATION, OR TRANSFER FROM A COVERED
26 ORGANIZATION IF ALL OR PART OF THE CONTRIBUTION, DONATION, OR
27 TRANSFER INCLUDES MONEY RECEIVED BY THE INDEPENDENT

1 EXPENDITURE COMMITTEE FROM A FOREIGN-INFLUENCED CORPORATION.

2 (16) NO PERSON SHALL USE FUNDS FROM A FOREIGN-INFLUENCED
3 CORPORATION TO MAKE EITHER AN ELECTIONEERING COMMUNICATION OR
4 A REGULAR BIENNIAL SCHOOL ELECTIONEERING COMMUNICATION.

5 (17) A FOR-PROFIT CORPORATION THAT IS AUTHORIZED TO MAKE
6 A CONTRIBUTION OR DONATION SHALL AFFIRM IN WRITING UNDER
7 PENALTY OF PERJURY THAT IT IS NOT A FOREIGN-INFLUENCED
8 CORPORATION BEFORE IT MAKES ANY PERMISSIBLE CONTRIBUTIONS OR
9 DONATIONS. NO PERSON SHALL ACCEPT A PERMISSIBLE CONTRIBUTION OR
10 DONATION FROM A NONPROFIT CORPORATION UNLESS THE WRITTEN
11 AFFIRMATION SATISFYING THE REQUIREMENTS OF THIS SUBSECTION (17)
12 IS PROVIDED BEFORE THE CONTRIBUTION OR DONATION IS RECEIVED BY
13 THE RECIPIENT. THE RECIPIENT OF THE CONTRIBUTION OR DONATION
14 SHALL RETAIN THE WRITTEN AFFIRMATION FOR NOT LESS THAN ONE YEAR
15 FOLLOWING THE DATE OF THE END OF THE ELECTION CYCLE DURING WHICH
16 THE CONTRIBUTION OR DONATION IS RECEIVED. AN AFFIRMATION
17 STATEMENT IS NOT REQUIRED IF THE FOR-PROFIT CORPORATION HAS
18 PREVIOUSLY PROVIDED A STATEMENT TO THE RECIPIENT IN THE
19 THREE-MONTH PERIOD PRIOR TO THE DATE ON WHICH IT MAKES THE
20 PERMISSIBLE CONTRIBUTION OR DONATION.

21 **SECTION 4. Act subject to petition - effective date -**
22 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
23 the expiration of the ninety-day period after final adjournment of the
24 general assembly; except that, if a referendum petition is filed pursuant
25 to section 1 (3) of article V of the state constitution against this act or an
26 item, section, or part of this act within such period, then the act, item,
27 section, or part will not take effect unless approved by the people at the

1 general election to be held in November 2022 and, in such case, will take
2 effect on the date of the official declaration of the vote thereon by the
3 governor.

4 (2) This act applies to the portion of any election cycle or to the
5 portion of the calendar year remaining after the effective date of this act
6 and for any election cycle or calendar year commencing after such
7 effective date, whichever is applicable.