

HB 888 – SB 1060

FISCAL NOTE



Fiscal Review Committee
Tennessee General Assembly

March 6, 2025

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SUMMARY OF BILL: Requires a political campaign committee (PCC), that is created to support or oppose a measure, to file with the Registry of Election Finance (REF) a certification that no preliminary activity was funded by prohibited sources, whether directly or indirectly. Prohibits a PCC that is created to support or oppose a measure from knowingly or willfully receiving, soliciting, or accepting contributions or expenditures from a prohibited source.

Requires a PCC, and a person who makes an independent expenditure in support or opposition to a PCC that was created to support or oppose a measure, to keep records of any contribution or expenditure for at least two years after the date of the election.

Requires a PCC's treasurer to obtain an affirmation from a donor that they are not a foreign national and have not accepted more than \$100,000 from prohibited sources within the last four years. Requires that donor to certify with the REF that they have not accepted more than \$100,000 from a prohibited source within the last four-year period and will not do so for the remainder of the calendar year.

Prohibits a foreign national from directing, dictating, controlling, or participating in the decision-making process of any person with regard to that person's activities to influence a measure.

Authorizes the REF to bring a civil action to enforce this legislation.

Prohibits the identify of tax-exempt organization's donors be revealed, unless that individual engaged in prohibited actions, and creates a Class A misdemeanor for knowingly or willfully revealing that donor's identity.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- As used in the proposed legislation, "prohibited sources" includes contributions from or expenditures by a foreign national.
- Pursuant to the proposed legislation, "foreign national" means: an individual who is not a citizen or lawful permanent resident of the United States; a government or subdivision of a foreign country or municipality; a foreign political party; an entity that is organized under the laws of, or has its principal place of business in, a foreign country; or, a United States entity that is wholly or majority owned by a foreign national, barring certain exceptions.

- Pursuant to Tenn. Code Ann. § 2-10-132(b), a tax-exempt organization is required to report expenditures during the remainder of an election year and certify the name and address of any person who directly controls such expenditures along with any such person's evidence of identification.
- The REF will be able to handle any increase in filings of certifications by utilizing existing resources and personnel.
- Currently, there is no REF fee for filing certifications; therefore, the proposed legislation will not result in an increase in state revenue.
- Any decrease in revenue to PCCs as a result of the prohibition on accepting certain contributions will impact only private entities and will not be reflected in state or local governments.
- Any costs associated with keeping records of any contributions or expenditures for at least two years after the date of an election will be borne of private citizens or entities.
- It is not expected to be a significant increase in civil action or Class A misdemeanor offenses as a result of the proposed legislation and can be handled within existing court resources This will not substantially impact state or local revenue or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Executive Director