



Prohibits contributions from foreign-influenced corporations and required reporting (HB1648)

Patron: Delegate Tim Anderson.

KEY PROVISIONS:

- **Prohibits any foreign-influenced corporation from making an independent expenditure or making a contribution** to a candidate, campaign committee, political committee, or political party committee.
- A **foreign-influenced corporation is defined by** the following conditions: a single foreign owner owns, controls, or has direct or indirect beneficial ownership of one percent or more of the total equity, outstanding voting shares, membership units, or other applicable owner interest of the corporation; or two or more foreign owners hold/control five percent or more of the corporation.
- Any such corporation violating this chapter shall be **punished by a fine of not more than \$50,000**. Any officers or other officials violating the chapter shall be fined by a **fine of not more than \$10,000, imprisonment for not more than one year, or both**.
- Any corporations making independent expenditures or contributions shall within **seven business days file with the Department of Elections a statement of certification** attesting that the corporation is not a foreign-influenced corporation.

WHY VIRGINIA NEEDS THIS BILL:

- Although **current law prohibits individual foreign nationals from spending in U.S. elections, no such law bars political spending from American-registered corporations**—including major multinationals—that are foreign-owned, foreign-controlled, foreign-influenced or all three. This is a result of the Supreme Court’s decision in Citizens United (January 2010) which allowed corporate spending in elections.
- Direct foreign attacks on our electoral and democratic processes are considered a national security threat and experts warn that **“American elections are most vulnerable to political spending directed by foreign powers [through] dark money groups** that do not disclose their donors, and corporations and other business entities with substantial foreign ownership.”
- **Americans agree that foreign entities should have zero role in determining American elections**, recognizing that one of the great pillars of our democratic system is that these entities should not be making campaign contributions and expenditures in U.S. elections.
- Clamping down on foreign money in our election **helps to address the appearance and risk of corruption in our elections**. Increasingly **states are taking the lead at prohibiting foreign interests from influencing their elections**. This includes [7 states which passed laws by the end of 2020](#), followed by at least 10 more states which had introduced legislation to ban foreign spending in state and local campaigns. Currently Maine, Iowa, New York, Colorado, Hawaii, Massachusetts, and Minnesota have adopted/or are considering new legislation.



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