STATE OF NEW YORK

7578

IN SENATE

January 28, 2020

Introduced by Sen. GIANARIS -- read twice and ordered printed, and when printed to be committed to the Committee on Elections

AN ACT to amend the election law, in relation to enacting the "democracy preservation act"; and in relation to prohibiting contributions by foreign-influenced business entities and requiring certification

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. This act shall be known and may be cited as the "democracy preservation act".

§ 2. The election law is amended by adding a new section 14-116-a to read as follows:

§ 14-116-a. Prohibited contributions by foreign-influenced business entities. 1. Notwithstanding any provision of law to the contrary, it shall be unlawful for a foreign-influenced business entity, directly or indirectly, to make a contribution or donation of money or other thing of value, or to make an express or implied promise to make a contribution or donation, in connection with a state or local election.

2. It shall be unlawful for a business entity prohibited under subdivision one of this section, directly or indirectly, to make a contribution or donation to a constituted committee, independent expenditure committee, political committee, or party committee.

3. It shall be unlawful for a business entity prohibited under subdivision one of this section, directly or indirectly, to make an expenditure, independent expenditure, or disbursement for a political communication.

4. It shall be unlawful for a person to knowingly solicit, accept, or receive a contribution or donation described in subdivision one, two or three of this section from a foreign-influenced business entity.

5. Any person found in violation of this section shall be guilty of a class E felony and shall be subject to a civil penalty equal to the contribution or donation amount plus a fine of up to ten thousand dollars, to be recoverable in a special proceeding or civil action to be brought by the state board of elections chief enforcement counsel.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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§ 3. Section 14-100 of the election law is amended by adding two new subdivisions 18 and 19 to read as follows:

18. "foreign-influenced" shall mean a business entity for which at least one of the following conditions is met:

i. a single foreign national holds, owns, controls, or otherwise has direct or indirect beneficial ownership of one percent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the business entity; or

ii. two or more foreign nationals, in aggregate, hold, own, control, or otherwise have direct or indirect beneficial ownership of five percent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the business entity; or

iii. a foreign national participates directly or indirectly in the business entity's decision-making process with respect to the business entity's political activities in the United States.

19. "business entity" shall mean a corporation, company, limited liability company, limited partnership, business trust, business association, joint-stock association or other corporate entity doing business in the state.

§ 4. Section 14-116 of the election law is amended by adding a new subdivision 4 to read as follows:

4. Every business entity that makes an expenditure, or contribution, for political purposes shall file with the state board of elections, within seven business days after making such expenditure or contribution, on the form prescribed by the state board of elections, a statement of certification signed by the chief executive officer, president or owner under penalty of perjury, avowing that after due inquiry, such business entity was not a foreign-influenced business entity on the date such expenditure or contribution was made. Business entities shall provide a copy of the statement of certification required by this subdivision to any campaign to which it contributes.

§ 5. This act shall take effect on the one hundred eightieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.