

**HOUSE . . . . . No. 2904**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Harold P. Naughton, Jr.*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to limit political spending by foreign-influenced corporations.

PETITION OF:

NAME:

*Harold P. Naughton, Jr.*

DISTRICT/ADDRESS:

*12th Worcester*

**HOUSE . . . . . No. 2904**

By Mr. Naughton of Clinton, a petition (accompanied by bill, House, No. 2904) of Harold P. Naughton, Jr. relative to limiting political spending by foreign-influenced corporations. Election Laws.

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninetieth General Court  
(2017-2018)**

An Act to limit political spending by foreign-influenced corporations.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section 1 of Chapter 55 is hereby amended by inserting the following  
2 definitions:--

3 “Chief executive officer”, the highest-ranking officer or decision-making individual with  
4 authority over the corporation’s affairs.

5 “Corporation”, a corporation, company, limited liability company, limited partnership,  
6 business trust, business association, or other similar entity.

7 “Foreign national,” a foreign principal, or an individual who is not a citizen of the United  
8 States or a national of the United States and who is not lawfully admitted for permanent  
9 residence.

10 “Foreign owner”, a foreign national or a corporation wherein a foreign national holds,  
11 owns, controls, or otherwise has directly or indirectly acquired beneficial ownership of equity or

12 voting shares in an amount that is equal to or greater than 50 percent of the total equity or  
13 outstanding voting shares.

14 “Foreign-influenced corporation”, a corporation for which (1) a foreign owner holds,  
15 owns, controls, or otherwise has directly or indirectly acquired beneficial ownership of equity or  
16 voting shares in an amount that is equal to or greater than 5 percent of the total equity or  
17 outstanding voting shares; or (2) foreign owners hold, own, control, or otherwise have directly or  
18 indirectly acquired beneficial ownership of equity or voting shares in an amount that is equal to  
19 or greater than 20 percent of the total equity or outstanding voting shares.

20 “Foreign principal”, a government of a foreign country, or a foreign political party, or a  
21 partnership, association, corporation, organization, or other combination of persons organized  
22 under the laws of or having its principal place of business in a foreign country.

23 SECTION 2: Section 8 of said chapter 55 is hereby amended by inserting after the second  
24 paragraph the following new paragraphs:--

25 No foreign-influenced corporation shall make an independent expenditure, or an  
26 electioneering communication expenditure, or a contribution to an independent expenditure PAC  
27 as defined in section 18A.

28 Any corporation that makes an independent expenditure, or an electioneering  
29 communication expenditure, or a contribution to an independent expenditure PAC as defined in  
30 section 18A, shall, within 7 business days after making such expenditure or contribution, file  
31 with the director, a statement of certification, signed by the chief executive officer under penalty  
32 of perjury, avowing that, after due inquiry, the corporation was not a foreign-influenced  
33 corporation on the date such expenditure or contribution was made.

34 SECTION 3: Section 18G of chapter 55 is further amended by inserting after the second  
35 sentence of paragraph two the following:--

36 Unless the individual, corporation, group, association, labor union or other entity making  
37 the independent expenditure or electioneering communication has received a statement of  
38 certification from each person or entity required to be listed in the top contributors, avowing  
39 under penalty of perjury that none of the funds used to make each such person or entity's  
40 contribution were derived from foreign-influenced corporations, the advertisement or  
41 communication shall also include the statement: "Some of the funds used to pay for this message  
42 may have been provided by foreign-influenced corporations" or alternatively "May be partly  
43 funded by foreign-influenced corporations." The individual, corporation, group, association,  
44 labor union or other entity making the independent expenditure or electioneering communication  
45 shall be entitled to rely such a statement of certification provided by the contributor, unless the  
46 individual, corporation, group, association, labor union or other entity has actual knowledge that  
47 such certification is false.