

AMENDED IN ASSEMBLY MAY 19, 1997
AMENDED IN SENATE FEBRUARY 25, 1997

SENATE BILL

No. 109

Introduced by Senator Kopp
(Coauthor: Senator Mountjoy)
(Coauthor: Assembly Member Richter)

December 30, 1996

An act to add Section 85320 to the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 109, as amended, Kopp. Political Reform Act of 1974: foreign entities: contributions and expenditures.

Existing federal law generally prohibits a foreign national from making contributions and expenditures in connection with an election for local, state, or federal public office.

This bill would prohibit a foreign government or foreign principal from making any contribution, expenditure, or independent expenditure in connection with the qualification or support of, or opposition to, any state or local initiative, *recall*, or referendum measure. The bill would also prohibit any person and any committee from soliciting or accepting a contribution from a foreign government or foreign principal *in connection with the qualification or support of, or opposition to, any state or local initiative, recall, or referendum measure*. The bill would exempt from this prohibition, a contribution, expenditure, or independent expenditure made by a domestic subsidiary of a foreign

corporation if the decision to contribute or expend funds is made by an officer, director, or management employee of the corporation who is a United States citizen or lawfully admitted permanent resident.

The bill would impose a state-mandated local program by making any person who violates this prohibition guilty of a misdemeanor and subject to a fine in an amount equal to the amount contributed or expended.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill, which would declare that it furthers the purposes of the act, would therefore require a $\frac{2}{3}$ vote.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 85320 is added to the
- 2 Government Code, to read:
- 3 85320. (a) No foreign government or foreign
- 4 principal shall make any contribution, expenditure, or
- 5 independent expenditure in connection with the
- 6 qualification or support of, or opposition to, any state or
- 7 local initiative, *recall*, or referendum measure.
- 8 (b) No person and no committee shall solicit or accept
- 9 a contribution from a foreign government or foreign
- 10 principal *in connection with the qualification or support*
- 11 *of, or opposition to, any state or local initiative, recall, or*
- 12 *referendum measure.*
- 13 (c) For purposes of this section, a foreign principal is
- 14 a person defined in 22 U.S.C. 611(b).



1 (d) This section shall not prohibit a contribution,
2 expenditure, or independent expenditure made by a
3 domestic subsidiary of a foreign corporation if the
4 decision to contribute or expend funds is made by an
5 officer, director, or management employee of the
6 corporation who is a United States citizen or lawfully
7 admitted permanent resident.

8 (e) Any person who violates this section shall be guilty
9 of a misdemeanor and shall be fined an amount equal to
10 the amount contributed or expended.

11 SEC. 2. No reimbursement is required by this act
12 pursuant to Section 6 of Article XIII B of the California
13 Constitution because the only costs that may be incurred
14 by a local agency or school district will be incurred
15 because this act creates a new crime or infraction,
16 eliminates a crime or infraction, or changes the penalty
17 for a crime or infraction, within the meaning of Section
18 17556 of the Government Code, or changes the definition
19 of a crime within the meaning of Section 6 of Article
20 XIII B of the California Constitution.

21 Notwithstanding Section 17580 of the Government
22 Code, unless otherwise specified, the provisions of this act
23 shall become operative on the same date that the act
24 takes effect pursuant to the California Constitution.

25 SEC. 3. The Legislature finds and declares that the
26 provisions of this act further the purposes of the Political
27 Reform Act of 1974 within the meaning of subdivision (a)
28 of Section 81012 of the Government Code.

