

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
Regular Session, 2025

As Engrossed: H4/3/25 S4/9/25

A Bill

HOUSE BILL 1837

By: Representative McAlindon

By: Senator K. Hammer

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING DISCLOSURE FOR MATTERS REFERRED TO VOTERS; TO BAN FOREIGN FUNDING FOR BALLOT MEASURES; TO AMEND PORTIONS OF THE ARKANSAS CODE THAT RESULTED FROM INITIATED ACT 1 OF 1996; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING DISCLOSURE FOR MATTERS REFERRED TO VOTERS; AND TO BAN FOREIGN FUNDING FOR BALLOT MEASURES; TO AMEND PORTIONS OF THE ARKANSAS CODE THAT RESULTED FROM INITIATED ACT 1 OF 1996.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY. Legislative findings and intent.

The General Assembly finds that:

(1) It is vital to the operation of an effective democracy for the people to have full and complete confidence in their elections;

(2) It is crucial that those elections be free of unwanted foreign influence; and

(3) It is the intent of the General Assembly to prevent foreign contributions from influencing the outcome of Arkansas elections.

SECTION 2. Arkansas Code § 7-6-201, concerning definitions for campaign financing, resulting from Initiated Act 1 of 1996, is amended to add



04-09-2025 14:01:38 SSS058

an additional subdivision to read as follows:

(19) "Prohibited sources" means the same as defined in § 7-9-402.

SECTION 3. Arkansas Code § 7-6-220(b), concerning contents of the report for independent expenditures in campaign financing and resulting from Initiated Act 1 of 1996, is amended to add an additional subdivision to read as follows:

(5) An affirmation by the individual, committee, or entity making the independent expenditure that the individual, committee, or entity has not knowingly or willfully accepted donations in excess of ten thousand dollars (\$10,000) in the aggregate from one (1) or more prohibited sources within the four-year period immediately preceding the date the independent expenditure was made.

SECTION 4. Arkansas Code § 7-9-402, concerning definitions for disclosure matters referred to voters, is amended to add additional subdivisions to read as follows:

(13) "Directly or indirectly" means acting either alone or 10 jointly with, through, or on behalf of any other:

- (A) Ballot question committee;
- (B) Legislative question committee;
- (C) Political action committee;
- (D) Organization;
- (E) Person; or
- (F) Other entity;

(14) "Foreign national" means:

- (A) An individual who is not a citizen or lawful permanent resident of the United States;
- (B) A government or subdivision of a foreign country; or
- (C) A foreign political party;
- (D) An entity, including without limitation a partnership, association, corporation, organization, or other combination of persons, that is organized under the laws of, or has its principal place of business in, a foreign country; or
- (E) A partnership, association, corporation, or

organization, which is wholly or majority owned by a foreign national, unless:

(i) A contribution or expenditure the entity makes derives entirely from funds generated by the entity's operations; and

(ii) All decisions concerning the contribution or expenditure are made by individuals who are United States citizens or permanent residents, except for setting overall budget amounts;

(15) "Independent expenditure" means the same as defined in § 7-6-201;

(16) "Preliminary activity" includes:

(A) Conducting a poll;

(B) Drafting ballot question language;

(C) Drafting legislative question language;

(D) Conducting a focus group;

(E) Conducting telephone calls; or

(F) Traveling in connection with a ballot question or legislative question activity;

(17) "Prohibited sources" includes:

(A) A prohibited political action committee as defined in § 7-6-201;

(B) A political action committee that accepts one (1) or more contributions from a foreign national;

(C) An organization that is funded by a political action committee that accepts one (1) or more contributions from a foreign national;

(D) Contributions from or expenditures by a foreign national; and

(E) Contributions or expenditures that violate state or federal law; and

(18)(A) "Tax-exempt organization" means an organization that qualifies as exempt from federal income tax under § 501(c) of the Internal Revenue Code of 1986, as it existed on January 1, 2025.

(B) This subchapter shall not be construed to treat a political organization under § 527 of the Internal Revenue Code of 1986, as it existed on January 1, 2025, as a tax-exempt organization for purposes of this subchapter.

SECTION 5. Arkansas Code § 7-9-407(2), concerning the information contained in financial reports submitted by a ballot question committee or a legislative question committee, is amended to add an additional subdivision to read as follows:

(E) For a ballot question committee as defined under § 7-9-402(2) or a legislative question committee as defined in § 7-9-402(10):

(i) An affirmation that the ballot question committee or legislative question committee has not knowingly or willfully received, solicited, or accepted contributions or expenditures from a prohibited source; and

(ii) An affirmation by the treasurer of the ballot question committee or legislative question committee that *to the best of the treasurer's knowledge the donor* associated with each contribution is not a foreign national and has not knowingly or willfully received, solicited, or accepted, whether directly or indirectly, contributions or expenditures from one (1) or more prohibited sources in excess of ten thousand dollars (\$10,000) in the aggregate within the four-year period immediately preceding the date of the contribution;

SECTION 6. Arkansas Code Title 7, Chapter 9, Subchapter 4, is amended to add additional sections to read as follows:

7-9-416. Prohibited sources of funding.

(a) Upon registering as a ballot question committee or legislative question committee, the treasurer of the committee shall file an accompanying certification that no preliminary activity was directly funded by prohibited sources, whether directly or indirectly.

(b) After the ballot question committee or legislative question committee has been registered, the committee shall not knowingly or willfully receive, solicit, or accept contributions or expenditures from a prohibited source, whether directly or indirectly.

(c) A person who makes an independent expenditure in support of or in opposition to a ballot question committee or legislative question committee in excess of ten thousand dollars (\$10,000) in the aggregate shall keep records of any contribution or expenditure and retain such records as prescribed under § 7-9-410 from the date of receipt of the contribution or expenditure.

7-9-417. Donor certification of no affiliation with prohibited sources.

(a) Upon receipt of a contribution in excess of ten thousand dollars (\$10,000) to a ballot question committee or legislative question committee, the treasurer of the ballot question committee or legislative question committee shall obtain from the donor associated with a contribution in excess of ten thousand dollars (\$10,000) in the aggregate an affirmation that the donor:

(1) Is not a foreign national; and

(2) Has not knowingly or willfully accepted donations in excess of ten thousand dollars (\$10,000) in the aggregate from one (1) or more prohibited sources within the four-year period immediately preceding the date the contribution is made.

(b) An individual, committee, or entity making one (1) or more independent expenditures in excess of ten thousand dollars (\$10,000) supporting or opposing a ballot question or legislative question shall certify to the Attorney General that the individual, committee, or entity has not knowingly or willfully accepted donations in excess of ten thousand dollars (\$10,000) in the aggregate from one (1) or more prohibited sources within the four-year period immediately preceding the date the independent expenditure is made and that it will not do so through the remainder of the calendar year in which the ballot question or legislative question will appear on the ballot.

7-9-418. Prohibited influence by a foreign national.

(a) A foreign national shall not direct, dictate, control, or directly or indirectly participate in the decision-making process of any person with regard to that person's activities to influence a ballot question or legislative question, including without limitation decisions concerning the making of contributions or expenditures to influence a ballot question or legislative question.

(b) A foreign national shall not solicit, directly or indirectly, the making of a donation, contribution, or expenditure by another person to influence a ballot question or legislative question.

(c) Nothing in this subchapter shall create or eliminate any existing

donor disclosure rights or duties beyond those specifically stated in §§ 7-9-416 – 7-9-420.

7-9-419. Enforcement for violations of ban on foreign funding for ballot questions and legislative questions.

(a)(1) The Attorney General may bring a civil action to enforce §§ 7-9-416 – 7-9-420.

(2) An individual, committee, or entity alleged to have violated any provision under §§ 7-9-416 – 7-9-420 shall be provided a full opportunity of notice, discovery, and an opportunity to be heard before being found liable for a violation of any provision under §§ 7-9-416 – 7-9-420.

(b) If the Attorney General prevails in an action brought under § 7-9-419(a), the court shall award:

(1) Injunctive relief sufficient to prevent the defendant from violating this subchapter or engaging in acts that aid or abet violations of any provision under §§ 7-9-416 – 7-9-420; and

(2) Statutory damages up to twice the amount of the prohibited contribution or expenditure.

(c) In addition to the penalties in this section and any other remedies provided by law, if the court finds the defendant knowingly or willfully violated any provision under §§ 7-9-416 – 7-9-420, the court may assess a penalty of up to three (3) times the statutory damages.

7-9-420. Restrictions on collection and release of donor information.

(a)(1) A lawful donor to a tax-exempt organization possesses a right of privacy in the lawful donor's donations.

(2) An investigation of an alleged violation of any provision under §§ 7-9-416 – 7-9-420 or a lawful court order in an action brought under § 7-9-419(a) shall occur in a manner that shields the identity of lawful donors to the extent possible.

(3) A governmental body shall not collect or require the submission of information on the identity of any donor to a tax-exempt organization other than those directly related to an alleged violation of §§ 7-9-416 – 7-9-420.

(4) Any collection or required submission of information by any governmental body regarding the identity of any donor to a tax-exempt

organization beyond that permitted by any provision under §§ 7-9-416 – 7-9-420 shall be deemed a violation of the Personal Information Protection Act, § 4-110-101 et seq.

(b)(1) A governmental body shall not disclose to the public or another government official not directly involved in the investigation, information revealing the identity of any donor to a tax-exempt organization, unless the information is regarding the identity of a donor that engaged in conduct prohibited by any provision under §§ 7-9-416 – 7-9-420 after a final determination has been made that the donor violated any provision under §§ 7-9-416 – 7-9-420 or if the tax-exempt organization has triggered registration and reporting as a ballot question committee or a legislative question committee under this subchapter.

(2) Knowing or willful violations of this subsection shall be punishable under the Personal Information Protection Act, § 4-110-101 et seq.

(3) Any public disclosure of information revealing the identity of any donor to a tax-exempt organization by a governmental body incident to this section is a violation of the Personal Information Protection Act, § 4-110-101 et seq., unless the information is regarding the identity of a donor that engaged in conduct prohibited by any provision under §§ 7-9-416 – 7-9-420 after a final determination has been made that the donor violated any provision under §§ 7-9-416 – 7-9-420.

/s/McAlindon