



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

FACT SHEET FOR S.B.1374

foreign donations; elections administration; certification

Purpose

Requires a person to provide certification that the person is not the knowing recipient of foreign donations before entering into any agreement with a government entity to provide goods or services relating to elections administration.

Background

A city, town, county, school district or other public body that conducts or administers elections, including the state, may not receive or use private monies to prepare for, administer or conduct an election, including to register voters ([A.R.S. § 16-407.01](#)). Federal laws and regulations prohibit a foreign national from directly or indirectly participating in the decision making process regarding a person's federal or non-federal election related activities, including by way of: 1) a contribution or donation of money or other thing of value in connection with a federal, state or local election; 2) a contribution or donation to a committee of a political party; or 3) an expenditure, independent expenditure or disbursement for electioneering communication ([52 U.S.C. § 30121](#); [11 C.F.R. § 110.20\(h\)\(2\)\(i\)](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires a person, other than a government entity, to provide to the Secretary of State (SOS) a certification and sworn statement that the person is not knowingly the direct or indirect recipient of foreign donations before entering into any agreement with a government entity to provide money, goods or services relating to elections administration.
2. Specifies a foreign donation certification must be provided at least 10 business days before entering into an election administration agreement.
3. Requires the person to update the certification annually and to update the initial certification and sworn statement within five business days of obtaining new information that was initially unknown.
4. Classifies, as a class 1 misdemeanor, the failure of a person to provide an accurate initial or updated certification to the SOS before entering into an agreement with a government entity to provide election administration related goods or services.
5. Invalidates any agreement with a state, county or local government entity for election administration if the person fails to provide accurate certification as outlined.

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6. Prohibits a state, county or local government entity from entering into or continuing any agreement for election administration with a person that fails to provide accurate certification as outlined.
7. Allows the Attorney General to file an action relating to a person's failure to provide an initial, accurate or updated certification.
8. Allows the Attorney General to request for an injunction, damages of at least \$5,000 for each violation and any other relief provided by the court when bringing forth an action, in addition to the outlined penalties.
9. Allows any qualified elector or state officer to initiate a civil action to enjoin a certification violation and enforce any requirement relating to disclosure of foreign donation certifications.
10. Requires the court to award a prevailing claimant:
 - a) injunctive relief sufficient to prevent a person from engaging in further violating or aiding or abetting violations relating to foreign donation certifications;
 - b) damages in the amount of \$1,000 per day from the date of noncompliance until the person comes into compliance; and
 - c) costs and attorney fees.
11. Requires the SOS to:
 - a) maintain records of the certifications and to post the certifications on the SOS's website;
 - b) require government entities to provide the SOS a quarterly report of all persons who provide monies or in-kind goods and services for election administration to the government entity; and
 - c) audit the quarterly reports periodically to ensure compliance with the certification requirement.
12. Specifies that the remedies, duties, prohibitions and penalties associated with a person's foreign donation certification to the SOS are in addition to any other cause of action, remedy or penalty as provided under Arizona law.
13. Defines *person* as an individual, candidate, corporation or other entity or committee as prescribed by statute.
14. Becomes effective on the general effective date.

Prepared by Senate Research

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