

INITIATIVE PETITION FOR A LAW

Be it enacted by the People, and by their authority:

An Act Prohibiting Political Spending by Foreign-Influenced Business Entities

SECTION 1. Section 1 of Chapter 55 of the General Laws is hereby amended by inserting the following additional definitions:

“Business entity”, a for-profit corporation, company, limited liability company, limited partnership, business trust, business association, or other similar for-profit business entity.

“Chief executive officer”, the highest-ranking officer or individual of a business entity having authority to make decisions regarding a business entity’s affairs.

“Foreign-influenced business entity”, a business entity that meets at least one of the following conditions:

- (1) A single foreign investor holds, owns, controls, or otherwise has direct or indirect beneficial ownership of one per cent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the business entity;
- (2) Two or more foreign investors, in aggregate, hold, own, control, or otherwise have direct or indirect beneficial ownership of five per cent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the business entity; or

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(3) A foreign investor 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; or

(4) The business entity is directly or indirectly controlled by a business entity meeting at least one of the conditions in subparagraph (a), (b), or (c).

"Foreign investor", a person or entity that:

(1) Holds, owns, controls, or otherwise has direct or indirect beneficial ownership of equity, outstanding voting shares, membership units, or other applicable ownership interests of a business entity; and

(2) Is:

(a) A government of a foreign country; or

(b) A foreign political party; or

(c) An individual outside the United States who is not a citizen of the United States or a national of the United States and who is not lawfully admitted for permanent residence; or

(d) A business entity that is organized under the laws of or having its principal place of business in a foreign country; or

(e) A business entity in which a person or entity described in subparagraphs (a)-(d) holds, owns, controls, or otherwise has directly or indirectly acquired a

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beneficial ownership of equity or voting shares in an amount that is equal to or greater than fifty per cent of the total equity or outstanding voting shares.

SECTION 2. Section 8 of Chapter 55 of the General Laws is hereby amended by inserting after the second paragraph the following new paragraphs:

No foreign-influenced business entity shall make an independent expenditure, or an electioneering communication expenditure, or a contribution to an independent expenditure PAC as defined in Section 18A, or a contribution to a ballot question committee, or an expenditure for the purpose of promoting or opposing a charter change, referendum question, constitutional amendment, or other question submitted to the voters, nor make a contribution or donation to any other person that is earmarked for such purposes.

For purposes of this section, a contribution or donation is earmarked if the contribution or donation is made under any of the following circumstances:

(1) The person receiving the contribution or donation solicited the contribution or donation for the purpose of making an independent expenditure, or an electioneering communication expenditure, or a contribution to an independent expenditure PAC as defined in Section 18A, or a contribution to a ballot question committee, or an expenditure for the purpose of promoting or opposing a charter change, referendum question, constitutional amendment, or other question submitted to the voters, requested

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the contributor to expressly consent to such use, and the contributor consents to such use;
or

(2) The contribution or donation was made subject to a condition or agreement with the contributor that all or a portion of the contribution or donation would be used to make an independent expenditure, or an electioneering communication expenditure, or a contribution to an independent expenditure PAC as defined in Section 18A, or a contribution to a ballot question committee, or an expenditure for the purpose of promoting or opposing a charter change, referendum question, constitutional amendment, or other question submitted to the voters; or

(3) After the contribution or donation was made, the contributor and the person receiving the contribution or donation reached a subsequent agreement that all or a portion of the contribution or donation would be used to make an independent expenditure, or an electioneering communication expenditure, or a contribution to an independent expenditure PAC as defined in Section 18A, or a contribution to a ballot question committee, or an expenditure for the purpose of promoting or opposing a charter change, referendum question, constitutional amendment, or other question submitted to the voters.

(4) Notwithstanding subparagraphs (2) and (3), dues, assessments, fees, and similar payments made to a membership organization in an amount less than five hundred dollars

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(\$500) per calendar year from a single source for the purpose of making contributions or expenditures shall not be considered earmarked.

Any business entity that makes an independent expenditure, or an electioneering communication expenditure, or a contribution to an independent expenditure PAC as defined in section 18A, or a contribution to a ballot question committee, or an expenditure for the purpose of promoting or opposing a charter change, referendum question, constitutional amendment, or other question submitted to the voters, or a contribution or donation to any other person that is earmarked for such purposes, shall, within 7 business days after making such expenditure or contribution, file with the director, a statement of certification, signed by the chief executive officer under penalty of perjury, avowing that, after due inquiry, the business entity was not a foreign-influenced business entity on the date such expenditure or contribution was made. For purposes of the statement of certification, a business entity shall ascertain beneficial ownership in a manner consistent with chapter 110D or 110E, or, if the business entity is registered on a national securities exchange, as set forth in Sections 240.13d-3 and 240.13d-5 of Title 17 of the Code of Federal Regulations.

Upon request of the recipient, a business entity shall provide, within seven days of the request, a copy of the statement of certification to any other person to which the business entity provides a contribution. The recipient of such a contribution shall be entitled to rely in good faith on the statement of certification unless the recipient has actual knowledge that the statement of certification is false.

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SECTION 3. The provisions of this Act are severable, such that, if any clause, sentence, paragraph or section of the Act, or an application thereof, shall be adjudged by any court of competent jurisdiction to be invalid, such adjudication shall not affect, impair, or invalidate the remainder of any clause, sentence, paragraph or section thereof and shall be confined in its operation to such clause, sentence, paragraph, section or application adjudged invalid.

SECTION 4. This Act shall take effect on August 1, 2025.

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The undersigned qualified voters of the Commonwealth of Massachusetts have personally reviewed the final text of this initiative petition, fully subscribe to its contents, agree to be one of its original signers and have signaled that agreement by initialing each page, and hereby submit the measure for approval by the people pursuant to Article 48 of the articles of amendment of the Constitution of the Commonwealth of Massachusetts, as amended by Article 74 of said articles of amendment.

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15. Melissa Ludtke

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18. Catherine C.

9. Michael S. Selts

19. Paul J. Catt

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