
THIRD READING

Bill No: AB 953
Author: Pacheco (D) and Alanis (R)
Amended: 7/2/25 in Senate
Vote: 27

SENATE ELECTIONS & C.A. COMMITTEE: 5-0, 7/1/25
AYES: Cervantes, Choi, Allen, Limón, Umberg

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 71-0, 5/23/25 (Consent) - See last page for vote

SUBJECT: Political Reform Act of 1974: contributions and expenditures by foreign nationals

SOURCE: California Fair Political Practices Commission

DIGEST: This bill prohibits a foreign national, other than a Deferred Action for Childhood Arrivals (DACA) recipient, from making campaign contributions or expenditures in state and local elections.

ANALYSIS:

Existing law:

- 1) Prohibits a foreign government or foreign principal from making a contribution, expenditure, or independent expenditure in connection with the qualification, support of, or opposition to a state or local ballot measure or the election of a candidate to state or local office.
- 2) Prohibits a person or campaign committee from soliciting or accepting a contribution from a foreign government or foreign principal in connection with the qualification, support of, or opposition to a state or local ballot measure or the election of a candidate to state or local office.

3) Defines a foreign principal as:

- a) A foreign political party.
 - b) A person outside of the United States (U.S.), unless the person is an individual and a U.S. citizen or the person is not an individual but is organized under U.S. federal or state law and has its principal place of business in the U.S.
 - c) A partnership, association, corporation, organization, or other combination of persons organized under the laws or having its principal place of business outside of the U.S.
 - d) A domestic subsidiary or a foreign corporation, if the decision to contribute or expend is made by an officer, director, or manager of the foreign corporation who is neither a U.S. citizen nor an admitted permanent resident.
- 4) Makes the violations of these prohibitions a misdemeanor punishable by a fine equal to the amount contributed or expended.

This bill:

- 1) Expands the prohibitions on contributions and expenditures in 1) and 2) of existing law above to foreign nationals.
- 2) Defines “foreign national” as a person who is not a citizen of the United States and who is not a lawfully admitted permanent resident.
- 3) Excludes from foreign national a person who has been granted deferred action that has not expired under DACA.

Background

California Political Reform Act. Proposition 9, which appeared on the June 1974 ballot, created the California Political Reform Act (PRA) and established California’s campaign finance and disclosure laws for state and local campaigns, candidates, officeholders, and ballot measures. Prop 9 created the Fair Political Practices Commission (FPPC) to implement, administer, and enforce the PRA. Among its enforcement authorities, the FPPC in general may impose administrative penalties of up to \$5,000 per violation of the PRA. The PRA also provides for civil penalties through civil actions brought by the FPPC or a district attorney or an elected city attorney.

Federal Law, Foreign Campaign Spending, and Previous Legislation. Federal law prohibits foreign nationals from making contributions in connection with federal, state, and local elections. According to information from the Federal Elections Commission (FEC), Congress first enacted this ban in 1966 as part of a statute intended to minimize foreign intervention in U.S. elections. The federal law included registration requirements for the agents of foreign principals and a general prohibition on political contributions by foreign nationals. In 1974, the FEC was given jurisdiction over its enforcement and interpretation.

Until 2002, the federal restrictions on contributions by foreign nationals specifically applied to contributions made “in connection with an election to any political office.” Due to that language, the FEC asserted that federal law did not restrict foreign nationals from making contributions or expenditures related exclusively to ballot measures. In 2002, the federal government amended the restriction on foreign contributions to make it applicable to any contribution made “in connection with a Federal, State, or local election” and thus, to apply to ballot measures.

California legislation. In 1997, the Legislature passed and Governor Pete Wilson signed SB 109 (Kopp, Chapter 67, Statutes 1997) to prohibit foreign governments or foreign principals from making contributions, expenditures, or independent expenditures in connection with state or local ballot measures. SB 109 did not seek to regulate foreign contributions made in connection with elections for office because federal law already prohibited such contributions. Instead, SB 109 was limited to foreign spending in connection with ballot measure elections, thereby restricting foreign spending that was not covered by federal law at that time. In 2000, the Legislature passed and Governor Davis signed AB 746 (Papan, Chapter 349, Statutes of 2000) to clarify that the ban on foreign contributions and expenditures did not apply to U.S. citizens living abroad.

In 2021, AB 319 (Valladares, Chapter 313 Statutes of 2021) expanded the PRA to also ban foreign contributions and expenditures in candidate elections, as described in existing law above.

The differences between state and federal law. State and federal law differ, however, in one important respect. While federal law prohibits contributions and expenditures by individuals who are not citizens or nationals of the U.S. and who are not lawfully admitted for permanent residence in the U.S., state law allows contributions or expenditures by individuals who are legally present in the U.S., even if those individuals are not legal permanent residents.

Comments

Author's Statement. Our democracy is facing significant challenges, including threats from foreign influence in our elections, undermining our ability to govern ourselves and make independent decisions. Under current law, there are no restrictions prohibiting foreign nationals while in California from making monetary contributions or expenditures to support or oppose ballot measures. State law permits a foreign national to enter the country and make a contribution, expenditure, or independent expenditure in connection with a ballot measure, even though that person would be prohibited from making the contribution or expenditure if they were located outside of the United States. This bill closes this critical gap by prohibiting foreign nationals from making contributions or expenditures related to state and local ballot measures, regardless of their physical location.

Related/Prior Legislation

AB 319 (Valladares, Chapter 313, Statutes of 2021) prohibits contributions, expenditures, and independent expenditures by foreign governments and foreign principals in connection with state and local candidate elections.

AB 746 (Papan, Chapter 349, Statutes of 2000) clarified the definition of “foreign principal” to permit U.S. citizens living abroad to continue to make contributions to ballot measure campaigns.

SB 109 (Kopp, Chapter 67, Statutes of 1997) prohibited foreign governments and foreign principals, as defined, from making contributions, expenditures, or independent expenditures in connection with state or local ballot measures.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT: (Verified 7/14/25)

California Fair Political Practices Commission (Source)

OPPOSITION: (Verified 7/14/25)

None received

ARGUMENTS IN SUPPORT:

This bill's sponsor, the FPPC, writes in support:

Because the definition of “foreign principal” in state law is centered on the location of the individual (outside the United States), state law permits a foreign national to enter the country and make a contribution, expenditure, or independent expenditure in connection with a ballot measure, even though that person would be prohibited from making the contribution or expenditure if they were located outside of the United States. Ballot measures can add to, significantly change, or repeal the very laws that govern Californians. Foreign interference in state and local laws poses a threat to our stability and democracy. [This bill] would close this gap in state law to prohibit a foreign national from making a contribution, expenditure, or independent expenditure in connection with a state or local ballot measure, consistent with state and federal law that prohibits foreign nationals from making contributions or expenditures in connection with candidates.

ASSEMBLY FLOOR: 71-0, 5/23/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas

NO VOTE RECORDED: Bryan, Chen, Ellis, Nguyen, Sanchez, Schultz, Sharp-Collins, Wicks

Prepared by: Carrie Cornwell / E. & C.A. / (916) 651-4106
7/17/25 11:25:04

**** END ****