Important Law Changes
Pursuant to Public Act 24-28

During the 2024 legislative session, the legislature passed Public Act 2024-28 into law, which prohibits foreign nationals from making contributions or expenditures under the state's campaign finance laws. Additionally, the Act prohibits a person from soliciting, accepting or receiving a contribution or covered transfer from a foreign national. The definition of foreign national under the Act includes a foreign national individual and an entity in which, *inter alia*, a foreign national has direct or indirect beneficial ownership of at least five percent.[1] These prohibitions also apply to spending on referendum questions.

Any person found in violation of these provisions is subject to a civil penalty of up to $2,000 per violation or twice the amount of any improper payment or contribution, whichever is greater. If the violation is done knowingly and willfully, it is a class D felony.

Additionally, the Act requires registration statements of committees established by persons (other than human beings) and independent expenditure reports filed by persons (other than individuals) to include a certification that the person making the expenditure is not a foreign national. Complaints filed with the SEEC concerning foreign national spending are exempt from the statutory one-year deadline for the commission to adjudicate complaints.

Please note that this summary is not a substitute for the law and readers are encouraged to read the relevant portions of Public Act 24-28. The Office of Legislative Research's Bill Analysis, which is *available on the Connecticut General Assembly website, also provides a summary of the Act.*

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[1] Foreign national under the Act is defined as:
"(A) A foreign principal and any agent or sperate segregated fund of a foreign principal; (B) An individual who is not (i) a citizen of the United States, (ii) a national of United States, or (iii) lawfully admitted for permanent residence; or (C) A firm, partnership, corporation, association, organization or other entity: (i) With respect to which a foreign owner or a person described in subparagraph (A) or (B) of this subdivision holds, owns, controls or otherwise has a direct or indirect beneficial ownership of at least five percent of such entity's total equity or outstanding voting shares; (ii) With respect to which two or more, in combination, foreign owners or persons described in subparagraph (A) or (B) of this subdivision hold, own, control or otherwise have a direct or indirect beneficial ownership of at least twenty per cent of such entity's total equity or outstanding voting shares, excluding interests held in a widely held, diversified fund; (iii) With respect to which a foreign owner or individual described in subparagraph (A) or (B) of this subdivision, as applicable, of this subdivision participates directly or indirectly in decisions to engage in any activity subject to the provisions of chapter 155 or 157; (iv) That is exempt from taxation under Section 501(c)(4) of the Internal revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time and with respect to which at least twenty percent of the income received by such entity in the most recent taxable years derives from one or more foreign owners."