

# **2025 STATE THREATS** TO **DONOR PRIVACY** AND **NONPROFIT ADVOCACY:** RISKS INCREASE AFTER HEATED ELECTION SEASON

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In an era of weaponized government and political polarization, privacy has never been more important – or more endangered. Nowhere is this more evident than in the nonprofit community. Across the country, legislative and regulatory efforts in **34 states** threaten to expose Americans' private donations to nonprofit causes. In this memo, People United for Privacy Foundation (PUFPF) details the range and nature of those threats. Our forecast is based on an analysis of current and past legislation, regulatory proposals, and statements by public officials. We aim to be as comprehensive as possible, but new threats can arise at any time.

# **KEY FINDINGS**

- A growing number of states are experiencing donor privacy threats. 34 states are included in this year's report, up from <u>31 states in 2024</u>. That fits a historical pattern: legislative sessions following election years typically witness increased activity. That is especially true of donor privacy threats, which are often motivated by elected officials' hurt feelings over criticism on the campaign trail.
- **Party control isn't predictive.** Of the 34 states featured in this report, 14 have legislatures controlled by **Democrats**, another 14 have **Republican**-controlled legislatures, and 6 feature **split** control, whether between chambers or dividing the legislature and the Governor. No matter who holds power, donor privacy can come under attack because threats are motivated by retribution, not ideology.
- Anti-privacy politicians try, try, and try again. Where threatening proposals have failed in the past, they are likely to reappear in the future. States that have considered donor disclosure legislation in recent years, therefore, are prime candidates for future threats.
- Arizona sets the stage for the next big legal battle. Following the passage of the Arizona "Voters' Right to Know Act" in 2022 via Prop 211, several other states have explored copycat legislation or regulatory proposals. The law, which is designed to expose many nonprofit donors, may ultimately lead to the next landmark constitutional challenge to donor disclosure mandates.

# UNDERSTANDING THE THREAT

Donor privacy is a foundational element of free speech and civic engagement. Throughout American history, citizens have relied on the right to donate anonymously to support causes they believe in without fear of retaliation. The Supreme Court has repeatedly affirmed the necessity of donor privacy, recognizing that forced disclosure can lead to harassment, retaliation, and the silencing of important voices in public debate.

Nevertheless, politicians and regulators continually seek new schemes and justifications to enable donor exposure. These proposals undermine constitutional rights and chill free speech by publicly revealing the names and addresses of donors to groups that criticize public officials or comment on policy issues. Disclosure forces nonprofits to make a terrible choice: Sacrifice your right to speak about the government or sacrifice your members' right to privacy. An analysis of current proposals threatening donor privacy rights reveals several trends.

**Retaliation and Retribution.** Many disclosure proposals are driven by a crude desire to retaliate against nonprofits that criticize powerful elected officials. This impulse, seemingly irresistible to both Democrats and Republicans, accounts for a sizable portion of donor privacy threats each year. Following a heated 2024 campaign season, the threat of retaliatory disclosure laws is especially high in 2025. Prime examples of such threats can be found in Idaho, Illinois, Missouri, Nebraska, New Jersey, Virginia, and Wyoming – to name just a few states.

Arizona-Style "Original **Source**" **Disclosure.** Another increasingly common threat to donor privacy originates from proposals modeled after Arizona's "Voters' Right to Know Act," adopted via Prop <u>211</u> in 2022. This <u>scheme</u> compels the exposure of nonprofit donors - and their donors' donors, what proposals often label an "original source" when groups voice opinions on public policy debates and legislative matters. This ploy bypasses a 2021 Supreme Court ruling protecting donor privacy and may ultimately lead to the next major case on disclosure. In the meantime, the law's vague



<u>language</u> and expansive <u>regulatory powers</u> pose <u>severe risks</u> to any nonprofit that engages on legislative issues or comments on the actions of elected officials. Since Prop 211's passage, anti-privacy extremists have attempted to export their scheme elsewhere – most notably in **Hawaii**, **Maine**, **Minnesota**, **North Dakota**, and **Oklahoma**.

**Opportunistic Politicians.** Threats to donor privacy can also arise from poor drafting or opportunistic amendments attached to legislation on related topics. For this reason, PUFPF also monitors proposals related to campaign finance, ethics and lobbying laws, and foreign interference in elections. These bills must be evaluated on a case-by-case basis to determine whether they put nonprofit donors at risk. When caught early in the process, these proposals can often be amended to respect donor privacy without jeopardizing their broader intentions.

The memo's findings reinforce a longstanding truth about donor privacy rights: Neither Republican nor Democratic state government control guarantees safety. As in previous years, PUFPF's 2025 threat memo includes numerous red, blue, and purple states. Reliably conservative states like **Mississippi** and **Montana** can be found alongside progressive strongholds like **California** and **New York**. There is also no geographic pattern to donor privacy threats. They arise in states ranging from **Alaska** to **Florida** and from **New Hampshire** to **New Mexico**.

Fortunately, most of the legislation discussed in this memo is likely to fail or develop in such a way that donor privacy is not implicated. However, in today's increasingly volatile political climate, donor exposure mandates represent a potentially potent tool for would-be censors to silence speech and inflict harm on their political opponents. All nonprofits, regardless of their mission, must be on guard for harmful proposals in their state.

Despite the many pending threats to donor privacy, there are positive developments as well. As of 2024, <u>20 states</u> have passed proactive privacy protections for nonprofit donors through the Personal Privacy Protection Act. This policy, which has received bipartisan – and increasingly even unanimous – support, prohibits state agencies and officials from making unwarranted demands or disclosures relating to nonprofit members' personal information.

People United for Privacy Foundation will actively monitor all 50 states to provide the best possible information and analysis on donor privacy threats in legislation and regulatory proposals. Importantly, this memo does not catalog every threat, and new or intensified threats can emerge at any time. In particular, 16 states are not covered in this memo. Those states – Alabama, Arizona, Arkansas, Indiana, Iowa, Kentucky, Louisiana, Nevada, North Carolina, Rhode Island, South Dakota, Tennessee, Utah, Vermont, West Virginia, and Wisconsin – may consider bills that threaten the privacy of nonprofit members and supporters, but PUFPF cannot predict a credible threat at this time. Due diligence should be exercised to monitor and respond to harmful legislation. Questions in your state? Contact us at: <a href="https://unitedforprivacy.com/contact-us/">https://unitedforprivacy.com/contact-us/</a>.

# 2025 STATE-BY-STATE ANTICIPATED DISCLOSURE THREAT ASSESSMENT

**Alaska (Nonprofit Donor Disclosure for Initiative/Referendum/Recall Campaign Advocacy Legislation):** In 2023, then-House Minority Leader Calvin Schrage (Unaffiliated), joined by Representatives Alyse Galvin (Unaffiliated) and Rebecca Himschoot (Unaffiliated), introduced <u>H.B. 36</u>, which would have required disclosure of donors to individuals and groups, including nonprofits, that engage in advocacy supporting or opposing an application for an initiative, referendum, or recall election. That bill carried over to the 2024 session but failed to receive a hearing. Given recent complaints from conservatives about the role of so-called "dark money" and out-of-state spending from progressive interests advocating for 2024 and <u>potential</u> 2026 ballot measures, lawmakers may seek to advance legislation similar to H.B. 36 of 2023 during the 2025 session.

California (Electioneering Communication-Style Reporting for Issue Advocacy, "Foreign-Influenced **Corporation**," and **Expanded Coordination Legislation/Regulation**): In 2023, the Senate unanimously passed S.B. 724, a brazen disclosure bill that an Assembly Elections Committee analysis noted "raises significant constitutional concerns and could be susceptible to a challenge on the grounds that it violates the guarantees of free speech and freedom of association under the United States (US) Constitution." The analysis further warned lawmakers that, "[gliven the broad applicability of this bill, it remains uncertain whether a court would find a substantial relation between its disclosure requirements and a sufficiently important governmental interest" – the precise test the Supreme Court outlined in its 2021 Americans for Prosperity Foundation v. Bonta decision striking down a California disclosure regulation. As passed by the Senate, the bill would have applied disclosure requirements to communications published within 150 days of an election that mention an elected official "with the intent to influence the officer or public opinion." Despite legal concerns, the Assembly Elections Committee passed the bill unanimously. After an Assembly Appropriations Committee <u>analysis</u> raised similar concerns, the bill's author amended S.B. 724 to cover communications that "educate[] the public about the previous votes cast by the elected state officer or about the source of campaign donations received by the elected state officer." Ultimately, the bill automatically carried over to the 2024 session but did not receive a vote in the Assembly Appropriations Committee and died upon the Legislature's adjournment. • Another bill that died in 2024, A.B. 83, sought to ban so-called "foreign-influenced business entities" from engaging in any advocacy related to a ballot measure or election. The bill defined "foreign-influenced business entity" as any company with as little as 1% of its equity owned by a "foreign principal" or 5% or more owned, in aggregate, by multiple "foreign principals." The ban on speaking about candidates and policy issues on the ballot would have applied to many nonprofits that receive donations from American businesses. • While both bills are likely to be reintroduced in 2025, another emerging issue warrants close scrutiny for its potential impact on nonprofits. After a multi-year investigation, the California Fair Political Practices Commission (FPPC) recently approved an innovative fundraising strategy orchestrated by a like-minded network of nonprofits that support pro-business candidates. Despite the legality of this tactic, labor interests and their allies in the Legislature are alarmed and may seek to pass legislation or advocate for expanded FPPC "coordination" regulations in the 2025-2026 biennium that outlaw the novel practice.

**Colorado** (Possible Secretary of State-Requested Nonprofit Donor Disclosure Legislation): The progressive Colorado General Assembly has routinely flirted with – and increasingly passed – nonprofit donor disclosure legislation. In 2019, it was a lite-version of Congressional Democrats' draconian H.R. 1, introduced at the behest of Secretary of State Jena Griswold (D), that made the state's disclaimer requirements more aggressive (H.B. 19-1318). Another successful 2019 proposal extended the state's "electioneering communication" window, during which organizations must run disclaimers and otherwise disclose certain donors, to encompass periods *between* elections, rather than just shortly before a particular election (S.B. 19-068). In 2021, it was the "Preventing Foreign Influence Act" (S.B. 21-177), which defined the term "foreign-influenced corporation" and prohibited such entities from engaging in issue speech and political advocacy. Fortunately, unlike the 2019 bills, that 2021 effort (also backed by Secretary Griswold) failed. In 2022, Democrats and Republicans united to pass a measure late in session, S.B. 22-237, that clarified when groups engaged in ballot measure advocacy must report to the state in similar fashion to PACs. Legislative negotiations resulted in a somewhat more carefully written measure, but its overall

impact remained detrimental to nonprofit advocacy and donor privacy. 2023 saw the signing of a bill clarifying the "independent expenditure committee" definition (<u>S.B. 23-276</u>), while 2024 featured the passage of non-threatening <u>clean-up legislation</u> (<u>S.B. 24-210</u>) and a <u>significant *unanimous* victory</u> for donor privacy advocates (<u>S.B. 24-129</u>). Yet, it remains plausible that Secretary Griswold will pursue wide-ranging legislation in 2025 that may harm citizen privacy. Nonprofits and their supporters must stay vigilant.

**Connecticut (Potential Nonprofit Donor Disclosure Legislation):** Though no notable privacy threats emerged in the 2024 session, the Connecticut General Assembly is a repeat offender with a history of considering bills that threaten the privacy of nonprofit donors. Examples abound from the 2019, 2020, 2022, and 2023 sessions, though lawmakers' interest appears to have cooled a bit recently. Regardless, privacy proponents should closely monitor the General Assembly for the duration of the 2025 session.

**Delaware (Campaign Finance Enforcement Legislation):** Following <u>recent efforts</u> in the General Assembly to change campaign finance law enforcement procedures, Attorney General Kathy Jennings (D) is encouraging lawmakers to make additional changes to the state's campaign finance statutes in 2025. Rep. Eric Morrison (D), who sponsored two such campaign finance bills in 2024 (<u>H.B. 291</u> and <u>H.B. 292</u>), has indicated his intent to seek more changes to the law this session. One such bill has already been reintroduced by Morrison, again as <u>H.B. 292</u>. While neither Attorney General Jennings nor Rep. Morrison have suggested pursuing legislation to expose donors to nonprofits, any effort aimed at broadening campaign finance disclosure requirements or increasing scrutiny of political activity has the potential to impact the speech and privacy rights of nonprofits and their supporters, whether intentionally or not, and should be monitored accordingly.

Florida (Nonprofit Foreign Donation Reporting/Ban and Third-Party Litigation Financing Disclosure Legislation): Legislation banning nonprofits from accepting donations from particular sources always carries the risk of introducing donor disclosure mandates. Such requirements may end up in the bill text or could be implemented by those tasked with enforcement. Identical companion bills H.B. 1327 and S.B. 1458 of 2024, both of which died in committee, sought to ban nonprofits from accepting "anything of value, including contributions or any other assistance, from a foreign source of concern." Though the bills did not explicitly require donor disclosure, the Department of Agriculture and Consumer Services would have been granted the authority to adopt new rules to enforce the ban, potentially leading to new donor disclosure requirements. The bills also tasked the Department with publishing an "Honest Services Registry" to provide Floridians "with the information necessary to make an informed choice when deciding which charitable organizations to support." Inclusion on the Registry would have required nonprofits to, "at a minimum," verify compliance with the ban and attest that "messaging and content is not directly or indirectly produced or influenced by a foreign source of concern." Instead of protecting against overly burdensome or invasive mandates, the "at a minimum" language invited the Department to pursue additional reporting requirements. In a new but related twist, two similar bills were pre-filed for the 2025 session, H.B. 583 and S.B. 766, that broadly define the term "foreign-supported political organization" to encompass any nonprofit that voices opinions on issues to the public and that receives any money or thing of value from a foreign source. Such groups are then required to register and report their donor information to the government. These sloppily-worded and far-reaching proposals will necessitate engagement from the nonprofit community this session. • Another potential threat to nonprofit donor privacy in 2025 is legislation imposing disclosure requirements triggered by third-party litigation financing. While such laws are generally aimed at those investing in lawsuits in exchange for a portion of fee awards or settlements, broadly written litigation financing disclosure bills may impact nonprofits engaged in pro bono and public interest legal work. Companion litigation financing bills were introduced in both chambers in 2024 as H.B. 1179 and S.B. 1276, but both measures ultimately died without a floor vote. In recognition of the inherent donor privacy concerns, each bill included language specifying that "litigation financing," as defined, does not include funding provided to a nonprofit providing pro bono representation under certain conditions. The committee substitute for S.B. 1276 further excluded funding provided *by* a 501(c)(3) nonprofit "to support the pursuit of litigation that does not seek compensatory damages in excess of \$100,000 or punitive damages." If any such bills targeting "foreign influence" or litigation financing reemerge in 2025, Florida lawmakers must include explicit privacy protections for American nonprofit donors.

**Georgia** (Secretary of State-Sponsored "Foreign Influence" Package): In early 2024, Secretary of State Brad Raffensperger (R) <u>urged lawmakers</u> to pass legislation to "prohibit foreign sources of funding from being used to influence elections, including campaigns for public office or any ballot measure being put before voters in Georgia." Lawmakers answered the Secretary's call via <u>S.B. 368</u>, which, as introduced, prohibited foreign nationals from contributing to candidates or campaign committees and required agents of foreign principals to register with the State Ethics Commissioner and disclose to government agencies and the General Assembly when such agents are advocating on behalf of a foreign principal. The <u>version that passed both chambers</u> extended the foreign national prohibition to independent committees and PACs. By the time S.B. 368 reached Governor Brian Kemp's (R) desk, the sponsor asked the Governor to <u>veto</u> the bill due to its expanded scope and unintended consequences. While Kemp's veto prevented this overbroad bill from becoming law, nonprofit advocates should be on the lookout for similar legislation in 2025.

Hawaii (Arizona Prop 211-Style "Original Source" Disclosure for Independent Spenders and "Foreign-Influenced Corporation" Regulation Legislation): S.B. 997, which was introduced in 2023 and designated for carryover to the 2024 session, would have required "noncandidate committees" (including certain nonprofits) making expenditures to include within regulated communications a disclaimer naming their "top three donors who directly or indirectly donated \$10,000 or more in original funds..." The bill also modified the existing definition of "expenditure" to include the vague and confusing regulatory standard of "[c]ommunications that advocate or support the nomination, opposition, or election of a candidate, *regardless of whether the communication expressly* advocates the election or defeat of a candidate." After hearing the bill in February 2023, the Senate Judiciary Committee deferred the measure without scheduling another hearing. While the Hawaii Campaign Spending Commission testified in opposition to S.B. 997, the Campaign Legal Center, an advocate for nonprofit donor disclosure measures, <u>submitted testimony</u> supporting the measure. Ultimately, no action was taken on the bill in 2024, but the measure has since been reintroduced in 2025 as <u>H.B. 1478</u>. That bill was dual referred to the House Judiciary and Hawaiian Affairs and House Finance committees and awaits action in each body. • Separately, lawmakers considered a bill last session, <u>S.B. 1179</u>, prohibiting a "foreign-influenced business entity," as defined, from making political expenditures and opining on policy issues. The bill also required noncandidate committees making only independent expenditures – including nonprofits forced to file as such under current law – to list top contributors within ads and obtain a statement of certification from each top contributor "avowing under penalty of periury that, after due inquiry, none of the funds contributed by the top contributor were derived from a foreign corporation or foreign-influenced business entity." Without a statement of certification from the contributor, the ad must instead include the following disclaimer: "Some of the funds used to pay for this message may have been provided by foreign or foreign-influenced businesses." S.B. 1179 passed the Senate and the House Judiciary and Hawaiian Affairs Committee with no opposition in 2023 but stalled in the House Finance Committee. Though the bill carried over to the 2024 session, no hearing was held prior to adjournment. Similar legislation is expected in the 2025 session.

**Idaho (Campaign Finance/Lobbying Law Amendments and Potential PAC-to-PAC Transfer Ban Legislation):** In early 2024, the Idaho Republican Party approved <u>Resolution 2024-14</u> "Condemning Dark Money in Idaho Campaign Finance" as a rebuke to ads criticizing some Republican candidates. Shortly after, former Senator Scott Herndon (R) introduced <u>S. 1218</u>, which would have required first-dollar disclosure of the name and home address of any individual donating *as little as a dollar* to a candidate, political committee, or any group making electioneering communications. Fortunately, S. 1218 failed on the Senate floor in a 12-22 vote in early February 2024. In March, Rep. Vito Barbieri (R) introduced <u>H. 744</u>, which included an expanded "electioneering communication" definition that "expressly includes electronic communications, website communications, electronic mailings, and social media posts..." referencing candidates and elected officials. That bill passed the House 46-24 but stalled in the Senate. Following May's primary elections, Republican lawmakers <u>expressed</u> similar frustrations with ads funded by non-candidates, particularly "out-of-state" speakers seeking to advance specific policy goals. Elected officials, including House Speaker Mike Moyle (R) and Secretary of State Phil McGrane (R), have since <u>indicated their intent</u> to <u>pursue legislation</u> targeting such advocacy through <u>H. 308</u> as well as a related bill (<u>H. 309</u>) amending Idaho's lobbying laws. Likewise, Senator Doug Okuniewicz (R) has <u>voiced interest</u> in

spearheading a bill to regulate PAC-to-PAC transfers as a means of fighting ballot measures championed by national groups. While those officials have not indicated plans to pursue new donor disclosure requirements, such efforts may attract amendments from lawmakers eager to force disfavored nonprofits to expose their donors.

**Illinois (Foreign National Spending Ban, Coordination Restrictions, and Ethics Legislation):** First introduced in 2023 by Senator Michael W. Halpin (D), <u>S.B. 290</u> sought to prohibit ballot initiative committees and independent expenditure committees from accepting contributions from foreign nationals "for the purpose of influencing any question of public policy to be submitted to the voters." Like similar bills introduced in other states, the direct impact of this measure on nonprofit advocacy and donor privacy would have depended largely on how such a ban was interpreted and enforced. Regardless, forcing nonprofits and their supporters to navigate that uncertainty would have an immediate chilling effect on civic engagement. While the bill never received a vote in the Senate, it did gain four Republican co-sponsors in 2024 and could return in the 2025 session. Increasing the risk of legislation in 2025 that could negatively impact nonprofit speech rights and threaten donor privacy, lawmakers have expressed broad interest in enacting more restrictive <u>campaign finance</u> and <u>coordination</u> statutes and Republicans, in particular, seek to make changes to Illinois' <u>ethics laws</u>. Unfortunately, regardless of the impetus for lawmakers' interest, nonprofits often appear in the crosshairs of such legislative efforts.

Kansas (Litigation-Inspired Campaign Finance Law Amendments): While legislative interest in broadly reviewing campaign finance laws always presents some risk to speech and privacy rights, the most recent reform effort in Kansas was motivated, in part, by lawmakers' shock after hearing about a local nonprofit's distressing experience with the Kansas Governmental Ethics Commission – and the litigation that followed. During the 2023 session, lawmakers formed a Special Committee on Governmental Ethics Reform, Campaign Finance Law to make suggestions to the Legislature for consideration in 2024. People United for Privacy (PUFP) submitted comments to the Special Committee, and the body issued a report in December 2023 with positive recommendations focused largely on addressing vague provisions in the law, echoing <u>PUFP's suggestions</u>. While the Legislature failed to act on those recommendations last year, courts prevented the Commission from enforcing aspects of the law in two separate decisions in late 2024 and early 2025, prompting lawmakers to take seriously the need to fix several unconstitutional provisions in the statute. Hopefully, lawmakers will heed the guidance provided by First Amendment advocates and the courts in 2025, instead of adopting the Commission's past legislative request to make the law even more vague and overbroad. In a positive sign, one such reform bill (H.B. 2206) has been introduced and quickly passed the House in mid-February to remedy shortcomings in Kansas law unearthed by recent litigation. The recent sudden resignation of the Commission's Executive Director, an avowed opponent of privacy and free speech, has renewed further optimism for reforms that will protect speech and privacy rights, but nonprofits will need to closely monitor the Legislature's ensuing deliberations.

Maine (Arizona Prop 211-Style "Original Source" Disclosure and Agency-Backed "Straw Donor" Legislation): L.D. 1590 (S.P. 621), a 2024 carryover bill first introduced in 2023 by Senator Richard Bennett (R), sought to introduce a dizzying array of disclosure and recordkeeping requirements that would have forced groups to not only publicly identify their own contributors but also their contributors' contributors – what the bill called "original funds." As a result, nonprofits would have been forced to disclose the names and addresses of their donors to any groups they contribute to in order for the recipient groups to include that information on their own reports. Furthermore, the recipient would have been required to include a disclaimer identifying the top-three sources of "original funds" within communications about candidates and issues on the ballot. The convoluted measure was backed by anti-privacy activists at the Campaign Legal Center and RepresentUs and modeled partially after <u>Arizona Prop 211</u>. After initially being recommended for passage as amended by the Joint Veterans and Legal Affairs Committee, the bill met fierce opposition from Maine nonprofits, including Maine Conservation Voters and Planned Parenthood. In January 2024, the Joint Committee heeded the nonprofit community's concerns and voted 10-3 to issue an Ought Not to Pass report. In late February, the full Senate voted to accept the Committee's recommendation in a 19-11 vote. Both Republicans and Democrats joined together to officially defeat the draconian bill. Despite bipartisan opposition to "original source" disclosure and a warning from the Attorney General that L.D. 1590's disclosure mandate may be unconstitutional, Sen. Bennett recently confirmed his intent to reintroduce the failed proposal in 2025. Separately, the Maine Commission on Governmental Ethics and Election Practices suggested a more insidious means of forcing nonprofits to expose the names and addresses of their supporters. In the agency's legislative recommendations for the 2025 session, the Commission implied that instances of nonprofits being listed as contributors on disclosure reports may actually be illegal "straw donations." Instead of suggesting legislation with an "original source" disclosure requirement, the Commission seeks significantly higher penalties for straw donor contributions. Publicly insinuating that any nonprofit making legal contributions to political committees will be suspected of facilitating an illegal straw donor scheme is likely to chill contributions from nonprofits. The Commission also asked lawmakers to codify an expansive definition of "public communication" to capture more nonprofit advocacy that would then trigger reporting and disclosure requirements. The agency's requests have already been introduced this session via L.D. 9 (S.P. 22).

Maryland ("Scam PAC" Solicitation, Nonprofit Oversight, and Third-Party Litigation Financing Disclosure Legislation): Companion bills introduced in late January this year, <u>H.B. 906</u> and <u>S.B. 633</u>, would mandate new disclaimers on fundraising communications by certain nonprofits. The legislation, known as the "Stop Scam PACs Act," would require nonprofits required to file reports under Maryland's campaign finance statute that fundraise "for what appears to be a charitable purpose" to include on every fundraising communication a disclaimer stating that donations "are not necessarily used for charitable purposes." The bills also grant the State Administrator of Elections new power to investigate potential violations of the disclaimer requirements. Both bills are scheduled for committee consideration in their respective chambers in late February and should be monitored closely. Entering 2025, a potential reintroduction of legislation similar to 2024's S.B. 262 should be monitored, if reintroduced, as it would grant the Secretary of State more power to oversee nonprofits, including through canceling (or reinstating) their charitable registration. The 2024 bill was introduced at the request of Secretary of State Susan C. Lee (D) and passed the Senate unanimously in February of last year before stalling in the House. Finally, <u>S.B. 985</u>, which regulates and compels disclosure of third-party litigation financing disclosure has been introduced and scheduled for a hearing in early March. Crucially, however, the introduced bill broadly exempts nonprofits engaged in public interest litigation from the measure's reach so long as the nonprofit satisfies certain conditions. With one-party control in Maryland, any threats that emerge in 2025 have the potential to become law.

Massachusetts (Top-Funder Disclaimers for Text Message Electioneering Communications, Issue Ad Archive, "Foreign-Influenced Corporation" Regulation, and Nonprofit Donor Disclosure Legislation); Three study orders authorized in 2024 portend legislation in 2025 that could have a significant impact on nonprofits engaging in issue advocacy in Massachusetts. Study Order H. 4733 instructed the Joint Election Laws Committee to investigate and make recommendations concerning, among other 2024 bills, <u>H. 672</u>, <u>H. 704</u>, and <u>H. 722</u>. H. 672 - reintroduced in draft form in 2025 as <u>HD.2561</u> - would expand the current definition of "electioneering communication" to include text messages and impose a "Top Contributors" disclaimer requirement on electioneering communications and independent expenditures sent via text message along with "communications purchased to influence or affect the vote" on a ballot question. Nonprofits engaging in such communications would be forced to list, within the text message, the names of the top five contributors who have given more than \$1,000 in the past year, "regardless of the purpose for which the funds were given." H. 704, reintroduced this year as HD.112, seeks to create an "online public archive for internet advertising electioneering communications," under which organizations engaging in issue speech would be required to provide a copy of every internet electioneering communication, demographic information about the target audience, and the organization's five largest contributors, "regardless of the purpose for which the funds were given." Nonprofits that trigger these additional disclosure requirements will be required to "certify under the pains and penalties of perjury that the expenditure was paid for exclusively by United States citizens." This legislation is aimed directly at nonprofit speech, as the bill text explicitly exempts political committees, including candidates' campaign committees, from its requirements. H. 722, reintroduced in 2025 as HD.984, would prohibit a so-called "foreign-influenced corporation" – defined as any company with as little as 1% of its equity owned by a "foreign owner" or 5% owned, in aggregate, by multiple "foreign owners" - from making any contributions or expenditures related to candidates or ballot questions. A 2024 Study Order, <u>S. 2655</u>, authorized consideration of <u>S. 430</u>, a "foreign-influenced corporation" companion to H. 722. S. 430 has been introduced as draft bill SD.1152 in the 2025 session. Finally, 2024 Study Order H. 4923

authorized lawmakers to study reintroduction of <u>H. 676</u>, which would have mandated that individuals in a "major policymaking position," which includes certain government employees, disclose any contributions over \$1,000 to 501(c)(3), 501(c)(4), 501(c)(5), and 501(c)(6) nonprofits that make electioneering communications, support or oppose ballot questions, speak about candidates, or give to other groups that engage in such activity. No such draft bill has been introduced to date in the 2025 session, but similar legislation is anticipated.

Michigan (Candidate-Connected 501(c)(4) Registration and Disclosure Legislation): After bringing charges against former Michigan Speaker of the House Lee Chatfield (R) for misusing nonprofit funds last April, Attorney General Dana Nessel (D) urged lawmakers to expand state laws governing political funds and donor disclosures. Both Nessel and Secretary of State Jocelyn Benson (D) had previously pressured Michigan lawmakers to pass legislation increasing regulation and oversight of nonprofits active in Michigan following similar charges brought against Chatfield's aides in late 2023. Benson has even called for expanding donor disclosure requirements for all nonprofits, not just those with connections to elected officials. The <u>overwrought rhetoric</u> following such charges for violations of existing law bordered on nonsensical. Nevertheless, House Democrats followed suit in the 2024 session with the introduction of a <u>seven-bill package</u> known as the "Bringing Reforms in Integrity, Transparency and Ethics (BRITE) Act." Two connected bills in that package, H.B. 5580 and H.B. 5582, would have required 501(c)(4) organizations with ties to candidates or elected officials to submit information about such affiliations to the Secretary of State for publication on the agency's website. Importantly, however, neither bill required any donor disclosure from such 501(c)(4)s, but House Democrats <u>pledged</u> during the BRITE Act's unveiling that such disclosures would be considered as a future policy. Both bills passed out of the House Ethics and Oversight Committee in December 2024 but never faced a House vote prior to adjournment. It's likely that Michigan officials will pursue various campaign finance law changes with an impact on nonprofits in 2025, but divided government may frustrate any such effort, as Republicans regained control of the House following the November elections.

Minnesota (Arizona Prop 211-Style "Original Source" Disclosure, Top-Funder Disclaimer, and Government-Funded Nonprofit Advocacy Ban Legislation): The Minnesota Legislature has been an extremely hostile climate for nonprofit advocacy and citizen privacy in recent years, and that trend is likely to continue in 2025. Last year, Governor Tim Walz (DFL) signed into law H.F. 4772, which, among other things, expanded reporting and disclosure requirements for "electioneering communications" to include online ads. This followed the 2023 enactment of an "electioneering communication" disclosure mandate that was introduced as H.F. 2337 and quietly added via amendment to a massive appropriations bill, H.F. 1830. Also in 2023, Governor Walz signed H.F. 3, a sweeping, speech-chilling package modeled after Congressional Democrats' failed H.R. 1 scheme. The law's various prohibitions on civic engagement by so-called "foreign-influenced corporations" were recently ruled unconstitutional under the First Amendment. As U.S. District Court Judge Eric C. Tostrud noted in the opinion, "[i]mportant here, the extent of foreign ownership necessary to trigger the statute's prohibitions is not great: a foreign ownership interest of as little as one percent may qualify." Unfortunately, some Senate DFL members have doubled down, recently introducing <u>S.F. 905</u>, which would institute <u>Arizona Prop 211-style</u> "original source" donor disclosure and recordkeeping requirements for nonprofits that mention candidates or ballot questions in their advocacy on policy issues. Furthermore, under S.F. 905, certain groups that distribute "campaign material," make "independent expenditures," or speak about a ballot question would be forced to include a disclaimer naming the top three donors of "original funds." The bill was referred to the Senate Elections Committee in early February, where it awaits further action. It's an open question whether S.F. 905 will have the votes to advance in the tied House, but the DFL-Senate seems a likely bet to consider the bill. • Republicans have recently introduced their own scheme via <u>H.F. 72</u> and <u>S.F. 996</u> that broadly prohibits any nonprofits that receive state funding, including through grants, from engaging in certain advocacy. In response, House DFLs proposed several failed amendments in committee that would have forced many groups to expose their donors. Neither bill is likely to pass in the bitterly divided Legislature, but these measures should be watched closely for any further unsavory amendments.

**Mississippi (Secretary of State and Attorney General-Supported Campaign Finance Law Amendment Package):** After receiving complaints about so-called "<u>dark money</u>" and out-of-state money in the previous year's elections, <u>Secretary of State Michael Watson</u> and <u>Attorney General Lynn Fitch</u> urged the Legislature to pass various

changes to the state's campaign finance laws in early 2024. Lawmakers <u>responded</u> with <u>S.B. 2575</u>, which, as introduced, rewrote key campaign finance definitions, increased donor disclosure requirements for giving to candidates, established a "coordinated expenditure" regulatory regime, gave the Secretary of State authority to impose penalties for violations, and created a new reporting system. That bill passed the Senate with amendments in March 2024 but ultimately died on the House Calendar without a vote. Similar legislation <u>was introduced</u> in omnibus (<u>S.B. 2658</u>) and standalone form (<u>S.B. 2651</u>) in the 2025 session, but both measures have since died, the former in committee and the latter on the Senate Calendar. Nevertheless, privacy advocates should be on alert for the introduction of additional legislation either as a standalone bill or via amendment in 2025 (or beyond) that may threaten nonprofit advocacy rights and Mississippians' privacy.

**Missouri (Out-of-State Donor Reporting and Nonprofit Donor Disclosure Legislation):** Republicans prefiled a <u>slew of legislation</u> for the 2024 session aimed at changing the initiative petition process in an effort to increase the difficulty of placing measures on the ballot. Some Republican lawmakers remain particularly concerned about out-of-state contributors to ballot initiative committees. For example, <u>S.I.R. 73</u> was a proposed constitutional amendment that, if approved by voters, would have increased reporting and donor disclosure requirements for committees advocating for an initiative petition proposing a constitutional amendment. The proposal also sought to tie the necessary threshold for voter approval to the percentage of sponsoring committees' contributions that were received from out-of-state sources. The measure was heard in the Senate Local Government and Elections Committee in late January 2024, received <u>significant opposition</u>, and the Committee never took further action. Looking ahead, the nonprofit community should closely monitor any 2025 bills that discuss ballot issues. ◆ Separately, a bill introduced this session, <u>H.B. 190</u>, seeks to impose campaign finance restrictions on nonprofits. Prior iterations of that bill in <u>2023</u> and <u>2024</u> failed without a hearing.

**Montana** (Potential Nonprofit Donor Disclosure Legislation): Ahead of the 2025 session, over 30 bill drafting requests, known in the Montana Legislature as "LC requests," were filed that *could* negatively impact nonprofit advocacy and/or donor privacy.<sup>1</sup> The Legislature publicizes the short title of LC requests along with the identity of the sponsor, the drafter, and the request's status, but the text of such efforts remains private until the bill is formally introduced. Many LC requests never see the light of day, but some advance through the drafting process to become a bill. Two LC requests submitted for the 2025 session should be monitored closely for potentially significant threats to donor privacy. The first, LC2800, requested by Senate Majority Leader Tom McGillvray (R), aims to "define dark money in political campaigns and require disclosure," according to the provided description. This draft was put on hold in mid-January, but its status could change at any time. The second, LC4127, requested by House Majority Whip Braxton Mitchell (R), was formally introduced as <u>H.B. 673</u> by Rep. Randyn Gregg (R) in late February and would supersede other disclosure laws to protect donor privacy for 501(c)(4) donors under \$1,000. While a welcome sign, this effort will need to be closely monitored throughout the process to guard against any objectionable disclosure amendments. Whether the aforementioned bill drafts are eventually introduced or not, the Republican majority is clearly interested in revising campaign finance laws to potentially require more disclosure and restrict nonprofit advocacy.

**Nebraska (Electioneering Communication Reporting/Disclosure and Nonprofit-Focused Legislation):** <u>L.B.</u> <u>9</u>, a bill introduced in 2023 by Senator Carol Blood (D) and carried over into the 2024 session, would have imposed an "electioneering communication" reporting and disclosure regime on nonprofits that voice opinions on public policy issues. More specifically, the measure sought to trigger donor disclosure for issue speech that mentioned an elected official seeking re-election or a pending ballot question if the communication occurred within thirty days of an election. The Senate Government, Military and Veterans Affairs Committee held a <u>hearing</u> on the bill in March 2023 but took no further action. During her testimony, Senator Blood <u>suggested</u> that exposing the names

<sup>&</sup>lt;sup>1</sup> Limited information on all such bill draft requests can be found at <u>https://bills.legmt.gov/</u>. In addition to the LC requests discussed above, the list of potentially relevant LC requests for the 2025 session includes the following: <u>LC0009</u>, <u>LC0341</u>, <u>LC0599</u>, <u>LC0742</u>, <u>LC0748</u>, <u>LC1032</u>, <u>LC1033</u>, <u>LC1693</u>, <u>LC1730</u>, <u>LC1807</u>, <u>LC2158</u>, <u>LC2160</u>, <u>LC2335</u>, <u>LC2336</u>, <u>LC2337</u>, <u>LC2476</u>, <u>LC2477</u>, <u>LC2569</u>, <u>LC2677</u>, <u>LC2783</u>, <u>LC2880</u>, <u>LC2881</u>, <u>LC2969</u>, <u>LC2970</u>, <u>LC2971</u>, <u>LC3057</u>, <u>LC3120</u>, <u>LC3772</u>, <u>LC3773</u>, and <u>LC3896</u>. Some of the aforementioned LC requests have been placed on hold by the sponsor, but a hold can be lifted at any time.

and addresses of nonprofit supporters was necessary to stop "negative ads" and "misinformation." In other words, curbing unwanted and disfavored speech was the bill's intent. The bill was indefinitely postponed in April 2024, and Senator Blood will not be serving in the 2025 session due to Nebraska's term limits. However, other lawmakers have shown interest in this <u>biennial legislation</u> and may seek to carry a similar bill in 2025. Another term-limited lawmaker, Senator Lou Ann Linehan (R), introduced <u>L.R. 384</u> in March 2024 "to study nonprofit organizations, their nonprofit status, the ways in which such organizations use their nontaxable income, and the ways in which such organizations use their nontaxable income for political purposes." This effort followed a February 2024 <u>letter</u> from Senator Linehan to the Nebraska Accountability and Disclosure Commission stating her "belief that non-profits are enabling a circumvention of at least the spirit of Nebraska's campaign finance disclosure laws if not explicitly violating them." As is routinely the case when lawmakers take aim at nonprofits, Linehan's complaints in the letter and during a September 2024 Senate Revenue Committee <u>hearing</u> focused exclusively on nonprofits that had opposed policies she supported. No action was taken after the hearing, but the spotlight on nonprofit advocacy efforts may lead to disclosure legislation from another senator in the 2025 session.

New Hampshire ("Coordinated Expenditure" Restriction Legislation): Campaign finance code revisions have become an annual tradition in the New Hampshire General Court. This has led to a seemingly endless cycle of frustration and calls for evermore tinkering among lawmakers. The latest changes, enacted in 2024 via H.B. 1091, altered key definitions in ways that expand the scope of speech that triggers onerous reporting and disclaimer requirements. Thanks to the associated compliance costs and enforcement uncertainties, these changes will likely have a weighty impact on nonprofits' willingness to engage in issue advocacy in New Hampshire. Fortunately, the new law retains the donor disclosure exemption for 501(c) organizations that trigger reporting requirements. However, the 2024 law also adds a disclaimer requirement forcing nonprofits to state within their communications that they have chosen not to disclose their donors. In keeping with tradition, lawmakers have already introduced a bill to make further alterations to the campaign finance statutes in 2025. H.B. 175, which received a hearing before the House Election Law Committee in mid-February, would enshrine regulations for newly defined "coordinated expenditures." If enacted, this bill would create new compliance challenges for nonprofits speaking about policy issues and new risks of politically motivated enforcement. Among other additions to the state's already expansive speech regulations, H.B. 175's proposed "coordination" rules include language stating that a communication that "refers to" a candidate or political party 120 days before a primary through the general election is "promoting the success or defeat" of a candidate or party. Under existing law, whether an organization's activities are considered to be "promoting" the "success or defeat" of a candidate or party has significant regulatory implications. In 2025, the General Court appears to be fertile ground once more for bills that risk creating new threats to nonprofit speech and privacy rights.

New Jersey (Disclosure Amendments to 2023 Campaign Finance Law): In 2023, Governor Phil Murphy (D) signed into law the "Elections Transparency Act," Democrats' overhaul of state campaign finance law that passed the Legislature with bipartisan support and opposition. That same year, the Election Law Enforcement Commission (ELEC) recommended several changes to the newly enacted law in its 2023 Annual Report, and House Republicans introduced a bill (A. 4431) in 2024 that includes some of those suggestions. Among other things, the GOP bill includes more stringent donor disclosure requirements for "independent expenditure committees" during specified pre- and post-election periods. Under current law – and under the bill – nonprofits that spend more than \$7,500 on speech about candidates or ballot questions are considered "independent expenditure committees," but crucially, donor disclosure is limited to only those donations given "for the purpose of furthering" [an] independent expenditure" under the Act – a critical privacy protection that A. 4431 would remove. Another such bill, <u>S. 2140</u>, was introduced in early January 2024. That measure, sponsored by Senator Joseph P. Cryan (D), proposes a mixed bag of changes to the state's "electioneering communication" and "independent expenditure" definitions and associated reporting requirements. Unlike A. 4431, however, S. 2140 has been introduced in identical form each session since 2019 and never once received a committee hearing. While neither bill received a hearing in 2024, both carried over to the 2025 session and could receive attention from lawmakers eager to hamstring the advocacy efforts of <u>so-called "dark money</u>" groups. This threat is even more palpable in The Garden State during an election year featuring a <u>contentious open race</u> for governor.

**New Mexico (Nonprofit Donor Disclosure Law Expansion Legislation):** Secretary of State Maggie Toulouse Oliver (D) <u>said</u> during an interim hearing in November 2024 that she would <u>suggest changes</u> to the Campaign Reporting Act (CRA) for the 2025 legislative session. At the meeting, lawmakers also indicated plans to introduce legislation impacting campaign finance reporting requirements. That warning came to pass in the form of <u>S.B. 85</u> from Senate Majority Floor Leader Peter Wirth (D), who first succeeded in muscling through <u>privacy-invasive</u> and <u>legally dubious</u> changes to the CRA in 2019. S.B. 85, which passed the Senate unanimously in mid-February and is <u>supported</u> by the State Ethics Commission, would worsen New Mexico's already <u>objectionable donor reporting</u> requirement for independent expenditures and issue speech and brazenly double down on the existing law, which is currently being challenged in court. If there's a silver lining, a similar effort was introduced by Senator Wirth in 2023 as <u>S.B. 42</u>, but that bill <u>suffered defeat</u> on the House floor in a <u>razor-thin vote</u>. Time will tell what fate lies ahead for S.B. 85, but privacy advocates and the nonprofit community in New Mexico should be <u>prepared for battle</u>.

**New York** ("Foreign-Influenced Corporation" Regulation and Potential Anti-Privacy Legislation): As the 2025 session unfolds, biennial legislation making an array of changes to New York's dreadful campaign finance laws is being reintroduced anew. For example, 2025 bills requiring additional occupation and employer information for PAC contributors to be disclosed on campaign finance reports (A. 3092/S. 1910) or banning contributions and expenditures by so-called "foreign-influenced business entities" (A. 1258/S. 324) are problematic in their own right but could also attract amendments from lawmakers interested in forcing nonprofits to identify their supporters. With respect to the latter set of companion bills, regardless of whether donor disclosure requirements are explicitly included in the text of "foreign-influenced corporation" bills, such legislation becoming law would lead to substantial compliance, enforcement, and privacy risks for nonprofit advocacy organizations in New York and potentially prohibit some organizations, especially trade associations, from participating in policy discussions. For better or worse, the 2023-2024 session saw companion measures introduced for the aforementioned legislation – <u>A. 6542/S. 2362</u> and <u>A. 2633/S. 371</u>, respectively – and all such bills died upon adjournment last year. However, the 2023-2024 bill requiring enhanced PAC disclosures, S. 2362, nearly passed the Senate while the "foreign-influenced business entities" legislation, S. 371, passed the upper chamber before dying without any action in the Assembly. The latter's 2025 counterpart, S. 324, quickly passed the Senate in mid-January of this year, but its fate in the Assembly remains unknown.

North Dakota (Arizona Prop 211-Style "Original Source" Disclosure, Campaign Finance Law Rewrite, and Potential "Foreign Influence Tax" Legislation): For the continued preservation of North Dakotans' First Amendment rights, it's probably best that the Legislative Assembly meets only every other year. Multiple bills modeled after Arizona's Prop 211 "original source" disclosure abomination have been introduced again this session and threaten to publicly expose Americans' names and home addresses when supporting nonprofit causes in the state. As is often the case with such schemes, the bills were introduced by lawmakers frustrated with nonprofit advocacy critical of their policy positions. The sponsors of two such "original source" disclosure bills in 2023, H.B. 1500 and S.B. 2312, openly admitted their intent was to deter nonprofit speech and expose the identities of their "enemies" (i.e., nonprofits critical of their policy positions and their donors). Rep. Mike Schatz (R) sponsored H.B. 1500 because he was "not real happy with" some mailers publicizing his vote on an education funding bill. Likewise, Sen. Jeff Magrum (R) introduced S.B. 2312 <u>because</u> he "need[s] to know who [his] enemies are." While both bills failed in 2023, they have been reintroduced in the 2025 session as H.B. 1286 and H.B. 1583. Fortunately, the first "original source" disclosure bill, H.B. 1286, failed on the House floor by a vote of 32-53 with 9 members absent or excused and not voting on February 13. The second, H.B. 1583, was reported out of committee with an amendment striking all "true source" disclosure language but retaining one section expanding existing state law criminalizing "false information in political advertisements" to social media and creating a private right of action for affected candidates. The amended legislation passed the House in mid-February, but the donor disclosure threat has subsided for now. • Another bill of note, <u>S.B. 2156</u>, passed the Senate in mid-February after being amended substantially in committee to rewrite the definition section in North Dakota's campaign finance code and adjust the associated reporting requirements. This amendment may be a response to H.B. 1529 of 2023, which was signed into law by former Governor Doug Burgum (R) and created an interim study on campaign finance reporting requirements with legislative recommendations to be delivered for the 2025 session.

Given the potential impact on nonprofits, S.B. 2156 warrants close scrutiny throughout the legislative process for any problematic amendments.  $\blacklozenge$  An additional scheme worth watching for in 2025 is the potential reintroduction of a so-called "foreign influence tax" proposal (at a rate of 90%) that would have required any "foreign influencer," defined as any non-North Dakota resident who "supports or opposes initiated measures in this state," to report to the tax commissioner any "support or opposition that can be quantified in a dollar valuation." That audacious measure, <u>H.B. 1452</u> of 2023, nearly passed the House, receiving simple majority support but not enough votes to satisfy the required constitutional majority.

**Ohio** (Possible Nonprofit Donor Disclosure Legislation): Seizing on a scandal involving already illegal activity for which a former House Speaker was convicted, lawmakers on both sides of the aisle have proposed legislation that would undermine nonprofit advocacy and privacy rights. Last session, Democratic lawmakers introduced the misleadingly short-titled "Ohio Anti-Corruption Act" (H.B. 112), which sought to expand the scope of Ohio's campaign finance law in order to mandate the exposure of nonprofit donors as a consequence of engaging in limited election-related advocacy. The House Government Oversight Committee heard the bill in April 2023, and while the proposal was carried over to 2024, no further action was taken. Under H.B. 112, issue-focused groups that do not exist primarily to engage in electoral advocacy would have been forced to publicly expose their donors who did not give for any election-related purpose. Not to be outdone, Republicans touted their own proposal aimed explicitly at forcing nonprofits to expose their supporters to public scrutiny. Their motivation was a <u>self-serving interest</u> in gaining access to organizations' donor lists and chilling nonprofit speech that dared to criticize their voting record. Fortunately, that bill was never introduced, but it remains to be seen what Democrats and Republicans propose in 2025. Nonprofits should stay on guard.

**Oklahoma** (Possible Arizona Prop 211-Style "Original Source" Disclosure Rulemaking and Governor's Task Force Legislation): Oklahoma elected officials, from the Governor to the ousted would-be Senate President to rank-and-file lawmakers, have agitated for nonprofit donor disclosure legislation as a means of settling scores with their political and ideological opponents. One surprising gambit in early 2024 should put Oklahoma nonprofits on high alert. Representative Cody Maynard (R) submitted a Rulemaking Request urging the Oklahoma Ethics Commission to enact an exact replica of one of the country's most expansive, convoluted, speech-chilling, and legally dubious disclosure laws: Arizona's Proposition 211. Fortunately, the Commission's final agenda for its February 2024 meeting included a note from Rep. Maynard stating that he had "decided to postpone the submission for the time being" due to "valuable feedback from a variety of stakeholders" and his subsequent recognition of "the complexity of the issue." While Rep. Maynard's odious proposal was ultimately tabled by the Commission and has not materialized again, the threat should be continually monitored. 

Not to be outdone, the Oklahoma Legislature may consider recommendations from Governor Kevin Stitt's (R) "Governor's Task Force on <u>Campaign Finance and Election Threats</u>" this session. Governor Stitt signed the <u>Executive Order</u> creating the Task Force in November 2023 to "study, evaluate, and develop policy and administrative recommendations related to campaign finance and foreign investment and/or interference in Oklahoma elections." The Task Force released its report on March 31, 2024, leaving scant time for the Legislature to act last session. Fortunately, the Task Force took Oklahomans' First Amendment rights seriously in its recommendations: "The threshold question that the Task Force considered in deliberating Oklahoma's relevant statutes, regulations, and our recommendations is 'How does Oklahoma's current approach impact the First Amendment to the U.S. Constitution?'" Despite the Task Force's attention to First Amendment concerns, several suggestions could have a damaging impact on Oklahomans' speech and privacy rights, if enacted. In some cases, the ideas are vague and open-ended, increasing the risk of overreach by legislators and regulators tasked with implementation and enforcement. Listed under its recommendation "that the Ethics Commission add additional disclosure requirements to independent expenditure filings" are several policies that, depending on their interpretation, could constitute a ban on political speech from any nonprofit not headquartered in Oklahoma. Many nonprofits are active in multiple states, and bans on speech by out-of-state persons have been ruled unconstitutional in federal court. Another suggestion that a "treasurer shall personally certify that no campaign funds came from foreign sources under penalty of personal liability under the law" is equally problematic. That this particular mandate is recommended as a "disclosure requirement" to be crafted and enforced by the Ethics Commission is particularly concerning, as the agency could decide it needs to collect the name and home address of every American donor that gives to a nonprofit making independent expenditures to verify compliance with the law. Hopefully, Oklahoma lawmakers will <u>avoid the destructive path</u> of pursuing legislation meant to punish opponents and silence critics in 2025.

**Oregon** (Potential Nonprofit Donor Disclosure Amendments to 2024 Law): In an effort to ward off a <u>ballot</u> <u>petition (IP 9)</u> that would have imported Arizona's <u>disastrous</u> nonprofit donor disclosure law to Oregon, legislators worked with a <u>cross-ideological</u> and <u>bipartisan coalition</u> of advocacy organizations to advance compromise legislation in the 2024 session that led to the <u>petition's withdrawal</u>. Groups frequently on opposing sides of policy issues came together in support of each other's ability to participate in policy debates. Labor unions, the business community, and nonprofits with views across the spectrum worked with Democratic and Republican lawmakers on legislation intended to convince the backers of IP 9 to withdraw their ballot petition. The outcome of these negotiations, <u>H.B. 4024</u>, was signed into law by Governor Tina Kotek (D) in late March 2024. Given lawmakers' desire to satisfy IP 9's backers, the enacted version of H.B. 4024 still contains several problematic disclosure mandates. Importantly, however, the enactment of H.B. 4024 by the Legislative Assembly – in contrast to the threat of IP 9 becoming law via ballot initiative – preserved the ability to <u>improve the law</u> in future sessions. While legislators have indicated their interest in making pro-First Amendment changes to the law in 2025, the well-funded backers of IP 9 will likely continue pushing for extreme privacy incursions aimed squarely at nonprofits and their supporters.

Pennsylvania (Nonprofit Donor Disclosure, Top-Funder Disclaimer, and "Foreign-Influenced **Corporation**" **Regulation Legislation**): Several bills aimed at burdening nonprofit civic engagement and harming personal privacy failed in the narrowly divided General Assembly during the 2023-2024 session, but their speechchilling successors have already begun to emerge in 2025. In addition to a bill last session expanding reporting requirements for nonprofits making independent expenditures (<u>H.B. 1472</u>), the most wide-ranging threat came from Democratic lawmakers' H.R. 1-inspired companion campaign finance bills, H.B. 2099 and S.B. 11. Though neither bill moved beyond its committee of referral, the sizable list of cosponsors in both chambers – and the long list of provisions negatively impacting nonprofit advocacy – indicate that such policies will continue to receive Democratic backing in the Pennsylvania General Assembly. In addition to a "top five contributor" disclaimer requirement for nonprofits making independent expenditures, the legislation included new disclosure requirements for "issue advocacy campaigns," would have forced nonprofits with a corporation among its "top five" funders to state within independent expenditures and electioneering communications that "funds used to pay for this message may have been provided by foreign-influenced corporations" (unless the nonprofit was able to obtain a certification rebutting that declaration), and it further outlined a regime prohibiting such entities from engaging in any political or issue advocacy. A harmful standalone bill regulating advocacy by so-called "foreigninfluenced corporations" was also introduced as H.B. 2433 in 2023 but stalled in the Senate after passing the House. Though it's early, the scheme mandating donor disclosure for nonprofits making independent expenditures has been reintroduced as H.B. 374 in the 2025 session. The 2023-2024 effort via H.B. 1472 passed the House but died in the Senate. The broader H.R. 1-style package has been reintroduced as H.B. 542, and a Senate bill from Minority Leader Jay Costa (D) is pending eventual introduction in the upper chamber. With Democrats clinging to a razor-thin House majority and Republicans more comfortably controlling the Senate, divided government may frustrate such efforts, but Pennsylvania nonprofits must stay vigilant.

**South Carolina (Potential PAC Disclosure Legislation):** Following several competitive primary races in 2024, some South Carolina lawmakers seek increased disclosure requirements for PACs, particularly those associated with nonprofits. Senate Ethics Committee Chairman Sean Bennett (R) <u>said</u> in July that "the most frustrating issue" for him as Chairman has been the Committee's "inability to really combat…activity that is certainly not illegal, but that I think does violate the spirit of the law." In response, he hopes to change the law in 2025, though he laments being "somewhat handcuffed" by court rulings striking down speech restrictions on First Amendment grounds. Too often, lawmakers who understand that an outright ban is a non-starter view disclosure as the next best option for stifling constitutionally protected activity.

**Texas (Potential Online Issue Advocacy Disclaimer Legislation):** In June 2024, the Texas Ethics Commission adopted <u>amendments</u> to its disclaimer rules for "political advertising posted or re-posted on an Internet website." The amendments are aimed at requiring public disclosures from social media users who are paid to share specific content or promote particular messages. Fueled by party infighting and competitive primaries, Republican lawmakers have <u>said</u> that they would like to pursue additional disclosure requirements legislatively in 2025. Of course, frustration with the content of speech, including issue speech, is their primary motivation. As officeholders look to <u>curb criticism</u> and muzzle their critics with disclosure legislation in 2025, nonprofits and their supporters may face substantial threats to their First Amendment rights in the Texas Legislature and must stay on high alert.

Virginia ("Electioneering Communication," Top-Funder Disclaimer, Coordination Regulation, and Nonprofit Donor Disclosure Legislation): The Virginia General Assembly's 2025 session – the country's shortest - saw a flurry of activity on an array of proposals that would threaten nonprofit advocacy and donor privacy. A recurring threat in Virginia has been legislation aimed at forcing nonprofits to publish the names of their top three donors in disclaimers on messages that merely *refer* to a candidate through so-called "electioneering communications." Many sitting lawmakers are also candidates, and nonprofits commonly communicate about elected officials' positions on policy issues central to their missions. In other words, issue speech and supporters of issue-focused nonprofits, not campaign advertisements and donors to campaigns, are the targets of this legislation, which has been introduced by Democratic lawmakers the past several years. Following the 2024 failure of this annual Democratic scheme via H.B. 276 and S.B. 78, Republican Senator William M. Stanley, Jr. introduced nearly identical legislation (S.B. 906), which was eventually killed in a Senate committee. Relatedly, H.B. 2479 of 2025, ostensibly aimed at instituting disclaimer requirements for political ads that utilize "synthetic media," would sneakily add an "electioneering communications" regime to Virginia law. Though the Senate stripped the "electioneering communication" language from H.B. 2479, the House insisted on a conference committee to resolve the disagreement between the two chambers, and the <u>conference report</u> reinserted the offending language. Another "synthetic media" disclaimer bill, <u>S.B. 775</u>, was introduced in the Senate without any "electioneering communication" language, but the House inserted such a provision, and it remained in the version that emerged from a conference committee. Both bills passed the General Assembly and await a verdict from Governor Glenn Youngkin (R). "Electioneering communication" disclosure mandates were also included in H.B. 2173, H.B. 2484, and <u>S.B. 1185</u>. These three bills proposed various changes to key definitions in campaign finance law, including through restrictive "coordination" language, that would have imposed tremendous compliance burdens on nonprofit advocacy organizations. Separately, H.B. 2670 would have broadly required 501(c)(3) think tanks, 501(c)(4) advocacy nonprofits, and 501(c)(6) trade associations to comply with campaign finance registration and disclosure requirements. Fortunately, H.B. 2173 and H.B. 2484 were amended into H.B. 2670, and the latter died in the House Appropriations Committee. For its part, S.B. 1185 was amended to a non-threatening interim Work Group but ultimately died without action in the Senate Rules Committee. Though the various legislative threats – save for H.B. 2479 and S.B. 775 – appear to be dead for the 2025 session, Virginia nonprofits can expect to be under siege yet again in 2026.

**Washington** (Agency-Requested Top-Funder Disclaimer and "Foreign-Influenced Corporation" Regulation Legislation): S.B. 5284, a bill requested by the Public Disclosure Commission and passed by the Senate in the 2023-2024 session before stalling over disagreements with the House, would have made a litany of offensive changes to Washington's already abysmal campaign finance laws. One notable provision would have required a top-five funder disclaimer for both PACs and <u>nonprofits engaged</u> in so-called grassroots lobbying campaigns. The bill was further amended in the Senate to include a "foreign-influenced corporation" scheme that was struck by the House. Related legislation that ultimately failed to advance in 2024, <u>H.B. 1885</u> and its companion, <u>S.B. 5832</u>, similarly included a ban on speech about candidates or elections for any company with as little as 1% of its equity owned by a "foreign investor" or 5% owned, in aggregate, by multiple "foreign investors." In practice, this restriction would <u>strip First Amendment rights</u> from many American businesses controlled and operated by Americans, whose political engagement is in no way directed by foreign nationals. Such legislation may also impact the speech and privacy rights of nonprofits, particularly business associations, that receive support from corporations owned by a multitude of shareholders. Unfortunately, similar schemes may re-emerge in 2025. **Wyoming (Expanded "Electioneering Communication" Reporting Legislation):** A bill (<u>H.B. 39</u>) born out of <u>interim study deliberations</u> that would have expanded the reach of reporting requirements for electioneering communications and independent expenditures died early in the 2024 session after <u>failing to gain</u> the two-thirds majority support required for introduction in a budget session. Despite <u>opposition</u> from Secretary of State Chuck Gray (R) on First Amendment grounds, similar legislation may return in 2025 and will likely have an increased chance of advancing given the return to normal introduction rules. Indeed, lawmakers, including a former Speaker, have <u>urged officeholders</u> to curb the speech of "out-of-state actors."

#### AN EMERGING ISSUE: FOREIGN INFLUENCE-INSPIRED DONOR DISCLOSURE

Americans are rightly opposed to foreign influence in elections because it undermines the integrity of the democratic process, threatens national sovereignty, and erodes public trust in the fairness and legitimacy of our electoral systems. As elected officials consider measures to ensure that foreigners cannot influence U.S. elections through donations to American nonprofits, they must also ensure that these laws do not become weapons for government agencies to invade the privacy of American donors and chill constitutionally-protected speech. U.S. elections and political campaigns must be run for and by Americans, not foreign interests *or* federal bureaucrats.

Empowering government agencies with new authority to collect information about nonprofit donors creates new opportunities to abuse that power at acute risk to the speech and privacy rights of American citizens. Compliance with foreign donor reporting mandates necessarily authorizes government officials to demand information on nonprofit donor lists for verification purposes. These expanded nonprofit reporting requirements will increase the likelihood that overzealous or biased regulators will find new justifications for fishing expeditions that expose American donors and the causes they support to public scrutiny, potential investigations, and penalties.

These concerns are best illustrated by a <u>2024 effort</u> in **Ohio** to prohibit foreign influence. As introduced, <u>S.B. 215</u> was narrowly targeted at prohibiting foreign donors from contributing to ballot measure committees, largely following a related federal ban. Unfortunately, the bill was <u>amended in the Senate</u> on short notice and passed in a form that posed serious issues for nonprofit advocacy and donor privacy. The Senate-passed bill would have required most nonprofits that speak about issues on the ballot to register as so-called "alternative political organizations," file complex reports with the government, and expose sensitive donor information to the public. After an outcry from the nonprofit community, the measure that ultimately became law (<u>S.B. 1</u>) tackled foreign influence concerns while protecting the privacy of nonprofit donors and avoiding stringent regulations that would have resulted in nonprofits withdrawing from important ballot measure debates.

In the 2025 session, we have already seen an array of follow-up efforts to counter concerns about "foreign influence" in American nonprofits in states such as <u>Indiana, Kansas</u>, <u>Kentucky</u>, <u>Mississippi</u>, <u>Missouri</u> (<u>twice</u>), and <u>Tennessee</u>. Some efforts, like the <u>Mississippi</u> bill, are narrow in scope while others, as with the legislation in **Kansas**, <u>Kentucky</u>, and <u>Missouri</u>, are more expansive – and potentially more problematic – for nonprofit donor privacy rights. Still other bills, like in <u>Indiana</u>, were introduced in a narrow manner and broadened substantially via amendment, while the <u>Tennessee</u> bill is a first-of-its-kind effort to target advocacy by newly-defined "foreign-supported political organizations" funded by specified U.S. adversaries.

Whatever its form, legislation targeting allegations of foreign influence must respect important donor privacy rights to avoid backfiring on American citizens and nonprofit causes. Associational privacy is an enduring First Amendment right that has been repeatedly affirmed by the U.S. Supreme Court and shares widespread support among Americans. Without donor privacy protections, the nonprofit community – and the countless Americans that support important causes – will suffer.

### **ABOUT THE AUTHORS**

**Matt Nese** is the Vice President and **Alex Baiocco** is the Director of Government Affairs at People United for Privacy Foundation, which envisions an America where all people can freely and privately support ideas and nonprofits they believe in, so that all sides of a debate will be heard, individuals won't face retribution for supporting important causes, and all organizations maintain the ability to advance their missions because the privacy of their supporters is protected.

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