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2025 POST-SESSION REPORT: CRISES AVERTED, NONPROFIT DONOR PRIVACY PROTECTED IN BUSY POST-ELECTION SESSION

Matt Nese, Vice President

A post-election legislative session brings new faces, fresh ideas, and revamped priorities, but one nagging constant persists: Some unscrupulous politicians will abuse their newfound grip on power to target, muffle, and settle scores with their ideological opponents. Many politicians are aware that their best weapon in this fight is forcibly exposing nonprofit donors to public scrutiny. Such donor exposure mandates force nonprofits to make a terrible choice: Sacrifice their right to speak about the government or sacrifice their members' right to privacy.

In February 2025, People United for Privacy Foundation (PUFPF) released a report, "2025 State Threats to Donor Privacy and Nonprofit Advocacy: Risks Increase After Heated Election Season," that predicted as many as 34 states would consider legislation in the 2025 session targeting nonprofits of all stripes and their supporters out of sheer animus to their mission or as a weapon to chill criticism.

Regrettably, PUFPF's prognosticating was accurate, but there is good news to report as well: **To date, not a single state succeeded in passing legislation in 2025 that would directly compel nonprofits to forcibly expose their donor and member lists to government officials and the public.** The retrospective that follows examines the lowlights and highlights of the 2025 state legislative sessions, exposing alarming trends to watch and positive developments in states across the country.

EXECUTIVE SUMMARY

- **2025 Session at a Glance.** In all, **27 states** considered **86 bills** in the 2025 session to date that would have harmed nonprofit advocacy and violated donor privacy rights for nonprofits and their supporters. PUFPF engaged in **21** states on **42** such bills, ultimately defeating **100%** of nonprofit donor disclosure threats that were serious enough to warrant the organization's engagement this year.
- **The Disclosure Threats.** Three themes were prominent in harmful legislation this session: retribution-motivated disclosure, "original source" exposure, and opportunistic politicians. The vast majority of donor exposure proposals were driven by politicians with retribution in mind and a crude political desire to pressure groups that might criticize their voting records and stances on the issues of the day. A minority of bills were modeled after an Arizona law adopted via initiative in 2022. This scheme compels the exposure of nonprofit donors and their donors' donors, what bills often mislabel as the "original" or "true source" when groups voice opinions on public policy debates and legislative matters. Finally, threats to donor privacy also arose from opportunistic politicians who seized on poor drafting or tacked on unsavory amendments to legislation tackling campaign finance, lobbying, and ethics rules.
- **Defensive Case Studies.** As support for donor exposure is often political, not ideological, threats to donor privacy were present in red states, blue states, and purple states with divided government. This report explores serious threats that were ultimately defeated in **Idaho**, **Maine**, **New Mexico**, **Ohio**, and **Virginia**.
- **Emerging Trends.** 2025 bore witness to several trends in legislation that pose a threat to nonprofit donor privacy: attacks on "out-of-state" donors, "electioneering communication" regulation in artificial intelligence disclaimer bills, and an array of measures targeting foreign influence in elections.
- **Donor Privacy Reform on the Move.** 2025 saw victory for donor privacy protections via PUFPF's signature Personal Privacy Protection Act model policy in two states: **Nevada** and **North Carolina**.
- Campaign Finance Modernization Momentum. A trio of states Kansas, Louisiana, and Nevada took decisive action this session to review, reform, and modernize their campaign finance laws for the digital age with a focus on strengthening donor privacy protections for nonprofits engaged in issue advocacy.

DONOR PRIVACY UNDER ATTACK: THE PRIMARY THREATS

Without privacy, free speech and civic engagement lack the oxygen needed to breathe and thrive. Examples abound throughout American history of individuals exercising their right to donate anonymously in support of causes they value. Some do so out of modesty or in accordance with the tenets of their religion; others to protect their privacy from the prying eyes of their friends, neighbors, colleagues, associates, and antagonists; still others seek to avoid retaliation from disapproving government officials and extremists intent on causing harm. The latter concern is especially salient in today's internet age, where political violence is troublingly – and increasingly – common.

For nonprofits, regardless of their mission, the privacy of their members and supporters is sacrosanct. For every brave individual willing to publicize their charitable giving, there are countless others who choose to donate anonymously. Nonprofits depend on these generous supporters to survive. Without donor privacy protections, America's world-renowned nonprofit sector would cease to exist, depriving immeasurable people and communities an important voice in our civic debates. For the above reasons, the U.S. Supreme Court has <u>repeatedly</u> <u>blessed</u> Americans' donor privacy rights as a core component of the First Amendment right to speak and associate.

Nevertheless, unscrupulous politicians and aggressive regulators habitually invent, promote, and refine new schemes and rationales to force the exposure of Americans' names, home addresses, and employers when they choose to donate to, join, or volunteer for a nonprofit. These Orwellian proposals undermine citizens' First Amendment rights and would do permanent damage to the nonprofit sector. Too often, that's precisely their intended outcome. Though few bills succeeded, the 2025 session witnessed far too many of these machinations. Most legislation can be neatly categorized into one of the following three categories.

Retaliation and Retribution. Like clockwork, many disclosure proposals are driven by a primitive political desire to retaliate against nonprofits that weigh in on policy debates and criticize powerful elected officials. This impulse, which affects Democrats and Republicans alike, accounts for a sizable portion of donor privacy threats each year, and 2025 was no different. Following a heated 2024 election cycle, retaliatory disclosure laws were abundant in red, blue, and purple states across the country as cunning politicians sought to settle scores with their ideological opponents and address perceived slights. Two such examples are detailed below, but PUFPF witnessed such threats this session in 17 states: Arizona (S.B. 1612), California (A.B. 1188), Massachusetts (H. 812, H. 818, H. 850), Michigan (H.B. 4269-H.B. 4270), Minnesota (H.F. 72/S.F. 996, H.F. 1447/S.F. 1774), Missouri (H.B. 190, H.B. 1019), Montana*, New Hampshire (H.B. 175), New Jersey (A. 4431, S. 2140), New Mexico (S.B. 85), New York (A. 910/S. 4266, A. 9067/S. 8475), Ohio (H.B. 250), Oregon (S.B. 1048), Pennsylvania (H.B. 374, H.B. 542, S.B. 11), Virginia (H.B. 2173, H.B. 2484, H.B. 2670, S.B. 906, S.B. 1185), Washington (H.B. 2059), and West Virginia (S.B. 745).

Arizona-Style "Original Source" Disclosure. As PUFPF warned in our February report, so-called "true" or "original source" disclosure schemes modeled after Arizona's "<u>Voters' Right to Know Act</u>," adopted via <u>Prop 211</u> in 2022, <u>spread like a virus</u> in the 2025 session. This <u>ruse</u> compels the exposure of nonprofit donors – and their donors' donors – when groups voice opinions on public policy debates and legislative matters. Arizona's law attempts to bypass a <u>2021 U.S. Supreme Court ruling</u> protecting donor privacy and may lead to the <u>next major case</u> on disclosure. In the meantime, the law's <u>vague 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. In the 2025 session, "original source" schemes appeared in **7 states**: **Colorado** (<u>S.B. 25-148</u>), **Hawaii** (<u>H.B. 1478</u>), **Idaho** (<u>S. 1186</u>), **Maine** (<u>L.D. 951 (S.P. 406)</u>), **Minnesota** (<u>S.F. 905</u>), **North Carolina** (<u>H.B. 788</u>), and **North Dakota** (<u>H.B. 1286</u>, <u>H.B. 1583</u>). Fortunately, none of the 8 bills passed this year, and only a few will automatically carryover to the 2026 session.

^{*} PUFPF monitored 30 bill draft requests, known in Montana as "LC Requests," in the 2025 session. While many of these LC Requests were never completed, others were formally introduced as legislation.

Opportunistic Politicians. Threats to donor privacy routinely arise from poor drafting or opportunistic amendments attached to legislation on bills tackling campaign finance, lobbying, ethics, and related issues. These bills must be evaluated on a case-by-case basis to determine whether they put nonprofit donors at risk and monitored throughout their lifespan. PUFPF monitored such legislation in **9 states** in 2025: **Connecticut** (H.B. 7093/S.B. 1517), **Maine** (L.D. 9 (S.P. 22)), **Maryland** (H.B. 906/S.B. 633), **Mississippi** (S.B. 2651, S.B. 2658), **North Dakota** (H.B. 1377, S.B. 2156), **Ohio** (H.B. 96), **South Dakota** (S.B. 11), **Virginia** (H.B. 2479/S.B. 775), and **West Virginia** (H.B. 3400/S.B. 137). Though a few of the aforementioned bills became law, those that did avoided threatening longstanding nonprofit donor privacy protections in their final form.

PLAYING DEFENSE IN THE 2025 SESSION: FIVE CASE STUDIES

The 2025 session confirmed yet again a longstanding truth about donor privacy debates: Neither Republican nor Democratic control of state government guarantees safety for nonprofits and their supporters. From reliably conservative states like **Idaho** and **Ohio** to swing states like **Virginia** and progressive strongholds like **Maine** and **New Mexico**, there was no shortage of trouble this year. The following five case studies showcase serious threats to donor privacy in each of the three aforementioned categories this year and highlight why each threat failed.

Idaho (Arizona-Style "Original Source" Disclosure). In the final weeks of the 2025 session, Idaho Senator Doug Okuniewicz (R) introduced <u>S. 1186</u>, an aggressive expansion of disclosure and reporting requirements for nonprofits that participate in discussions about policy and government. Under S. 1186, groups that speak to the public about legislation, elected officials' actions, or issues on the ballot would have been forced to publicly expose the names and addresses of their donors. Worse, S. 1186 demanded so-called "original source" disclosure through "tracing," meaning that nonprofits would need to reveal not only their donors, but their donors' donors. Despite this disclosure regime's <u>origins</u> with Arizona progressives, Idaho Republicans embraced this ploy as an intended bludgeon against progressive nonprofits that have become major players in Gem State ballot measure contests.

As PUFPF warned Idaho lawmakers in <u>written testimony</u>: "Serious constitutional issues aside, S. 1186's convoluted mandate will compel nonprofits that have always protected the privacy of their supporters to expose the names and addresses of their donors to another group they contribute to in order for the recipient entity to include that information in its own reports. As a result, an individual could find herself being very publicly associated with the policy and political activities of a group she has never actually supported. For nonprofits, the choice between withholding grants to other organizations or exposing their supporters to potential harm isn't the end of the ordeal. Complying with the inordinately complex measure is not just a question of if, but how. Most notably, in demanding that groups 'trace back' the sources of their funding, S. 1186 saddles nonprofits with a potentially massive and insurmountable administrative burden." Such "tracing" mandates create misinformation that exposes Americans to retaliation for supporting groups they may not even be aware of, let alone actively endorse.

Fortunately, S. 1186 failed to become law thanks to an outcry from a diverse coalition of organizations active in Idaho, including groups that often find themselves on opposite sides of other policy debates. At a Senate committee hearing, PUFPF organized ten nonprofits to <u>testify against</u> the bill: the AFL-CIO, Americans for Prosperity Idaho, Catholic Diocese of Idaho, Foundation for Government Accountability Action, Idaho Dairy Industry PAC, Idaho Family Policy Center, Idaho Freedom Foundation, Idaho Second Amendment Alliance, PUFPF, and Philanthropy Roundtable. The collective testimony forced the Chairman, Senator Jim Guthrie (R), to acknowledge "the collateral damage potential is maybe significant, including the free speech piece." Ironically, a bill aimed at reducing the influence of out-of-state groups was killed by opposition from mostly in-state groups who understood the measure's ruinous impact on their existence. Thankfully, this threat is dead for now but may return again in 2026.

Maine (Arizona-Style "Original Source" Disclosure). After his bill's <u>maiden voyage ran aground</u> in the 2023-2024 biennium, Senator Rick Bennett (R) introduced <u>L.D. 951 (S.P. 406)</u> in 2025, only to meet a similar fate. Undeterred by testimony opposing the initial bill (<u>L.D. 1590 (S.P. 621)</u>) <u>due to</u> its "risks to [donors'] privacy and

safety" <u>along with</u> its "spectacularly burdensome reporting and notification requirements" – and despite constitutional concerns raised by both the <u>Maine Attorney General's Office</u> and the <u>Maine Commission on Governmental Ethics and Election Practices</u> – this year's bill was <u>more expansive</u> than its predecessor. Modeled after Arizona's sprawling law, L.D. 951 featured both "original source" donor disclosure mandates and top-funder disclaimer requirements. As PUFPF's <u>written testimony</u> to a joint committee explained of the latter:

"Not to be outdone, L.D. 951 also imposes a top 3 funder disclaimer requirement on affected nonprofits, forcing organizations to name-and-shame their top contributors within any communications they produce. This is an aggressively public and direct method of tying individual supporters to specific communications they may not be aware of or even support. Even worse, the top-funder disclaimer mandate in L.D. 951 (and Arizona Proposition 211) requires the inclusion of original source donors. As a result, an individual could find herself being very publicly named in a message by a group she has never actually supported."

At L.D. 951's hearing, PUFPF was joined in opposing the bill by Maine Conservation Voters, Maine Education Association, Maine Policy Institute, Philanthropy Roundtable, and Planned Parenthood of Northern New England. In 2024, 10 of the 13 joint committee members voted to issue an "Ought Not to Pass" recommendation on L.D. 951's predecessor, and the Senate voted to accept their recommendation in a bipartisan 19-11 vote. In 2025, L.D. 951 was rejected even more strongly: The joint committee voted unanimously to cast-off the bill, and it died in the full Senate. As PUFPF and the Maine Policy Institute wrote in a joint *Portland Press Herald* op-ed: "Transparency is critical for citizens to have trust in the government. When the government demands 'transparency' from the citizens, however, alarm bells should ring." Thanks to intense opposition, Maine legislators heeded those sirens.

New Mexico (Retaliation and Retribution). "If at first you don't succeed, try, try again." Senate Majority Floor Leader Peter Wirth (D) has taken this refrain to heart in his <u>biennial crusade</u> against New Mexico's nonprofit community. Despite fits and starts over the years, Wirth remains undeterred, introducing <u>S.B. 85</u> this session. Among other changes to New Mexico's Campaign Reporting Act, S.B. 85 sought to remove the phrase "for a political purpose" from the definition of "expenditure" because, in 2019, another bill sponsored by Wirth (<u>S.B. 3</u>) expanded the definition of "independent expenditure" (IE) to include speech that is *not* "for a political purpose," creating an incongruence in the law. The 2019 law codified an expanded IE definition enacted <u>via rulemaking</u> by Secretary of State Maggie Toulouse Oliver (D) in 2017 after then-Governor Susana Martinez (R) vetoed nearly identical legislation due to <u>concerns</u> that "[t]he requirements in this bill would likely discourage charities and other groups that are primarily non-political from advocating for their cause and could also discourage individuals from giving to charities." By eliminating references to "a political purpose" within the disclosure requirements for independent groups, S.B. 85 would have <u>forced many nonprofits</u> to report their donors just like PACs.

The Senate speedily and unanimously passed S.B. 85, but after facing significant nonprofit opposition during a House committee hearing, Wirth was forced to declare: "The bill is dead." According to reports, "Wirth was blindsided by the organized effort to oppose his bill," particularly because, as he claimed, "These are groups I champion." That organized nonprofit coalition included the following groups: The ACLU, Café ACCION, Center for Civic Policy, El Centro, Equality NM, NM Native Vote, NM Working Families, Olé, Organized Power in Numbers, Progress Now New Mexico, Semilla Action, and the Sierra Club, Rio Grande chapter. As Rio Grande Foundation and PUFPF warned in a joint *Santa Fe New Mexican* op-ed: "The chilling effect of the law will be felt strongly by groups working on issues ranging from immigration to education and every cause in between. That means entrenched political interests will gain influence and dissenting voices will be silenced. Promoted under the guise of increasing transparency, S.B. 85 moves us closer to a world where only politicians, lobbyists and major media outlets get to speak about what happens in Santa Fe." Because New Mexico's even-year legislative sessions are budget-focused, S.B. 85's successor is unlikely to emerge next year, but PUFPF is on guard for its resurrection in 2027.

Ohio (Opportunistic Politicians). In June, Ohio lawmakers intensified their consideration of a mammoth, then \sim 6,000-page FY 2026-2027 budget bill, <u>H.B. 96</u>. That bill was amended during the legislative process to include over 150 pages of revisions to the state's campaign finance code <u>supported by anti-privacy activists</u> like Common

Cause Ohio. While some of those changes were inconsequential, the bill broadened Ohio's existing "political contributing entity" definition, which encompasses nonprofits, and forced those groups to function like PACs. In effect, nonprofits would be forced to disclose their donors in the same manner as PACs merely for engaging in occasional political advocacy. PUFPF and a state-based coalition sprung to action to warn lawmakers about the harmful consequences of these budget provisions. Fortunately, a conference committee was formed to negotiate the differences between the chambers, so lawmakers had a final opportunity to amend the offending provisions.

Thankfully, the <u>final version</u> of the budget bill that was reported out of conference committee and eventually signed into law by Governor Mike DeWine (R) removed all offending campaign finance language. What transpired with H.B. 96 is a classic example of an otherwise innocuous bill being used as a vehicle to attack nonprofits and their supporters. The nonprofit community must always stay on guard for unexpected attempts to violate donor privacy rights, especially when proposed legislation amends campaign finance, lobbying, or ethics laws.

Virginia (Retaliation and Retribution). In similar fashion to <u>2023</u> and <u>2024</u>, the Virginia General Assembly's 2025 session – the country's shortest – still saw a flurry of activity on an array of proposals that threatened nonprofit advocacy and donor privacy. Lawmakers contemplated bills 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, were the targets of this legislation, which has been introduced without success by Democratic lawmakers in recent sessions. In a reversal, Republican Senator William M. Stanley, Jr. introduced nearly identical legislation (S.B. 906) in 2025, which was eventually killed in a Senate committee. "Electioneering communication" disclosure mandates were also included in H.B. 2173, H.B. 2484, and S.B. 1185. These three bills proposed various changes to key definitions in campaign finance law, including what constitutes "coordination" with a candidate, 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 a House committee. For its part, S.B. 1185 was reshaped via amendment into an interim Work Group but ultimately died without action in a Senate committee.

The tie that binds these bills? All were targeted directly at disfavored entities like energy companies and certain nonprofits. The sponsors' unifying goal was to make civic engagement costlier and riskier in hopes that advocacy organizations and their supporters would choose not to participate in Virginia's civic debates. Fortunately, a bipartisan majority of lawmakers rejected these attacks on fundamental privacy rights. Unfortunately, if history is any guide, Virginia nonprofits can expect to be under siege yet again in 2026, a post-election session.

WARNING SIGNS: TRENDS TO WATCH

Because of the frequent failure of traditional nonprofit donor disclosure mandates, anti-privacy activists, politicians, and regulators are increasingly hatching new schemes to catch nonprofits and their supporters off guard and pass their donor exposure mandates by alternative means. Three such trends were evident this year and may signal what's to come in 2026 and beyond.

Attacks on Out-of-State Donors. Frustration with ballot measure advocacy by nonprofits presumed to be funded by "out-of-state" donors led some state lawmakers, primarily Republicans, to <u>propose ham-fisted legislation</u> aimed at restricting participation by such groups or outright banning donations from anyone outside the state. The latter ruse would effectively prohibit many nonprofits from engaging in civic debates entirely. Efforts to prohibit engagement from groups with out-of-state donors are not only <u>unconstitutional</u>, they also have wideranging negative impacts on the speech and privacy rights of in-state organizations and their donors. Ultimately, such proposals are little more than another means of chilling opposition to politicians' agendas.

The 2025 session witnessed an array of examples. In **Idaho**, the aforementioned "original source"-style "tracing" disclosure bill, <u>S. 1186</u>, was born out of the sponsor's <u>desire to silence</u> "big money special interests who really have no business exerting their will over the residents of this state." A **Kansas** bill targeting foreign donors, <u>H.B. 2106</u>, attracted an <u>amendment</u> banning donations from "out-of-state persons" but ultimately became law without the ban. A Republican-sponsored ban on out-of-state funding of initiative petition drives in **Oklahoma**, <u>S.B. 1027</u>, was signed into law by Governor Kevin Stitt (R). In **Oregon**, a Republican-backed joint resolution (<u>H.J.R. 3</u>) that ultimately died would have prohibited any non-Oregon voters from directly or indirectly donating to a ballot question committee or nonprofits that comment on pending ballot measures. Companion bills in **Texas**, <u>H.B. 3592</u> and <u>S.B. 405</u>, would have imposed campaign contribution limits exclusively on contributors with a principal address outside the state. Though both bills ultimately failed, H.B. 3592 passed the House with robust support. Barring a surprise, PUFPF expects to see more of these foolhardy measures in 2026.

Tying "Electioneering Communication" Regulation to Al Disclaimers. The 2025 session saw the emergence of a disturbing phenomenon: the inclusion of unrelated speech rules for nonprofits in legislation purporting to regulate the use of artificial intelligence (AI) in broadly defined "political" communications. Specifically, lawmakers attempted to use AI disclaimer bills as a vehicle to impose "electioneering communication" (EC) regulations on pure issue speech by nonprofits. In many states, EC regulations require donor disclosure and the filing of complex reports.

Two **Virginia** bills were the most high-profile of their kind this session. <u>H.B. 2479</u>, ostensibly aimed at instituting <u>disclaimer requirements</u> for political ads that utilize "synthetic media," would have sneakily added an "electioneering communication" regime to Virginia law. Though the Senate stripped the EC 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 <u>the version</u> that emerged from a conference committee. Both bills passed the General Assembly in identical form – with the offending EC provision intact – but were ultimately vetoed by Governor Glenn Youngkin (R), who aptly stated in his <u>Veto Explanation</u>: "[T]his legislation imposes an impractical enforcement structure that lacks clear, workable mechanisms and raises significant constitutional and logistical concerns." The Governor also highlighted the potential for "politically motivated legal actions and inconsistent enforcement." Fortunately, the Governor's vetoes were sustained in both chambers.

In addition to the **Virginia** companion bills, similar measures were introduced this session in **Alaska** (S.B. 33, S.B. 64), **Illinois** (S.B. 150), **Kentucky** (S.B. 4), **Mississippi** (S.B. 2642), and **Missouri** (S.B. 509). Aside from the Kentucky provision, which became law in a broad package regulating AI, the Mississippi and Missouri measures died with scant consideration while the Alaska and Illinois bills will carryover to the 2026 session. With the sudden emergence of this phenomenon, nonprofits and their supporters must closely watch AI bills next year and beyond.

An Array of "Foreign Influence" Measures. 2025 saw a smattering of proposals ostensibly aimed at curbing "foreign influence" that, in practice, could do more to curb the speech and privacy rights of American citizens. Make no mistake: Americans are understandably opposed to foreign influence in our campaigns because of its potential to undermine the democratic process. However, as elected officials consider measures to ensure that foreigners cannot influence U.S. elections – and even lobbying – 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.

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 risk of abuse from overzealous or biased regulators seeking expanded justifications for fishing expeditions that expose American donors and the causes they support to public scrutiny, potential investigations, and ruinous penalties.

Efforts to expose and prohibit foreign influence took an array of forms this session, but four types stood out: **ballot question foreign donor bans**, "foreign-influenced corporation" regulation, state copycats of the federal **Foreign Agents Registration Act**, and **third-party litigation financing disclosure**.

Republican-sponsored legislation banning direct and "indirect" donations from foreigners to ballot question committees – or nonprofits supporting ballot question committees – became law in 9 states in 2025: Arkansas (H.B. 1837), Indiana (H.B. 1467), Kansas (H.B. 2106), Kentucky (H.B. 45), Louisiana (H.B. 693), Missouri (S.B. 152), Montana (H.B. 818), Tennessee (H.B. 888), and Wyoming (H.B. 337). The aforementioned bills were adapted from model policy that seeks to prohibit nonprofits with foreign donors over a certain threshold from engaging in ballot measure debates. Additional bills and legislatively-referred initiatives based on this policy were introduced but ultimately died (or will carryover) in 6 states: Alabama, Arizona, Florida, Minnesota, Texas, and Utah while a measure is pending in North Carolina (H.B. 958). Several bills banning political contributions from foreign nationals more narrowly were introduced but failed to pass (or are pending) in California, Illinois, Mississippi, New York, and Texas.

Meanwhile, Democrats introduced legislation regulating so-called "foreign-influenced corporations" in **5 states** in 2025. Three bills are pending in **Massachusetts** (<u>H. 875/S. 525</u>) and **Pennsylvania** (<u>H.B. 497</u>) while bills in **Hawaii** (<u>S.B. 1032</u>), **Illinois** (<u>H.B. 3071</u>), and **New York** (<u>A. 1258/S. 324</u>) will carryover. Such legislation typically defines a "foreign-influenced corporation" or "foreign-influenced business entity" as any company with as little as 1% of its equity owned by a foreign investor or 5% owned, in aggregate, by multiple foreign investors. American businesses that meet these sweeping conditions are then prohibited from participating, directly or indirectly, in a wide range of public communications about government and public policy. In addition to the obvious impacts on businesses, nonprofits that receive corporate donations and trade associations that collect membership dues from corporations would face significant threats to their speech and privacy rights under these schemes. In previous years, comparable measures passed in **Maine** (by ballot initiative) and **Minnesota** (via legislation) but were ultimately <u>struck down</u> in court.

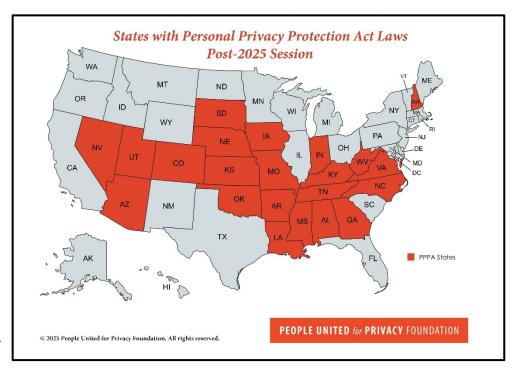
A federal law known as the Foreign Agents Registration Act (FARA) is notorious for imposing burdensome registration, disclosure, and record-keeping requirements on individuals and organizations engaged in a broad range of First Amendment-protected activities. The law's massive scope, which encompasses not only lobbying for foreign governments but also activities like sharing information or organizing events, makes it ripe for abuse by regulators targeting disfavored advocacy. Despite these serious concerns, Republican lawmakers demonstrated an explosion of interest this year in legislation modeled after the problematic federal FARA law. PUFPF monitored 16 bills in 9 states. Five of those bills were signed into law: Arkansas H.B. 1800, Florida S.B. 700, Louisiana H.B. 686, Nebraska L.B. 644, and Texas H.B. 119. Since their passage, various pundits have highlighted the serious speech, compliance, and enforcement issues inherent in these laws and their harmful impacts on nonprofits. Additional bills were considered but failed to pass in Georgia, Kansas, Oklahoma, and Tennessee. For now, one thing is certain: More "Baby FARA" bills are expected to emerge in the 2026 session.

Finally, an emerging threat to nonprofit donor privacy this session arose via legislation imposing disclosure requirements triggered by third-party litigation financing. While such laws are generally aimed at those investing in lawsuits – especially foreign entities – 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. Fortunately, lawmakers in some states recognized this unintended consequence and added explicit exemptions for nonprofits. Bills including such exemptions were signed into law in **Arizona** (S.B. 1215) and **Georgia** (S.B. 69). A measure focused exclusively on foreign financing of litigation became law in **Oklahoma** (H.B. 2619), and another bill is pending in **North Carolina** (H.B. 315). Third-party litigation financing bills died in **Maryland** (S.B. 985) and **New Mexico** (H.B. 312) this session.

PROTECTING AND STRENGTHENING DONOR PRIVACY: THE PERSONAL PRIVACY PROTECTION ACT HITS 100 MILLION MILESTONE

If the failure of donor disclosure legislation was a key lesson from the 2025 session, the other notable takeaway was lawmakers in states around the country taking robust action to strengthen donor privacy protections. One of their key tools for doing so was none other than People United for Privacy Foundation's signature model legislation, the Personal Privacy Protection Act (PPPA).

As of July 2025, the PPPA's sorely needed privacy protections have been enshrined into law in 22 states around the country. This policy, which has received bipartisan and increasingly <u>unanimous</u> – support, prohibits state agencies and officials from making unwarranted demands for or disclosures of nonprofit members' personal information and stipulates penalties for careless or corrupt officials that Americans' expose private giving choices. Two more states - Nevada and North Carolina ioined the PPPA movement in 2025. amidst growing awareness of the threat of forced donor disclosure. With



North Carolina's successful campaign, the PPPA now protects over 100 million Americans' privacy rights.

Nevada. Nevada Governor Joe Lombardo (R) signed <u>A.B. 197</u> into law during a bill signing ceremony on May 29, marking a major milestone for privacy rights in the Silver State. The bill, which received overwhelming bipartisan support in the Democratic-controlled Nevada Legislature, prohibits rogue agency officials from weaponizing the



powers of their office to chill free speech and violate the privacy rights of nonprofit organizations and their supporters. Nevada is the 21st state to pass proactive reforms modeled after the PPPA.

The size and diversity of the coalition supporting A.B. 197 turned heads in the Nevada Legislature. The bill, which was sponsored by Democratic Assemblywoman Shea Backus and Republican Assemblyman Greg Hafen, the lower chamber's Minority Floor Leader, passed 41-1 in the Assembly and 21-0 in the Senate. It was supported by a wide range of nonprofits active in Nevada, including groups who usually disagree on policy issues. In addition to PUFPF, the in-state coalition included the ACLU of Nevada, All Voting is Local, Americans for Prosperity – Nevada, Battle Born

Progress, Eagle Forum, Libre Initiative Nevada, Nevada Families for Freedom, Nevada Policy, Nevada Republican Party, Nevada Right to Life, New Day Nevada, One APIA Nevada, Planned Parenthood Votes Nevada, Silver State Equality, Silver State Voices, Southwest Gas, and United Way.

"Assembly Bill 197 protects an individual's right to organize, make charitable donations, and join nonprofit groups without having those personal decisions publicized or weaponized by the government, regardless of viewpoint..." said Melissa Clement, Executive Director of Nevada Right to Life, at a February hearing on the legislation. "It's a day of firsts," added Caroline Mello Roberson from Planned Parenthood Votes Nevada, remarking on how unusual it was to see her organization on the same side of an issue as Nevada Right to Life.

At a time of rising polarization and <u>political violence</u>, A.B. 197 offers an essential layer of protection for Nevadans' core civil liberties. Congratulations are due to Governor Lombardo, Assemblywoman Backus, Minority Floor Leader Hafen, and the entire Nevada Legislature and nonprofit community for taking commonsense and sorely needed action to protect all Nevadans' privacy and First Amendment rights.

North Carolina. In a bipartisan vote, the North Carolina General Assembly overrode a baseless veto from Governor Josh Stein (D) on July 29 to pass <u>S.B. 416</u>, The Personal Privacy Protection Act. The vote made North Carolina <u>the 22nd state since 2018</u> to adopt proactive privacy protections for nonprofit members, donors, and volunteers. The PPPA's lead sponsors were Republican Senators Warren Daniel, Ralph Hise, and Timothy Moffitt. Attorney General Jeff Jackson (D) also supported the bill.

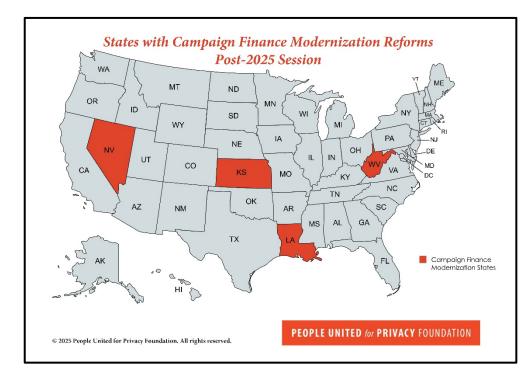
Before reaching Governor Stein's desk, the final version of S.B. 416 passed by votes of <u>24-15</u> in the Senate and <u>63-46</u> in the House in late June. The Senate vote included the support of two Democrats, while the House vote earned the support of three Democrats. Prior to those votes, committees in both chambers advanced the measure unanimously by voice vote. Outside the General Assembly, support was bipartisan as well. S.B. 416 enjoyed backing from the American Civil Liberties Union of North Carolina, Americans for Prosperity – North Carolina, John Locke Foundation, North Carolina Coalition Against Domestic Violence, North Carolina Coalition Against Sexual Assault, North Carolina Family Policy Council, and Planned Parenthood.

Despite this depth of support, Governor Stein <u>vetoed</u> the legislation in early July, claiming erroneously that it "creates more opportunity for <u>dark money</u> in our politics." The law contains an exemption, however, clarifying that the measure does not interfere with state campaign finance laws. Additional exemptions cover legal proceedings and certain agency-specific collection of personal information required by law. Both chambers of the General Assembly voted to override the governor's misguided veto by votes of <u>30-19</u> in the Senate and <u>74-46</u> in the House. Hats off to Senators Daniel, Hise, and Moffitt, members of the General Assembly, and the state's nonprofit community on this tremendous achievement for North Carolinians' privacy rights.

PROTECTING DONOR PRIVACY IN THE DIGITAL AGE: CAMPAIGN FINANCE MODERNIZATION

For all the momentum and success the Personal Privacy Protection Act has enjoyed, states are also taking action in other ways to safeguard nonprofits' ability to fulfill their missions while protecting their supporters' privacy. Increasingly, elected officials are noticing how outdated – and sometimes unconstitutional – laws and regulations are placing citizens' sensitive personal information at risk when they support nonprofit causes. Many of these laws predate the digital age and failed to anticipate the modern dangers of exposing personal information online.

Fortunately, some lawmakers have begun reviewing and modernizing their outdated campaign finance and lobbying laws to better protect nonprofits and their supporters from the reach of invasive regulatory and donor exposure mandates. These efforts seek to restore the strong First Amendment rights Americans enjoy to speak about political issues, petition the government and their peers, and join together with fellow citizens in support of a cause. Laws regulating campaign finance and lobbying touch directly on these fundamental freedoms and must be carefully drafted to avoid violating these rights. Regrettably, too many states have <u>failed</u> this test.



Reform is especially critical to prevent violent extremists and vengeful government officials weaponizing citizens' names, home addresses, and donation histories. This sensitive personal information serves as a blueprint for bad actors to harass and intimidate Americans for their beliefs and giving. The outcome? A society where only the most secure and the most brazen feel comfortable speaking up and speaking out.

PUFPF encourages legislators to review their state's campaign finance and lobbying laws. Statutes that are unclear, outdated, or inconsistent should

be rectified or repealed. This is particularly important following the U.S. Supreme Court's 2021 ruling in <u>Americans</u> <u>for Prosperity Foundation (AFPF) v. Bonta</u>, which clarified and reinforced the First Amendment rights of Americans to support nonprofit causes privately. Many states have laws that are unconstitutional after <u>AFPF</u> because they put the privacy of nonprofit donors at risk.

In 2023, **West Virginia** lawmakers demonstrated leadership by <u>enacting a comprehensive update</u> to their state's campaign finance and grassroots lobbying laws. Two bills signed into law by then-Governor Jim Justice (R) modernized the state's grassroots lobbying (<u>S.B. 508</u>) and campaign finance laws (<u>S.B. 516</u>) to bring the Mountain State into compliance with *AFPF* and improve safeguards for donor privacy through simple clarifications and updates to existing statutes. As a result, West Virginia is now one of the friendliest states in the nation towards citizens' right to privately support nonprofits. Slowly but surely, states across the country took notice of West Virginia's achievement. In the 2025 session alone, **Kansas**, **Louisiana**, and **Nevada** took decisive action to review and reform their campaign finance statutes to protect donor privacy for nonprofits engaged in advocacy on issues of importance to the public and their members.

Kansas. In early April, Governor Laura Kelly (D) signed a bipartisan bill, <u>H.B. 2206</u>, into law, amending the Sunflower State's campaign finance statutes to rein in the authority of abuse-prone regulators and ensure that free speech and <u>donor privacy rights are protected</u>. Like most states, Kansas has long required candidates, political parties, and political committees to publicly report their campaign expenditures and the names and addresses of their major donors. However, due to poor wording and the unwarranted actions of <u>overzealous regulators</u>, the law <u>ensnared nonprofit groups</u> for whom political speech is *not* their primary purpose. When non-political groups are subjected to the rigors of campaign finance law, important voices are silenced. This is not mere conjecture: This year's reforms were <u>spurred</u> by recent litigation <u>successfully challenging</u> state law for stifling nonprofit advocacy.

To rectify the issue, H.B. 2206 made a simple but impactful change to clarify that only organizations with "the major purpose" of making campaign contributions or expressly advocating for the election or defeat of candidates can be regulated as political committees. That gives nonprofits, who spend most of their time and resources serving their communities, leeway to occasionally speak to the public about issues in the state capitol that affect their members or mission. H.B. 2206 also aligned Kansas law with the Supreme Court's *AFPF v. Bonta* ruling.

As <u>PUFPF explained</u> to a Kansas Senate committee of H.B. 2206: "Campaign finance rules and regulations consistently produce many of the most perilous threats to the privacy of nonprofit members and supporters. These laws also threaten to silence the nonprofit community during important policy debates relevant to their missions." The passage of H.B. 2206 made Kansas a safer place for free speech and donor privacy. PUFPF applauds Governor Kelly, a bipartisan contingent of lawmakers, and First Amendment advocates in Kansas and nationally for joining together to secure this victory.

Louisiana. One of the nation's most antiquated campaign finance laws received a <u>much-needed makeover</u> in 2025. Governor Jeff Landry (R) signed <u>H.B. 693</u> on June 20, finally modernizing the state's campaign finance laws for the digital age and improving Louisianians' privacy in the process. The reform measure, spearheaded by Governor Landry and his attorney Stephen Gelé and sponsored by Representative Mark Wright (R), passed both chambers of the Legislature with strong bipartisan votes of <u>77-16</u> in the House and <u>31-6</u> in the Senate.

With the passage of H.B. 693, Louisiana became the fourth state to complete a comprehensive review of its campaign finance laws since 2023, following West Virginia, Kansas, and Nevada. Similar to those efforts, a key aim of H.B. 693 was to bring Louisiana law into compliance with *AFPF v. Bonta*. Many state campaign finance laws are likely unconstitutional under *AFPF* because they fail to distinguish between political committees, which exist to influence elections, and nonprofit organizations, which exist primarily for other social, religious, and educational purposes but may occasionally speak out on political issues. These laws put Americans' privacy at risk just for donating to a cherished community organization.

Louisiana was one such state where old laws threatened to treat nonprofit supporters like political megadonors, publicly exposing their donations and home addresses. As PUFPF explained in a letter to Governor Landry: "H.B. 693 builds on the state's legacy of respecting citizen privacy by wisely revising the 'political committee' definition in Louisiana law and appropriately clarifying the distinction between the reporting requirements for political 'committees' (commonly known as 'PACs') and the reporting requirements for organizations, like nonprofits, that are not PACs. Taken together, these reforms safeguard First Amendment-protected issue advocacy for nonprofits and crucially, the privacy of those organizations' members and supporters."

Thanks to H.B. 693, the law now promises Louisianians that when they donate to a nonprofit, they will not face backlash at their front doors. Governor Landry, Representative Wright, members of the Legislature, and the Pelican State's nonprofit community deserve credit for achieving this impactful victory for privacy, free speech, and good government.

Nevada. In an especially privacy-conscious and productive legislative session, Nevada lawmakers built on their near-unanimous support for the PPPA with bipartisan passage of a <u>critical campaign finance modernization bill</u>. <u>A.B. 497</u> was introduced by Speaker Steve Yeager (D), passed unanimously by the Assembly, and signed into law by Governor Joe Lombardo (R) on June 5. The measure made several key improvements to state law with two such reforms particularly noteworthy for nonprofits and their supporters.

First, the law clarified that nonprofits cannot be regulated as political committees under Nevada law. This is critical because PACs are required to publicly expose their donors and follow onerous reporting requirements for their spending and activities. As PUFPF has documented, regulators often attempt to slap the same obligations on nonprofits when they participate in the political process, such as by supporting pending legislation or commenting on an elected official's record. By treating nonprofits as PACs, states can inadvertently (or intentionally) expose non-political donors to harassment and retaliation. They also stifle the voices of many grassroots groups that lack the resources and legal expertise to navigate the complexity of campaign finance law. Thanks to A.B. 497, that won't be a problem in Nevada anymore. The law exempts "[a]ny nonprofit organization or nonprofit corporation duly organized under federal law or under the laws of this State, any other state, the District of Columbia or any territory of the United States" from the state's definition of a "committee for political action." Now, politicians and activists who seek to silence nonprofits or target their donors will have to cook up a new scheme.

Second, A.B. 497 specified that nonprofits cannot be forced to expose their donors when they engage in limited political activity. Specifically, the law amends existing code to make clear that when nonprofits make independent expenditures – communications that independently advocate for the election or defeat of candidates – they are only required to report information about how the money was spent. A.B. 497 safeguards the privacy rights of a nonprofit's members when organizations occasionally choose to exercise this right.

A.B. 497 will make it safer for Nevadans to support the causes they believe in at a time when political violence is increasingly common. Congratulations are due once again to Governor Lombardo, Speaker Yeager, and Nevada lawmakers for working together in a bipartisan manner to safeguard Nevada's nonprofit community and the personal privacy rights of all Nevadans.

LOOKING AHEAD TO 2026

For nonprofits and their members and supporters, the 2025 legislative session will be remembered as remarkably productive. Though disclosure threats were prevalent – as they often are in a post-election session – an array of states passed proactive reforms to protect donor privacy and ensure that nonprofits can continue to fulfill their mission. Equally as important, no direct donor disclosure threats were signed into law, a noteworthy feat.

Despite the good news, warning signs appear on the horizon. Political violence in the United States continues to intensify. This phenomenon has grave implications for elected officials, political donors, and Americans who support nonprofit causes. The <u>tragedy that occurred in Minnesota</u> this June and the recent <u>assassination of conservative activist Charlie Kirk</u> were shocking and have no place in America. As elected officials wisely <u>take steps</u> to protect their own safety and that of their families, they <u>must take proactive action</u> to protect their constituents as well. In an era of political upheaval, <u>privacy is paramount</u>, and efforts to compel nonprofits to disclose their donor and member lists are as short-sighted as they are <u>dangerous</u>.

Despite the seriousness of this concern, <u>Republican</u> and <u>Democratic</u> politicians are increasingly turning to donor disclosure schemes as a means of kneecapping their opposition. This zero-sum game has no winners and must be stopped before civic engagement as we know it in the United States is permanently damaged. It is incumbent on Americans and nonprofits across America, whatever their mission, to communicate to elected officials and the public the vital importance of protecting freedom of association – before it is too late.

ABOUT THE AUTHOR

Matt Nese is the Vice President 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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1025 Thomas Jefferson Street NW, Suite 400 West • Washington, D.C. 20007