



COUNCIL OF THE CITY OF NEW YORK

July 17, 2018

To: The Public Advocate (Ms. James)

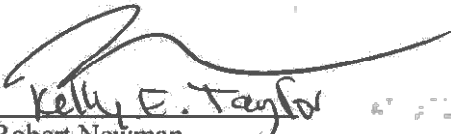
From: Legislative Drafting Unit


Re: A Local Law to amend the administrative code of the city of New York, in relation to spending by foreign nationals and foreign-influenced entities in connection with city elections

The attached material was prepared at your request. If this material is to be introduced, please indicate below that you have received and approved the draft and please then forward four copies to Corey Johnson, Speaker, City Hall, along with a plain language summary if a bill was prepared.

If you would like to amend or alter the draft, please contact Nell Beekman at 212-482-5416.

LS #7078


Robert Newman
Special Counsel to the Speaker
Deputy


Nell Beekman
Legislative Attorney


Wesley Jones
Deputy Director

Speaker Johnson: Please introduce this legislation. Unless initialed here ____, my approval is not needed for co-prime sponsorship.


The Public Advocate (Ms. James)

Plain Language Summary

Current Introduction Number:

Not assigned yet

Prime Sponsors:

The Public Advocate (Ms. James)

Bill Title:

A Local Law to amend the administrative code of the city of New York, in relation to spending by foreign nationals and foreign-influenced entities in connection with city elections

Bill Summary:

This plain language summary is for informational purposes only and does not substitute for legal counsel. For more information, you should review the full text of the bill, which is available online at legistar.council.nyc.gov.

To prevent the influence of foreign nationals in city elections, this bill would prohibit all spending by foreign nationals and foreign-influenced business organizations, including corporations, in connection with city elections.

Effective Date:

30 days after becoming law

Legislative Impact:

- ☐ **Agency Rulemaking Required:** Is City agency rulemaking required?
- ☐ **Report Required:** Is a report due to Council required?
- ☐ **Sunset Date Included:** Does the legislation have a sunset date?
- ☐ **Council Appointment Required:** Is an appointment by the Council required?
- ☐ **Other Appointment Required:** Are other appointments not by the Council required?

Note: In the full bill text online at legistar.council.nyc.gov, language in proposed consolidated laws that is enclosed by [brackets] would be deleted, and language that is underlined would be new. Language in proposed unconsolidated laws, in contrast, will not have brackets or underlining because it would be entirely new. Consolidation means that the law is placed in the New York City Charter or Administrative Code.

LS #7078

NB

Int. No.

By the Public Advocate (Ms. James)

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to spending by foreign nationals and foreign-influenced entities in connection with city elections

Be it enacted by the Council as follows:

Section 1. Section 3-702 of the administrative code of the city of New York is amended by adding new subdivisions 23 and 24 to read as follows:

23. Foreign-influenced entity. The term “foreign-influenced entity” means any entity, as defined in clause (ii) of subparagraph (a) of paragraph 15 of subdivision a of section 1052 of the charter, for which at least one of the following conditions is met:

a. A single foreign national holds, owns, controls, or otherwise has direct or indirect beneficial ownership of five percent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the entity;

b. Two or more foreign nationals, in aggregate, hold, own, control, or otherwise have direct or indirect beneficial ownership of 20 percent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the entity; or

c. A foreign national participates directly or indirectly in the entity’s decision-making process with respect to the entity’s political activities in the United States, including the entity’s political activities with respect to a covered election.

24. Foreign national. The term “foreign national” means:

a. A foreign national, as defined in subsection (b) of section 30121 of title 52 of the United States code, including but not limited to a foreign government or a foreign principal; or

1 b. An entity for which, in aggregate, one or more foreign nationals, as defined in subsection
2 (b) of section 30121 of title 52 of the United States code, own, control, or otherwise have direct or
3 indirect beneficial ownership of 50 percent or more of the equity, outstanding voting shares,
4 membership units, or other applicable ownership interests of the entity.

5 § 2. Chapter 7 of title 3 of the administrative code of the city of New York is amended by
6 adding a new section 3-721 to read as follows:

7 § 3-721 Prohibition of spending by foreign nationals and foreign-influenced entities. a. A
8 foreign national or foreign-influenced entity shall not make, directly or through any other person,
9 a contribution, expenditure or independent expenditure, as defined in clause (i) of subparagraph
10 (a) of paragraph 15 of subdivision a of section 1052 of the charter, in connection with any covered
11 election.

12 b. The board may, upon notice and opportunity to be heard, assess a civil penalty in an
13 amount not in excess of \$10,000 for each violation of this section. The intentional or knowing
14 violation of this section shall be punishable as a misdemeanor in addition to any other penalty
15 provided under law.

16 § 3. This local law takes effect 30 days after it becomes law.

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LS #7078
7/17/18