SB381

MS9YF11-1

By Senators Allen, Albritton, Barfoot, Beasley, Bell, Butler, Carnley, Chambliss, Chesteen, Coleman, Coleman-Madison, Elliott, Figures, Givhan, Gudger, Hatcher, Hovey, Jones, Kelley, Kitchens, Livingston, Melson, Orr, Price, Roberts, Sessions, Shelnutt, Singleton, Smitherman, Stewart, Stutts, Waggoner, Weaver, Williams, Woods

RFD: Banking and Insurance

First Read: 21-Sep-26

SYNOPSIS:

This bill would require agents of hostile foreign principals who engage in political activity in this state and foreign supported political organizations that engage in political activity in this state to register with the Secretary of State.

This bill would provide for the information that must be included on registration forms and require periodic registration updates.

This bill would authorize the Secretary of State to impose civil penalties for violations of this act.

This bill would authorize persons upon whom a civil penalty is imposed to appeal to the State Ethics Commission.

This bill would authorize the State Ethics Commission to reduce or set aside a civil penalty.

This bill would also define terms.

A BILL

TO BE ENTITLED

AN ACT

Relating to political activity; to require certain agents of hostile foreign principals and foreign supported

political organizations to register with the Secretary of State; to establish registration requirements; to authorize the Secretary of State to impose civil penalties; and to authorize the State Ethics Commission to hear appeals.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The Legislature finds all of the following:

(1) The voters, residents, and policymakers of Alabama are entitled to transparency in the political and propaganda activities of organizations that may be controlled by or under the influence of foreign countries hostile to the interests of the United States and the State of Alabama.

(2) In an increasingly globalized world, determining whether an organization's political and propaganda activities are funded by hostile foreign interests is often difficult.

(3) Legislation is needed to ensure the transparency necessary to allow voters, residents, and policymakers to evaluate whether political and propaganda activities are funded by potentially hostile foreign actors.

Section 2. As used in this act, the following terms have the following meanings:

(1) AGENT OF A HOSTILE FOREIGN PRINCIPAL. Any person who acts as an agent, employee, representative, or servant, or otherwise acts at the order, request, or under the direction or control of a hostile foreign principal: (i) whose actions are financed in whole or in part by a hostile foreign principal; and (ii) who engages in political activity.

(2) COMMISSION. The State Ethics Commission.

(3) FOREIGN SUPPORTED POLITICAL ORGANIZATION. A

political organization or partnership, committee, association, corporation, limited liability company, limited liability partnership, trust, professional corporation, or any other combination of persons that has, within the past five calendar years, received money or other things of value from a hostile foreign principal or an agent of a hostile foreign principal and which engages in political activity. The term does not include an industry, trade, or professional association that exists to promote the interests of its members, or any affiliated organization.

(4) HOSTILE FOREIGN COUNTRY. All of the following:

a. The Democratic People's Republic of Korea.

b. The Islamic Republic of Iran.

c. The People's Republic of China.

d. The Russian Federation.

(5) HOSTILE FOREIGN PRINCIPAL. Any of the following:

a. A government of a hostile foreign country, a political party of a hostile foreign country, or any member of a political party, body, or organization of a hostile foreign country.

b. A nonresident alien of a hostile foreign country.

c. A partnership, committee, association, corporation, limited liability company, limited liability partnership, trust, professional corporation, or any other combination of persons organized under the law of or having its principal place of business in a hostile foreign country.

d. A domestic partnership, association, corporation, organization, or other combination of persons that is at least

20 percent beneficially owned by a hostile foreign country, a nonresident alien of a hostile foreign country, or an entity organized under the laws of or having its principal place of business in a hostile foreign country.

(6) POLITICAL ACTIVITY. Any activity that is performed to influence any agency or public official of the state, county, or municipality, or any state or local political subdivision, or to influence the public within the state, relating to the formulation, adoption, or change in the policies or laws of the state or electing or opposing a candidate for state or local public office.

Section 3. (a) No person shall act as an agent of a hostile foreign principal unless he or she has filed with the Secretary of State a true and complete registration statement as required by this act. Every person who becomes an agent of a hostile foreign principal, within 10 days of becoming an agent, shall file with the Secretary of State a registration statement, under oath, on a form prescribed by the Secretary of State. The obligation of an agent of a hostile foreign principal to file a registration statement shall continue from day to day, and termination of that status shall not relieve the agent from his or her obligation to file a registration statement for the period during which he or she was an agent of a hostile foreign principal. The registration statement shall include all of the following, which shall be regarded as material for the purposes of this section:

(1) The registrant's name, principal business address, and all other business addresses in the United States or

elsewhere, and all residence addresses, if any.

(2) The status of the registrant as follows:

a. If an individual, his or her nationality.

b. If a partnership, the name, residence addresses, and nationality of each partner, as well as a true and complete copy of its articles of copartnership.

c. If an association, corporation, organization, or any other combination of individuals or entities, the name, residence addresses, and nationality of each director and officer and of each individual performing the functions of a director or officer, a true and complete copy of its charter, articles of incorporation, association, constitution, and bylaws and amendments thereto; a copy of every other instrument or document and a statement of the terms and conditions of every oral agreement relating to its organization, powers, and purposes, and a statement of its ownership and control.

(3) A comprehensive statement of the nature of the registrant's business, including a complete list of registrant's employees.

(4) A statement of the nature of the work of each hostile foreign principal for whom the registrant is acting, assuming or purporting to act, or has agreed to act, the character of the business, or other activities of every hostile foreign principal. If a hostile foreign principal is an entity other than a natural person, the statement shall also detail the ownership and control to which the hostile foreign principal is supervised, directed, owned, controlled,

financed, or subsidized, in whole or in part, by any government of a foreign country or foreign political party, or by any other hostile foreign principal.

(5) The nature and amount of contributions, income, money, or things of value, if any, that the registrant has received within the preceding 60 days from each hostile foreign principal, either as compensation or for disbursement or otherwise, and the form and time of each payment and from whom received.

(6) A detailed statement of every activity that the registrant is performing or is assuming or purporting or has agreed to perform for himself or herself or any other person other than a hostile foreign principal and that requires registration pursuant to this act.

(7) With regard to any person other than a hostile foreign principal for whom the registrant is acting, assuming or purporting to act, or has agreed to act under circumstances that would require his or her registration under this section, all of the following:

a. The name, business, and residence addresses, and if an individual, the nationality, of the person.

b. The nature and amount of contributions, income, money, or things of value, if any, that the registrant has received during the preceding 60 days from the person in connection with any of the person's activities.

(8) A detailed statement of the money and other things of value spent or disposed of by the registrant during the preceding 60 days in furtherance of or in connection with

activities that require the registrant's registration under this section and that have been undertaken by the registrant either as an agent of a hostile foreign principal or for himself or herself or any other person or in connection with any activities relating to the registrant becoming an agent of the principal.

(9) A detailed statement of any contributions of money or other things of value made by the registrant during the preceding 60 days to bring about the nomination or election of a candidate for any office or to bring about the approval or rejection by the voters of any proposed constitutional amendment.

(10) Such other statements, information, or documents pertinent to the purposes of this section as the Secretary of State may from time to time require.

(b) Every agent of a hostile foreign principal who has filed a registration statement required by subsection (a), within 30 days after the expiration of each six-month period succeeding such filing, shall file with the Secretary of State a supplement thereto, under oath, on a form prescribed by the Secretary of State, which shall set forth with respect to the preceding six-month period such facts as the Secretary of State may deem necessary to make the information required under subsection (a) accurate, complete, and current with respect to that period.

(c) An agent of a hostile foreign principal shall update the information required by subsection (b) with the Secretary of State every 90 days.

(d) The registration statement shall be executed under oath as follows:

(1) If the registrant is an individual, by him or her.

(2) If the registrant is a partnership, by the majority of the members thereof.

(3) If the registrant is a person other than an individual or a partnership, by a majority of the officers thereof or persons performing the functions of officers or by a majority of the board of directors thereof or persons performing the functions of directors, if any.

(e) A registration statement or supplement required to be filed under this section shall be filed in electronic form, in addition to any other form that may be required by the Secretary of State.

Section 4. (a) No later than December 31 annually, each foreign supported political organization operating within the state shall register with the Secretary of State and provide all of the following information:

(1) The name of the foreign supported political organization, its business address, and the names, titles, and addresses of all officers and directors of the foreign supported political organization.

(2) If the foreign supported political organization is affiliated with or a chapter of a national organization, the name of the national organization, its address, and the names and addresses of its officers and directors.

(3) A detailed statement of the money and other things of value spent or disposed of by the foreign supported

political organization during the preceding calendar year in furtherance of or in connection with activities to influence any agency or public official, local government entity, or the public within the State of Alabama, including, but not limited to, activities related to formulating, adopting, or changing the policies or laws of this state or electing a candidate to local or state public office.

(4) A detailed statement of any expenditures of money or other things of value made by the foreign supported political organization within the prior calendar year.

(5) A detailed statement of all money or other things of value received by the foreign supported political organization from a hostile foreign principal or an agent of a hostile foreign principal during the preceding calendar year.

(b) A registered foreign supported organization shall update the information required by subsection (a) with the Secretary of State every 90 days.

Section 5. Upon receipt of a complaint that an agent of a hostile foreign principal or a foreign supported political organization has failed to comply with the registration and reporting requirements of this act, or upon its own determination, the Secretary of State shall investigate, and upon finding a violation, impose civil penalties of up to ten thousand dollars ($10,000) for failure to timely file a statement required by this act.

If the Secretary of State finds that a violation was willful or a repeat violation of this act, the civil penalties shall be not less than ten thousand dollars ($10,000) nor more

than two hundred thousand dollars ($200,000) per such violation.

Section 6. (a) Any person upon whom a civil penalty has been imposed pursuant to Section 5 may seek a review of the penalty by filing a written notice with the Secretary of State no later than 21 days after the date on which notification of the imposition of the penalty was sent. The Secretary of State shall refer the review to the State Ethics Commission.

(b) The commission may set aside or reduce a civil penalty upon a showing of good cause. The person seeking review shall bear the burden of proof.

Section 7. This act shall become effective on October 1, 2026.