

BAN FOREIGN FUNDING IN BALLOT PROPOSITIONS

WRITTEN BY **The Honorable Chuck DeVore**
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KEY POINTS

- Federal law prohibits foreign nationals from contributing to candidate campaigns or political parties but not ballot propositions.
- Foreign nationals and corporations have spent money to influence state or local ballot measures, with one group spending \$130 million over 10 years.
- Only 27 states ban either foreign individuals and/or corporations from participating in ballot initiatives.
- Of the 26 states featuring statewide citizen-led initiatives or referenda, 17 have bans on foreign funding.
- 48 states feature local ballot measures, with 21 states allowing foreign funding.

EXECUTIVE SUMMARY

Election integrity starts with the premise that decisions made by American citizens are fairly and accurately tabulated at the ballot box—and that those decisions are not being swayed by foreign nationals, interests, or governments.

While federal law prohibits foreign nationals from contributing to candidate campaigns or political parties, a significant loophole exists in many states with regard to state and local ballot initiatives. Ballot measures, which allow voters to directly enact or repeal laws, often address core issues of state sovereignty, such as taxation, education, health care, and constitutional amendments. Unlike candidate elections, these measures have historically lacked uniform prohibitions on foreign funding, creating vulnerability to external influence as a result.

The National Conference of State Legislatures (NCSL) notes that foreign nationals do not enjoy the same political speech rights as U.S. citizens and permanent residents under the First Amendment ([NCSL, 2025](#)). Federal law under 52 U.S.C. § 30121 bans foreign contributions to federal, state, or local candidate elections, but the Federal Election Commission has long interpreted this as not extending to pure issue advocacy, including ballot measures. This distinction arises from the Supreme Court precedent *First Nat'l Bank of Boston v. Bellotti* (1978) that treated ballot initiatives as policy debates rather than elections for public office.

This gap allows foreign entities—including individuals, corporations, and governments—to indirectly shape state policy through nonprofit intermediaries or direct expenditures. Concerns over such influence

continued

have grown amid reports of foreign-linked funding in U.S. political causes, raising risks to national security and public trust. One large foreign-funded group is the Sixteen Thirty Fund ([Americans for Public Trust, 2025](#)). It was bankrolled with \$250 million by Hansjörg Wyss, a Swiss billionaire ([Americans for Public Trust, 2023](#)). This fund, in turn, dropped some \$130 million into ballot measures in 25 states over a decade ([Honest Elections Project, 2024](#)). Banning foreign funding in ballot initiatives closes this loophole, aligns state practices with federal candidate protections, and safeguards democratic self-governance.

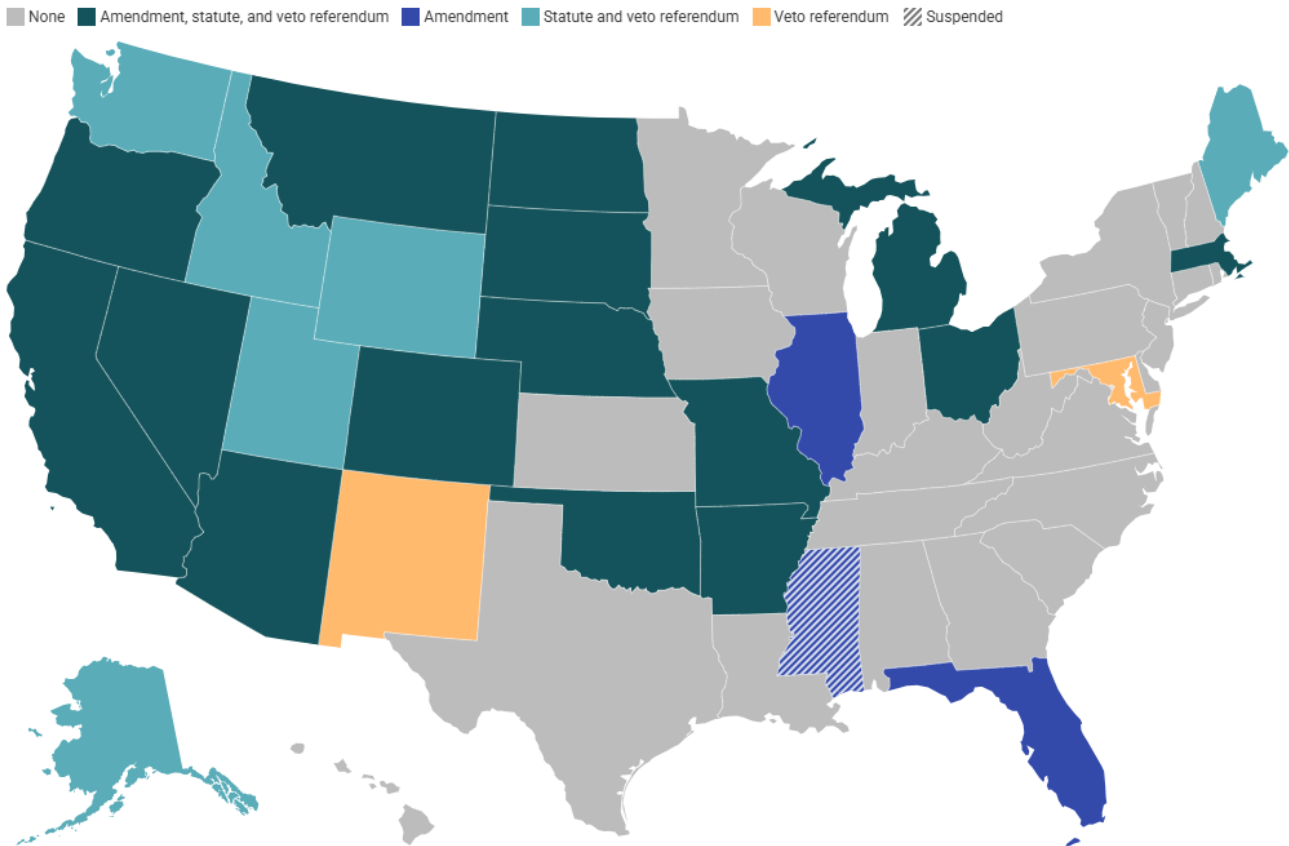
BACKGROUND

With representative government, voters elect people to represent them in office, the theory being that a representative government acts to protect minority rights from the tyranny of the majority. The Founders

saw that direct democracy could result in “mob rule” with the inevitable threat of increased volatility and the erosion of property rights ([Madison, 1787](#); [Hamilton or Madison, 1788](#)).

But the Progressive Era that brought the 16th and 17th Amendments (the income tax and direct election of U.S. Senators), both ratified in 1913, and then the 18th Amendment (banning the sale of alcohol in 1919), also saw the passage of the right to initiative and referendum at the state level. In fact, in the 20 years from 1898 to 1918, 21 state legislatures passed laws to cede some lawmaking power directly to the people. **Figure 1** shows the 26 states that have some form of direct democracy at the state level via citizen-initiated ballot measures ([Ballotpedia, n.d.-a](#)). Of these states, 18 are west of the Mississippi, with the West seeing the greatest Progressive Era political reform.

Figure 1
Type of Citizen-Initiated State Ballot Measure



Note. Map from Ballotpedia, *States that provide for initiative, referendum, or both*. Retrieved March 25, 2026, from https://ballotpedia.org/States_with_initiative_or_referendum.

The power for citizens to initiate ballot measures is far more common at the local level, where it is allowed in 48 states in cities or counties ([Ballotpedia, n.d.-b](#)), though not every city or county in those states may have that process.

Campaign finance disclosure is universal at the federal and state levels. All states require candidates, political committees, and entities involved in elections to report contributions and expenditures. Of course, monetary thresholds and reporting requirements vary.

While U.S. citizens and lawful permanent residents (also known as “green card” holders) may contribute to federal, state, and local political campaigns, foreign funding is prohibited for all candidates and independent expenditures ([52 U.S. Code § 30121](#)).

RECENT DEVELOPMENTS

Yet, despite this universal prohibition against foreign funding of elections, there is a giant loophole: only 27 states ban either foreign individuals and/or corporations from participating in ballot initiatives at the state or local level ([NCSL, 2025](#)). Of the 26 states featuring statewide citizen-led initiatives or referenda, 19 have bans on foreign funding. But Maine’s ban has been challenged successfully in court ([Allen, 2025](#)), and South Dakota only bans foreign corporate funding, not individuals. Of the 22 states featuring only local ballot initiatives, eight of them preclude foreign funding for local ballot initiatives. Minnesota has a ban on the books, but this ban was challenged in court by foreign interests in 2025 and remains on hold ([Bakst, 2023](#)).

While Indiana has no citizen-initiated initiative or referendum at the state or local level, it has a blanket ban on foreign funding of elections in the state. Wyoming law does allow citizen-initiated statutes and referenda at the local level, but no local jurisdictions have taken steps to use the power as of September 2012 ([Ballotpedia, n.d.-c](#)).

The states with no bans on foreign funding for initiatives, either state or local, include Alabama, Arizona,

Connecticut, Delaware, Georgia, Illinois, Louisiana, Massachusetts, Michigan, Mississippi, North Carolina, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Utah, Vermont, Virginia, West Virginia, and Wisconsin.

Momentum to address the foreign funding loophole accelerated in the 2020s amid heightened awareness of foreign interference risks. States began addressing indirect funding through domestic nonprofits receiving foreign donations. For instance, in Nebraska, after it was discovered that the Sixteen Thirty Fund spent heavily on left-wing ballot measures in 2020 (\$4.5 million was spent by 2022), the legislature acted to prohibit the practice with the passage of Legislative Bill 843 ([2022](#)) ([Americans for Public Trust, 2024](#)).

Ohio led recent efforts with House Bill 1 ([2024](#)), prohibiting direct and indirect foreign contributions to ballot issues. This spurred a wave of legislation, with 2025 marking a record year: at least nine states enacted new or expanded bans, bringing the total to 19 states—prior to lawsuit abeyance in two—with some form of prohibition ([Honest Elections Project, 2025](#)).

Opponents of foreign funding bans often invoke First Amendment challenges, arguing that restrictions burden political speech. However, courts have repeatedly upheld such prohibitions, finding a compelling government interest in preventing foreign interference that outweighs the limited speech rights of non-citizens. However, as previously mentioned (and will be detailed later), laws in Maine and Minnesota are currently blocked by the federal courts.

The foundational case is *Bluman v. Federal Election Commission* ([2011](#)), where a federal district court upheld the ban on foreign national contributions and independent expenditures in candidate elections. The court held that foreign nationals lack First Amendment protections in U.S. electoral speech, as the government has a vital interest in reserving political participation to those with allegiance to the nation. The Supreme Court summarily affirmed this decision.

Although ballot advocacy enjoys robust protection for citizens, per *First Nat'l Bank of Boston v. Bellotti* (1978), the absence of corruption risk does not eliminate other interests, such as national security and sovereignty.

Applied to ballot measures, courts have extended similar reasoning. Although ballot advocacy enjoys robust protection for citizens, per *First Nat'l Bank of Boston v. Bellotti* (1978), the absence of corruption risk does not eliminate other interests, such as national security and sovereignty. Recent litigation confirms this balance.

Ohio's HB 1 faced legal scrutiny in 2024. The Sixth Circuit denied an injunction that year (2024), affirming the foreign funding ban's application even to lawful permanent residents in certain contexts, consistent with *Bluman* (Honest Elections Project, 2025). These outcomes demonstrate that narrowly tailored bans survive strict scrutiny, as the interest in excluding foreign influence is compelling and unrelated to suppressing ideas.

FOUR RECENT LEGAL CASES

There are three active legal challenges to state statutes restricting foreign funding in elections. In Kansas, the courts have allowed the law to remain in effect as the case moves forward, whereas Maine and Minnesota, the foreign bans are on hold. In Nebraska, the attorney general sued several nonprofit groups and a Swiss billionaire to enforce Nebraska's prohibition on foreign funding of ballot initiatives as per Chapter 49, 49-1479.03; (see "Foreign national; contribution to ballot question committee; prohibited; exception").

In Kansas, challengers—including groups represented by attorney Marc Elias and those linked to foreign-funded entities like the Sixteen Thirty

Fund—sought to enjoin House Bill 2106 (2025), which prohibits entities receiving foreign funds from supporting or opposing constitutional amendments. Plaintiffs argued that the Kansas law violated their First and Fourteenth Amendment rights, specifically, *Kansans for Constitutional Freedom's* spending of \$11 million against a statewide ballot measure that sought to restrict abortion.

In denying a preliminary injunction in July 2025, the federal judge upheld the law, emphasizing states' authority to prevent foreign meddling in core sovereign functions (Kaminski, 2025; Harvel, 2025). The court's findings are of use in crafting similar measures, the most salient being:

- Kansas has a compelling interest in restricting foreign influence on democratic processes.
- The precedent set by *Bluman v. FEC* supports the government's interest in limiting foreign participation in U.S. political activities.
- The court finds that this interest applies equally to state-level ballot issues, including constitutional amendments.
- The law is sufficiently tailored to meet its objectives.
- The statute is compared favorably to similar laws in Maine, Minnesota, and Washington, which are more restrictive.
- The court finds that the restrictions are necessary to achieve the state's interest in preventing foreign influence.
- The court notes that the Supreme Court's decision in *Counterman*, which requires a *mens rea* for true threats, does not apply to civil liability per *Kansans for Constitutional Freedom v. Kobach et al* (2025).

Even so, on February 4, 2026, the U.S. District Court judge for the District of Kansas denied the defendant's motion to dismiss, moving the case one step closer to trial ([Kaminski, 2026](#)).

In the Kansas case, the federal judge noted that the Kansas foreign funding statute was more narrowly drawn than similar statutes in Maine and Minnesota, both of which were overturned by federal courts contemporaneously with the Kansas case, Maine, on July 11, 2025, and Minnesota on February 7, 2025.

In Maine's case, Central Maine Power Co., wholly-owned by Iberdrola, a Spanish firm, brought suit against the State of Maine and its 2024 voter approved referendum against foreign funding of ballot questions ([McGuire, 2024](#); [Davis, 2025](#)). The Maine prohibition on foreign corporations was triggered at 5% ownership ([NCSL, 2025](#)), but the U.S. Court of Appeals for the First Circuit ruled that the ballot proposition approved by 86% of Maine voters in 2023 violated the U.S. Supreme Court *Citizens United* decision on corporate political speech. The Court further ruled that the Maine law was too broad in defining a "foreign government-owned entity," in that it encompassed U.S. subsidiaries owned by foreign interests. Plaintiffs argued that, "A corporation might not even know when it crosses that 5% threshold because of the way that stocks are traded routinely on a daily basis... They could enter into and out of that threshold without even knowing it" ([Davis, 2025](#)).

The Minnesota prohibition went even further than Maine's, extending to firms with as little as 1% foreign ownership, resulting in a broad ban of corporate participation in local initiatives ([NCSL, 2025](#)). The case that overturned the law was *Minnesota Chamber of Commerce v. Choi et al* ([2025](#)).

In November 2025, Nebraska Attorney General Mike Hilgers filed a lawsuit against Swiss billionaire Hansjörg Wyss and several nonprofit organizations, accusing them of illegally funneling foreign money into six citizen-initiated ballot measures in the state ([WJAG, 2025](#)). The suit claims Wyss, a foreign national, indirectly contributed millions through a network

of dark money groups to influence Nebraska elections, thereby violating the state's 2022 ban on foreign funding in ballot campaigns. Unlike the Maine or Minnesota laws, the Nebraska statute provides that U.S. subsidiaries of foreign-owned firms may contribute if they are a "discrete entity" organized in the U.S.; if the foreign "parent does not finance election-related contributions;" and if all political decisions are made by "citizens or permanent residents of the United States" (see [Chapter 49, 49-1479.03](#); "foreign national; contribution to ballot question committee; prohibited; exception").

PATHS TO CLOSING LOOPHOLES

Taking into account recent legal challenges, statutory outlines that would likely survive constitutional challenges become clear.

To eliminate this practice nationwide, states should enact comprehensive bans on foreign funding in ballot initiatives. Model legislation should include:

- 1. Prohibition on direct and indirect contributions:** Bar foreign nationals, governments, and entities with significant foreign ownership or principal place abroad from contributing to ballot committees or making independent expenditures, such as the Sixteen Thirty Fund.
- 2. Disclosure requirements:** Mandate certification that no prohibited foreign funds are used, with traceability through intermediaries.
- 3. Enforcement mechanisms:** Empower state attorneys general and election commissions with investigative authority, civil penalties, and disgorgement of illicit funds.
- 4. Narrow tailoring:** Align definitions with federal law where possible, focusing on non-citizens and foreign principals to minimize First Amendment risks.

Organizations such as the America First Policy Institute offer detailed model bills that emphasize these elements ([America First Policy Institute, n.d.](#)).

One recent example out of Texas, Senate Bill 2035 (2025) by Senator Bryan Hughes, sought to prohibit foreign nationals and foreign-influenced entities from contributing to or expending funds on campaigns supporting or opposing ballot measures, including constitutional amendment propositions placed on the ballot by the legislature. Proponents argued that the bill closes a loophole that allowed potential foreign interference in state policy decisions via ballot propositions, thereby aligning Texas with other states addressing similar vulnerabilities. Although the bill passed out of the Senate on a vote of 27 to 4, it died in the House. During hearings on the bill, advocates highlighted an example of alleged foreign influence in a local Austin citizen-initiated proposition. The Sixteen Thirty Fund, a nonprofit that

has received substantial donations (approximately \$280 million known) from Swiss billionaire Hansjörg Wyss (a foreign national), reportedly spent funds opposing Austin's 2021 Proposition A, a voter-initiated measure to increase police staffing and funding ([Honest Elections Project Action, n.d.](#)). The measure lost by more than 2 to 1.

In an era of geopolitical tensions, sophisticated ways of moving money around to fund elections, and growing foreign attempts to influence events in the U.S., allowing foreign money to sway ballot outcomes undermines the principle that American laws should reflect American voices. Blocking foreign funding in ballot initiatives represents a straightforward, constitutionally sound solution. ■

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ABOUT THE AUTHOR



Chuck DeVore is the Chief National Initiatives Officer at the Texas Public Policy Foundation. He writes about the economy, energy, and national security. During session, the Texas Legislature frequently invites him to testify on election integrity and other topics. He guides the Foundation's national work in border security, election integrity, energy, and conservative criminal justice reform. He authored three books: *Crisis of the House Never United – A Novel of Early America*,

The Texas Model: Prosperity in the Lone Star State and Lessons for America, and *China Attacks*. He regularly appears on Fox News and is a senior contributor at *The Federalist*.

For six years until he termed out in 2010, DeVore represented almost 500,000 people in the California State Assembly where he was vice chairman of the Committee on Revenue and Taxation as well as a member of the Budget Committee. DeVore was a senior assistant to a U.S. congressman from 1988 to 1990, and in the Reagan-era Pentagon, DeVore was a special assistant for foreign affairs.

Prior to his election, DeVore was an executive in the aerospace industry for 13 years analyzing technology and corporate capabilities and working in business development.

DeVore retired from the U.S. Army as a lieutenant colonel, having served in both the National Guard and the Reserves as an intelligence officer.

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