

September 17, 2024

Dear Representative,

We, the undersigned civic organizations, write to you out of deep concern regarding two pieces of legislation in the House of Representatives: H.R. 8314 and H.R. 6408, **and are urging you to vote NO on suspending the rules to pass H.R. 8314 The Foreign Election Interference Act.** While H.R. 8314's sponsors may have good intentions to fight foreign influence in our elections, the underlying policy of that bill, and that of H.R. 6408, reflects a long-term strategy of certain political interests to undermine confidence in American elections. And whether intentionally or accidentally, these bills would cause serious harm to 501(c) infrastructure that encourages civic engagement and the effective advocacy for better policies for American workers and families.

If enacted, these bills would have far-reaching and harmful effects on various charitable, social welfare, labor and other organizations and the state of our democracy alike. And while to this point their potential for doing harm has gone unnoticed, it is not too late to stop them from passing out of the US House of Representatives.

H.R. 8314: *No Foreign Election Interference Act*

The *No Foreign Election Interference Act* would revoke the tax-exempt status of non-profits or advocacy organizations who make political contributions after receiving “contributions or gifts” from non-citizens. In practice, that means that any union or membership organization that receives dues from a non-citizen would be banned from fully engaging in political activity.

To be clear, it is already illegal for 501(c) organizations to solicit, accept, or receive money from foreign nationals in connection with elections. Rather, the *No Foreign Election Interference Act* would create massive chilling effects on First Amendment activities by forcing nonprofits (that are eligible under this tax status) to choose between making legal political expenditures and accepting *any* monetary support from non-citizens – which they may not even be aware of – as they carry out their missions.

H.R. 8314 does nothing to prevent Russian or Chinese state interference in our elections. It actually creates carve-out protections for multinational corporations or US subsidiaries of foreign corporations to continue making contributions to pro-business organizations that typically receive large corporate donations. At the same time, small-donor and membership-based organizations, advocating on issues concerning workers, the environment, or children, are put in the bill's crosshairs. They may unknowingly receive among its individual donations or dues a payment from a single foreign national and consequently be restricted from engaging in political activity, even if they segregate those funds. Nonprofits already carefully comply with current legal requirements through explicit grant agreements, accounting for receipts as restricted funds, firewalling foreign nationals from political decisions, and segregating foreign support in separate accounts. This legislation would have massive consequences for how any charitable, social welfare, labor, or other organizations operate, while protecting the backbone of how the other side finances its policy goals through corporate funding.

H.R. 8314 is a standalone bill and its concept is also reflected in the larger Republican elections package known as the American Confidence in Elections Act or ACE Act, penned by House Administration Chair Bryan Steil.

H.R. 6408, “to amend the Internal Revenue Code of 1986 to terminate the tax-exempt status of terrorist supporting organizations”

This standalone bill that has been rolled up into H.R. 9495 would make it easier for the Treasury Department’s political appointees to baselessly accuse non-profit organizations of supporting terrorist organizations. Currently, non-political career officials at the Internal Revenue Service evaluate these claims and make such decisions. It is already illegal for 501(c) organizations to provide material support to terrorist organizations.

But this legislation would provide the incumbent administration with the power to play politics against critics. For example, the proposed legislation would allow an administration the leeway to determine that any 501(c) organization that issued statements in support of organizations like Black Lives Matter or a ceasefire in Gaza is providing support to a terrorist organization. Political appointees at Treasury would then have the ability to revoke the 501(c) status of any organization that made those types of statements.

Such new-found power handed to the administration would weaponize the tax code and have major operational impacts on all non-profits. H.R. 6408 passed the House in April 2024 and is now being considered in the Senate. Additionally, the key provisions of H.R. 6408 were rolled up into H.R. 9495 which passed out of the House Ways and Means Committee this week.

These bills would – intentionally or unintentionally – weaponize the federal government and instill fear into social welfare organizations. Their impacts on the ability of social welfare organizations to support critical civic activities such as advocacy campaigns, mobilization efforts, and litigation would be grossly stunted while the ability of foreign corporations to advance their political agendas via domestic pass-through organizations would remain untouched.

If the goal of this legislation is to actually prevent foreign money from influencing U.S. elections, these bills would cause significant harm to social welfare organizations while failing to account for the massive impact that foreign and multinational companies like have on our political process, to which these bills turn a blind eye.

We are urging lawmakers to vote against H.R. 8314 this week under suspension of the rules and H.R. 6408 if and when it comes to the floor for a vote. These bills would massively undermine the organizations that benefit the progressive movement with their advocacy, while specifically targeting how *all* progressive organizations operate.

As a nation founded on the idea of political discourse, the passage of these bills will have major consequences for the peoples’ ability to join the conversation.

Respectfully,

American Civil Liberties Union

American Federation of Teachers

Black Voters Matter

Chispa

Clean Elections Texas

Climate Justice Alliance

Democratic Messaging Project

Democracy Sentry

DemCast USA

Earth Ministry/Washington Interfaith Power & Light

Faithful Democracy Coalition

Greater Birmingham Ministries

Greenpeace

Indivisible

Local Majority

League of Conservation Voters

League of Women Voters of the United States

MoveOn

NETWORK Lobby for Catholic Social Justice

Oceana

People Power United

Public Citizen

United Church of Christ

Voters of Tomorrow