

February 27, 2017

**TESTIMONY BEFORE THE CONNECTICUT GENERAL ASSEMBLY'S
GOVERNMENT ADMINISTRATION AND ELECTIONS COMMITTEE**

In Support Of:

S.B. 582, An Act Prohibiting Independent Expenditures By Foreign-Influenced Business Entities And Limiting Covered Transfers

Dear Chair Gary A. Winfield, Chair Michael A. McLachlan, Chair Daniel J. Fox, Ranking Member Laura Devlin and Members of the Government Administration and Elections Committee:

My name is John Bonifaz. I am the Co-Founder and President of Free Speech For People, a national non-partisan organization which engages in legal advocacy, public education, and organizing across the country to challenge big money in politics and reclaim our democracy. Since our launching on the day of the US Supreme Court's ruling in *Citizens United v. FEC* more than seven years ago, we have served as a leading force in advancing a new jurisprudence on money in politics and American self-government. Prior to co-founding Free Speech For People, I served as the founder and executive director of the National Voting Rights Institute and as the legal director of Voter Action. For more than two decades, I have worked as a constitutional and public interest attorney seeking to help strengthen our democracy and fulfill America's promise of political equality for all. I appreciate the opportunity to submit this written testimony on behalf of Free Speech For People in support of S.B. 582, An Act Prohibiting Independent Expenditures by Foreign-Influenced Business Entities and Limiting Covered Transfers.

This bill has two major elements. First, it prohibits independent expenditures by foreign-influenced business entities. Under current federal law, foreign nationals (foreign governments, foreign citizens not permanently residing in the United States, and foreign corporations) are prohibited from making contributions or independent expenditures in federal, state, and local elections. *See* 52 U.S.C. 30121. The United States Supreme Court recently upheld this law in the 2012 case of *Bluman v. FEC*, 132 S. Ct. 1087 (2012). However, nothing prevents foreign nationals from acquiring ownership stakes in corporations or similar entities and then using this stake to control or influence the corporation's political spending. The bill addresses that by prohibiting the making of any independent expenditure by any entity in which either five percent or more of total equity or shares are held by a foreign owner or in which a foreign owner participates in the entity's political decision making process.

Second, the bill addresses “super PACs,” which are political committees or similar entities that make independent expenditures with unlimited contributions, and which have become increasingly dominant in Connecticut political spending in the 2014 and 2016 elections. Under current law, any super PAC may receive unlimited “covered transfers,” which are defined in Section 9-601(29)(A) as payments to a person or entity that uses these funds to make independent expenditures. The bill limits covered transfers to \$70,000 per donor per recipient per year, thus limiting *contributions to* independent expenditure groups without placing any limits on *spending by* those groups.

In March 2010, the US Court of Appeals for the DC Circuit, in the case of *Speechnow.org v. FEC*, 599 F.3d 686 (2010), unleashed super PACs into our political process. The Supreme Court has yet to review the *Speechnow* ruling, and the ruling has led to the current explosion of super PAC spending in our elections. Many leading constitutional scholars now argue that the *Speechnow* ruling was wrongly decided and that super PACs have become vehicles for wealthy donors to evade longstanding limits on campaign contributions to candidates, presenting a new threat of corruption of the political process.

S.B. 582 would mark a major step forward in protecting the integrity of elections in Connecticut and in ensuring that our democracy works for all Americans, regardless of economic status. Free Speech For People urges this committee to pass this bill.