Government Administration and Elections Committee

JOINT FAVORABLE REPORT

Bill No.: HB-7329
AN ACT CONCERNING DARK MONEY AND DISCLOSURE OF FOREIGN POLITICAL SPENDING AND OF POLITICAL ADVERTISING ON SOCIAL MEDIA.

Vote Date: 4/1/2019
Vote Action: Joint Favorable
PH Date: 3/13/2019
File No.: 

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SPONSORS OF BILL:

Government Administration and Elections Committee

Co-Sponsors

REASONS FOR BILL:

The bill was introduced to help create more transparency with regards to the management, fund raising and spending actions of independent expenditures (IE) created for the purpose of promoting or defeating state level political candidates. It adds new rules and regulations that would increase disclosure of where contributions to IEs originated as well require that persons in charge of independent expenditures provide a variety or personal information to CT election officials. The bill if enacted would expose a significant amount of insight into the who, what, where and how of IEs in Connecticut as well as require online platforms such as Facebook to disclose similar information regarding online political advertisements.

RESPONSE FROM ADMINISTRATION/AGENCY:

Michael J. Brandi, the Executive Director & General Counsel of the State Elections Enforcement Commission (SEEC): Brandi is in support of the bill and the provisions of it that will strengthen our current campaign spending laws as well as the aspects that increase disclosure of contributions. SEEC also supports the bill in clarifying the exclusion of foreign businesses from interfering and interacting with CT’s elections. Brandi states that the bill will help clarify and ensure that Citizens Election Program (CEP) grant participants are spending their money appropriately. He also supports how the bill will add a level of disclosure to online
ads which often target specific groups and are able to vanish with little to no accountability. Brandi supports the section of the bill that will close the gap on the origination of large sums of out of state political contributions to IEs. He states that the bill will ultimately strengthen the CEP program and hold treasurers more accountable.

NATURE AND SOURCES OF SUPPORT:

**Evan Hoffman, Director of State Gov. Affairs at the Organization for International Investment (OFII):** OFII supports the intent of the bill but requests that the definition of “foreign-influenced entity” be modified. They state that as currently written the definition would include many Connecticut employees to now be considered “Foreign-Influenced Entities” particularly the employees of the 730 U.S subsidiaries of foreign companies. They claim that the bill would prohibit these subsidiaries and their employees from participating in political activities. They also claim that many of the currently defined “foreign-influenced entities” are already regulated by federal law and the bill should be amended to replace “foreign-influenced entity” with the word “foreign national”.

**Cheri Quickmire, Executive Director of Common Cause – Connecticut:** Offers general support for the bill.

**Tom Swan Executive Director Of The Connecticut Citizen Action Group (CCAG):** CCAG strongly supports the bill and state that it will help clarify who is spending money to attack candidates in Connecticut Elections. They support CT’s Citizen’s Election Program and feel this bill will strengthen the program against the federal Supreme Court decisions that could potentially undermine it.

NATURE AND SOURCES OF OPPOSITION:

**Isabel Blank, Manager, External Affairs at the Yankee Institute for Public Policy:** The Yankee Institute has broad concerns regarding the bill. They specifically note that the bill would eliminate aspects of donor privacy and disclose personal information of donors which could expose them to the risk of attack both in person and online. They express concerns that the bill could limit civic engagement and discourage people from getting involved in the political process. Yankee institute also states that bill would expose peoples political views who might not want them public and that could deteriorate our democracy.

**Christina Fisher Executive Director, Northeast - TechNet:** TechNet is in opposition of HB 7329 but do support the concept that people should be informed of who is producing and paying for political ads on the internet. They see problems in that states define political ads in very different ways and because internet platforms do not operate exclusively inside state boundaries there could be significant issues in properly disclosing the required information. TechNet states that the bill is too broad in defining what a political ad is as well as what constitutes an “online platform” which could lead to issues enforcing the law. TechNet also see problems in that many platforms are unaware of what ads are posted on their sites and because this bill would hold the site accountable for disclosure they could unknowingly be in violation of the law.

Joined By:

**John Olsen, State Government Affairs Northeast Region – Internet Association**
David McGuire, Executive Director - American Civil Liberties Union of Connecticut (ACLU-CT): McGuire opposes the bill and states that while they support the intent of increased election transparency that the broad reach of the bill may ultimately have a chilling effect on political participation. ACLU-CT sees issues with the language of bill requesting disclosure of personal information of donors and claims this may function as a deterrent for political debate and discussion. ACLU states that a balance can be found between meaningful reform and transparency while protecting First Amendment freedom of speech rights.

Reported by: Ben Lovejoy
Committee Clerk

Date: 4/11/19