

Testimony in Support of S.430 & H.722

An Act Limiting Political Spending by Foreign-Influenced Corporations

Testimony in Support of H.669 & S.422

An Act Supporting Parents Running For Office

Geoff Foster, Executive Director, Common Cause Massachusetts

Joint Committee on Election Laws

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Even in these divided times, Americans can agree that foreign interests should not be able to influence our political system by pouring money into elections. Under current law, foreign governments, and citizens (except lawful permanent residents) are forbidden from spending money in state elections.

Yet a loophole allows foreign money to enter our politics through political spending by *corporations*. **S.430 & H.722** help to close this loophole for our Massachusetts state elections.

The Supreme Court's 2010 *Citizens United* decision is largely to blame for the foreign-owned corporate loophole. Prior to that unfortunate decision, business corporations were not allowed to influence elections directly or indirectly. Since *Citizens United*, for-profit corporations, even those under foreign control or influence, can spend unlimited money in politics. This makes no sense, and to protect our Republic we must close this loophole.

S.430 & H.722, would do just that. They prohibit a corporation from making electioneering communications and independent expenditures in Massachusetts elections (we cannot make rules for expenditures regarding federal candidates) if a single foreign shareholder owns more than 5% of a company's shares or if over 20% of the total ownership is in foreign hands. Why five percent? It is the threshold at which a single shareholder must be disclosed to the

Securities and Exchange Commission and is considered a significant influencer in the corporation's decision-making. The legislation would help ensure that the financing of our state elections is protected from foreign corporate influence.

Moreover, the bills would also take a bite out of *Citizens United*. About one in ten S&P 500 corporations have a foreign shareholder owning over 5% of shares and therefore can influence the corporation's political spending. The numbers may be even higher for companies that are not publicly traded. For example, Uber, which has spent millions on local-level elections to fight safety regulations, has been over 5% owned by the Saudi Arabian government. The same Uber who - alongside Lyft - recently funded a campaign effort attempting to put a gig worker ballot question on to the 2022 ballot last year.

We believe the prohibitions in the bill are constitutional. In 2012, after *Citizens United*, the Supreme Court upheld the ban on foreign nationals spending in elections in *Bluman v. FEC*. We think the case is clearly applicable to the proposals in these bills because if foreign nationals do not have a right to spend directly on elections, they also lack a right to do so indirectly in the corporate form. The Supreme Court upheld the notion that state, local, and the federal government can properly exclude foreign citizens from activities that are part of the democratic self-government of the United States. That is precisely what these bills will do.

Our country's Founders were rightly worried about foreign influence in elections, fearing that Europe would try to corrupt and undermine the new Republic's independence. Here, at the Birthplace of the American Revolution, we should act now to protect our own state's democracy. Please give these bills a favorable report.

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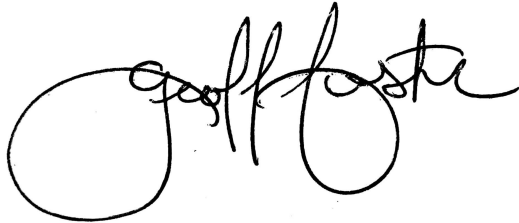
Common Cause Massachusetts is in support of **H.669 & S.422**, *An Act Supporting Parents Running for Public Office*. My predecessor Pam Wilmot was a member of the Special Commission on Family Care and Child Care Services which released its report in December of 2020. The conclusion reached in that report was that MA candidates should be permitted to use campaign funds for childcare expenses that would not exist but for the candidate's campaign obligation as they are permitted to do with other expenditures that would not exist but for the candidate's campaign obligations. Common Cause Massachusetts is proud to support this bill that would remove a barrier for parents who seek to run for office, and we respectfully ask that you give these bills a favorable report.

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Common Cause Massachusetts has a 50-year history of successfully advocating for a stronger, more transparent, and more ethical government. At the core of our work has been a steadfast commitment to ethics and campaign finance reform, and we are proud of the great progress to

date. There are bills before this committee which propose loosening the restrictions on the solicitation and receipt of political campaign contributions by appointed public officers or employees (MGL Ch. 55, Sect 13). We are opposed to any effort that will make this change because it will surely put great political pressure on appointed public employees to fundraise for their elected bosses, and on citizens they do business with to make financial contributions. While we recognize the pressure would still be illegal, the ability for public employees to safely complain or refuse would be lost. In this dramatically divisive political climate, it is critical that we continue to protect government employees from the political influences around them.

Thank you,

A handwritten signature in black ink that reads "Geoff Foster". The signature is written in a cursive, flowing style with large, rounded letters.

Geoff Foster
Executive Director, Common Cause Massachusetts