

HB2106 Opponent Written Only Testimony

Chairman Thompson and Members of the Committee,

I appreciate the intent behind HB2106 in preventing foreign influence in Kansas elections. I was excited about the attempt to limit foreign involvement-maybe so much so that I didn't examine the original bill closely enough. While I supported the original version, taking a closer look since the amendments, I now have serious concerns-not just with the changes, but with the original bill itself. The amendments have significantly weakened its effectiveness, and even without them, the bill leaves critical gaps unaddressed.

Affidavit vs. Certification:

One significant change is the shift from requiring an affidavit to a certification. While both affidavits and certifications are vital for transparency, affidavits hold more weight legally because of the stronger penalties for false statements. Certifications, on the other hand, do not carry the same level of legal consequences.

Removing the affidavit requirement reduces the gravity of the reporting process. To maintain the same level of accountability, I recommend adding language to ensure certifications carry the same penalties as affidavits. This would address the concern of easing the notarization requirement without compromising the integrity of the reporting process.

The \$100,000 Contribution Limit:

If the goal of this bill is truly to eliminate foreign money from Kansas elections, I believe it falls short. The original version of the bill had stricter limitations on foreign contributions, which would have been more effective in curbing foreign influence.

Under the amended version, there is a \$100,000 per-donor limit over a four-year aggregate period, but no overall cap on foreign contributions. This means multiple foreign-owned entities could each contribute up to \$100,000, allowing substantial foreign influence over time. Without an aggregate cap on total foreign contributions, this bill doesn't fully achieve its goal of restricting foreign involvement.

Defining "U.S. Sources" and Tracking Foreign Funds:

Another critical concern is the definition of "funds derived entirely from U.S. sources." While the bill allows contributions from U.S.-based entities as long as the funds come from U.S. operations, the question remains: what exactly qualifies as "U.S. sources"?

The reality is that tracking whether funds are truly from U.S. operations is incredibly complex. A company may be based in the U.S., but still have foreign investors or foreign interests influencing its finances. The complexity of tracking the origin of funds leaves room for potential loopholes.

Without clear definitions and robust mechanisms for verification, it will be difficult to enforce this provision effectively. Will the Ethics Commission audit certifications to ensure

that no foreign funds are involved, or will they simply accept the certifications at face value? Without proper oversight, this provision risks becoming ineffective.

Indirect Influence:

Beyond direct contributions, the bill doesn't fully address the potential for indirect foreign influence. Foreign entities could channel funds through U.S.-based organizations or donors to bypass the intent of this bill. A foreign national might not contribute directly to a Kansas political committee but could exert influence through U.S.-based entities, undermining the bill's effectiveness.

This loophole must be addressed to prevent foreign interests from circumventing the law. The bill needs stronger safeguards to prevent this kind of indirect foreign influence.

Foreign Influence and Enforcement Challenges:

Enforcement is another significant concern. Tracking and verifying the source of funds is a complex task, especially with the potential for indirect influence. Oversight of certifications must be rigorous to ensure that foreign funds are not slipping through the cracks.

If the state lacks the resources or clear guidelines for enforcement, we risk creating a system that is difficult to manage and ultimately ineffective in preventing foreign influence.

Conclusion:

In conclusion, I support the intent of HB2106 to prevent foreign influence in Kansas elections, but I believe the amendments have weakened its effectiveness. The removal of the affidavit requirement, the \$100,000 contribution cap, and the ambiguity around "U.S. sources" all create significant obstacles to the bill's success. Additionally, the potential for indirect foreign influence remains an unresolved issue.

To ensure the integrity of our elections, we need stronger, clearer protections and an enforcement system that can be effectively implemented. I urge the committee to reconsider these changes, tighten the language around contributions, and clarify how we will define U.S.-sourced funds while addressing indirect foreign influence. Otherwise, we risk passing a bill that sounds good in theory but is ineffective in practice.

Respectfully submitted,

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