

February 9, 2021

**Testimony on HB 691
Election Law – Campaign Contributors –
Disclosure of Owning or Controlling Individual or Business Entity
Ways and Means**

Position: Favorable

Common Cause Maryland supports HB 691 which would increase transparency and the ability to identify suspicious donations from businesses in our elections.

Until there is a better way to fund our campaigns, like the public funding systems available in jurisdictions like Montgomery, Howard, and Prince George’s County as well as Baltimore City, candidates and their donors are enticed to use all means that are available to build competitive campaigns.

In our 2017 report¹ analyzing what candidates were spending and where their contributions were coming from in 2016, we found that donors were either exploiting loopholes in Maryland’s campaign finance law —or violating it altogether. Even though legislation in 2013 treating LLCs as single entities was widely expected to decrease their expenditures, LLC spending in campaigns continue to grow. We remain concerned that LLCs that share common ownership or control are not obeying the law and continue to donate above the legal limits; and that individuals are creating fake LLCs for the intent of making campaign donations, which is strictly illegal under campaign finance law.

While HB 691 would not end this special interest activity, it would bring attention to these types of contributions and the candidates receiving them. If implemented, we expect businesses making legitimate contributions will be most likely to disclose ownership, leaving a more limited pool of businesses that require further public scrutiny.

HB 691 would increase reporting and transparency in Maryland’s campaign finance law and we respectfully request a favorable report.

¹ Analyzing the 2016 Baltimore City Elections: What the Candidates Spent and Where It Came From, August 14, 2017. Available at <http://www.commoncause.org/states/maryland/research-and-reports/analyzing-the-2016-baltimore.pdf>