

LWVMD Testimony in support of SB 269.pdf

Uploaded by: Jacqueline Coolidge

Position: FAV



**TESTIMONY TO THE SENATE EDUCATION, ENERGY AND ENVIRONMENT
COMMITTEE**

**SB 269 Cryptocurrency - Campaign Finance Prohibitions - Disclosures by
Financial Institutions**

POSITION – Support

BY: Nancy Soreng President

DATE: February 16, 2023

The League of Women Voters has a long-standing position in support of “improved methods of financing political campaigns in order to ensure the public’s right to know, combat corruption and undue influence, enable candidates to compete more equitably for public office and promote citizen participation in the political process.”

We therefore support SB 269, which would include cryptocurrency among campaign finance prohibitions and required disclosures by financial institutions. While we understand the requirements of the Supreme Court decision in favor of Citizens United in 2010 regarding independent expenditures on behalf of political campaigns, we note in particular the majority opinion’s comments about the benefits of disclosure of the sources of those funds: “Identification of the source of advertising may be required as a means of disclosure, so that the people will be able to evaluate the arguments to which they are being subjected”

And further: “The First Amendment protects political speech; and disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”

We have ample evidence from recent news about the risks of cryptocurrency for money laundering and fraud. Cryptocurrency can easily be used to hide illegal campaign contributions from foreign sources. For these reasons, the League of Women Voters fully agrees that cryptocurrency should be excluded from campaign donations and expenditures, and the State Board of Elections and the Maryland Comptroller should be empowered to fully investigate any violations.

We urge a favorable report on SB 269.

SB 269 - Cryptocurrency - Campaign Finance Prohibi

Uploaded by: Morgan Drayton

Position: FAV

February 16, 2023

Testimony on SB 269
Cryptocurrency - Campaign Finance Prohibitions - Disclosures by Financial Institutions
Education, Energy, and the Environment

Position: Favorable

Common Cause Maryland is in favor of SB 269 which would prohibit those subject to campaign finance regulations from accepting any contribution or donations using cryptocurrency.

As an organization with a particular focus on transparency and disclosure, the difficulty with tracing cryptocurrency donation raises serious questions about its potential use to hide illegal campaign contributions from foreign sources. The need for heightened transparency has never been more urgent, as unprecedented amounts of money coming from anonymous sources flood into elections around the country. We believe that Marylanders have a right to know who is funding elections and therefore trying to influence our views and our representatives.

Common Cause Maryland works to strengthen transparency in government across the state, including strengthening political spending disclosure laws so that every Marylanders knows who is trying to influence our votes and can see who is funding those efforts. For these reasons, we urge a favorable report on SB 269.

230215-SB0269-crypto-campaign-fin-back-taxes.pdf

Uploaded by: Christine Hunt

Position: UNF

Christine Hunt and Jay Crouthers
1014 Dockser Drive
Crownsville, MD 21032

February 15, 2023

Maryland General Assembly
Members of the Education, Energy and the Environment Committee
Annapolis, MD

RE: SB0269-Cryptocurrency-Campaign Finance Prohibitions – Disclosures by Financial Institutions

Dear Senators,

We oppose SB 269 and respectfully request that you vote against it.

This bill involves two different issues: campaign finance and taxes.

These issues need to be addressed separately in different bills. Because it seems the bills allows for the Comptroller to have unjust tax collection power relative to crypto assets that needs to be debated and up for public discourse.

The bill sponsor stated that the bill would allow the government to go after crypto assets for the payment of back taxes, which is separate from campaign finance.

Please vote against this bill.

Sincerely,

Christine Hunt and Jay Crouthers

Oppose SB0269.pdf

Uploaded by: Peggy Williams

Position: UNF

SB0269

OPPOSE

Cryptocurrency - Campaign Finance Prohibitions - Disclosures by Financial Institutions

Dear Committee Members:

This bill is about different topics and **should be two separate bills** concerning “Campaign Finance” and “Taxes.” The way this bill is written, it seems as though legislators are trying to sneak legislation through pertaining to taxes, without debate and the chance for the public to comment. Given cryptocurrency is such a new system, it is easy to slide legislation by before the public understands how it works. I am sure that was not the intent, but this bill certainly gives that appearance.

There is also a narrative push in media that cryptocurrency transactions are more subject to criminal activity and fraud than any other type of currency. The same can be said of fiat currency/paper dollars, so this is not a valid argument. And contrary to what was stated in the 1/31/23 House hearing that crypto cannot be traced, the fact is every single transaction of cryptocurrency is documented on the blockchain, although user wallets are, for all intents and purposes, anonymous. The transactions are on an open ledger that everyone can see, so calling it “untraceable” is misleading and contributes to that mainstream narrative that decentralized crypto is shady and “only used by criminals.”

Moreover, it is widely believed that the fraud perpetrated by FTX was an attempt by bad players to bring down the whole cryptocurrency system by scaring the crypto community out of using crypto, BECAUSE IT IS DECENTRALIZED and not subject to government control, in addition to money-laundering to fund certain political candidates. Our corrupt federal government wants nothing more than for us to be afraid of decentralized crypto, and use their coming (centralized) Central Bank Digital Currency (CBDC), which can be turned off with the click of a button if we so much as post one dissenting comment on social media.

All that being said, the Comptroller should not be able to retroactively go after crypto assets for the payment of backtaxes prior to SEC cryptocurrency laws being passed (laws requiring one to file taxes for gains in crypto, or else receive a penalty). There should be a cutoff date of when the SEC laws went into effect. As I stated above, these kinds of issues should be open for debate and comment ***as a separate bill*** on the topic of Taxes. For that reason, I oppose this bill.

Thank you.

Sincerely,

Peggy Williams

Severna Park, MD