

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 509
(Delegate Vogel, *et al.*)
Government, Labor, and Elections

**Campaign Finance - Contributions by Gas and Electric Utility Companies -
Prohibition**

This bill prohibits a utility company doing business in the State from, directly or indirectly, making a contribution to (1) the campaign finance entity of a candidate for a nonfederal public office in the State or (2) any other campaign finance entity organized in support of a candidate for nonfederal public office in the State. “Utility company” means an electric company or a gas company, as defined in § 1-101 of the Public Utilities Article. **The bill takes effect June 1, 2026.**

Fiscal Summary

State Effect: Special fund revenues may increase annually, beginning in FY 2027. Expenditures are not expected to be materially affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Campaign Finance Entities and Contributions

Unless otherwise expressly authorized by law, all campaign finance activity for an election under the Election Law Article must be conducted through a campaign finance entity (defined as a political committee established under Title 13 of the Election Law Article).

An individual may not file a certificate of candidacy or a declaration of intent until the individual establishes, or causes to be established, an authorized candidate campaign committee (a campaign finance entity authorized by the candidate to promote the candidate's candidacy).

Generally, a person may not make, either directly or indirectly, aggregate contributions of more than \$6,000 to any one campaign finance entity in a four-year election cycle. Contributions by two or more business entities are considered as being made by one contributor if (1) one business entity is a wholly owned subsidiary of another or (2) the business entities are owned or controlled by at least 80% of the same individuals or business entities. "Business entity" includes a corporation, a sole proprietorship, a general partnership, a limited partnership, a limited liability company, a real estate investment trust, or other entity.

The contribution limit does not apply to contributions to ballot issue committees (campaign finance entities formed to promote the success or defeat of a ballot question or prospective ballot question).

Video Lottery Contribution Prohibition

An applicant for, or holder of, a video lottery operation license under Title 9, Subtitle 1A ("Video Lottery Terminals") of the State Government Article, or a person who owns an interest in the operation of a video lottery facility (under Subtitle 1A) in this State, may not, directly or indirectly, make a contribution to (1) the campaign finance entity of a candidate for any nonfederal public office in the State or (2) any other campaign finance entity organized in support of a candidate for any nonfederal public office in the State.

Violations of State Campaign Finance Law

Unless otherwise provided under State campaign finance law:

- a person who knowingly and willfully violates a provision of the law is guilty of a misdemeanor and subject to a fine of up to \$25,000 and/or imprisonment for up to one year; and
- a person who violates the law without knowing the act is illegal is subject to a civil penalty of up to \$5,000.

State Revenues: Special fund (Fair Campaign Financing Fund) revenues may increase annually, beginning in fiscal 2027, to the extent fine/penalty revenues are collected for violations of the bill's prohibition. Fines imposed for criminal violations of the Election Law Article, and civil penalties, are distributed to the Fair Campaign Financing Fund,

which holds funds for public campaign financing of gubernatorial tickets under the Public Financing Act.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland State Board of Elections; Public Service Commission; Department of Legislative Services

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