

Ways and Means Committee



The Maryland House of Delegates 6 Bladen Street, Room 350 Annapolis, Maryland 21401 410-841-3493 · 301-858-3493 800-492-7122 Ext. 3493 Fax 410-841-3445 · 301-858-3445 Jheanelle. Wilkins@house.state.md.us

## THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

March 9, 2021

House Bill 1351 Campaign Finance - Contribution Through Third-Party Payment Processor - Transfer to Campaign Account

Dear Colleagues,

I am pleased to present **House Bill 1351 Campaign Finance - Contribution Through Third-Party Payment Processor - Transfer to Campaign Account,** which requires a campaign finance entity to initiate the transfer of a contribution made through a third-party payment processor from the account of the third-party payment processor to the designated campaign account of the campaign finance entity within 7 days after the contribution is deposited in the account of the third-party payment processor.

Currently, all campaign finance activity for an election must be conducted through a campaign finance entity (political committee) with one or more designated campaign accounts, which all funds received by the campaign must be deposited into; and an appointed campaign chairperson and treasurer must file required financial reports detailing all campaign contributions and expenditures of the entity. As online services for paying and receiving money, such as Venmo, PayPal, and CashApp become widely used, we must update existing language in our campaign finance laws to ensure any campaign activity through these new venues is accurately tracked, disclosed, and accounted for.

HB 1351 defines "third-party payment processor" as an online service in which payments to a person are made to the processor's merchant account rather than to the person's own merchant account. When contributions to a campaign finance entity are made this way, HB 1351 requires any funds to be transferred from the account of the third-party payment processor to the designated campaign account of the campaign finance entity within 7 days.

When politicians find loopholes to abuse the campaign finance system for personal gain, it's critical that we not only hold them accountable, but update any existing laws that enabled this misconduct to occur. In 2020, this committee voted in favor of this legislation to uphold transparency and integrity in our elections, and I urge the committee to give a **favorable report** for **House Bill 1351** again this year.

Sincerely,

Delegate Jheanelle Wilkins