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**STATEMENT TO THE WAYS AND MEANS COMMITTEE ON HB 576 –  
SUPPORT WITH AMENDMENTS – ELECTION LAW–POLITICAL CLUBS**

February 2, 2021

Get Money Out (GMOM) is an all-volunteer organization established eight years ago. We want all citizens to have equal access to the ballot and an equal say in governance. Through our grassroots actions, we have signed up over 9,000 supporters.

House Bill 576 would close a potentially dangerous loophole in Maryland’s campaign finance disclosure law. At present, political clubs are mentioned in the statutes only to say that they do *not* have to report. Most political clubs operate in such a fashion that this exemption does not pose a problem.

Unfortunately, big money operators could drive a wide load through this loophole, and it could have a major negative impact on the voting public the very first time it occurs. Clubs could be formed with no paper trail and with innocuous names like Elm Street Political Club. Such an entity could amass unlimited amounts of money and spend it in ways that the individual donors would be shielded. Out-of-state economic interests could use such a mechanism to try to buy an election in Maryland.

At the same time, we think that the bill should be amended to allow smaller-money clubs to continue to operate relatively informally. Therefore, we offer the amendments on page 2 of this testimony.

We very much hope that the Committee will take rapid and positive action to close this gap in our disclosure framework. Del. Hornberger has found a political club making \$4,000 dark-money contributions. But there is absolutely nothing preventing big-money interests from injecting six- or seven-figure spending into a race for local government offices or for seats in this General Assembly. Please give a favorable report to HB 576, and please consider exempting small-money clubs from onerous reporting requirements.

**On page 2, line 6, insert:**

(GG) "POLITICAL CLUB" MEANS A COMBINATION OF TWO OR MORE INDIVIDUALS WHO PAY DUES OR MAKE CONTRIBUTIONS TO THE ENTITY FOR THE PURPOSE OF PARTICIPATING IN MARYLAND POLITICAL AFFAIRS.

**And renumber subsequent definitions as appropriate.**

§ 13-208.

**On page 3, line 14, insert after the word "club":**

NOTWITHSTANDING THE LANGUAGE OF PARAGRAPH (A) OF THIS SECTION, A POLITICAL CLUB NEED NOT FILE A REPORT UNDER § 13-207(C) IF, DURING THE REPORTING PERIOD ESTABLISHED BY THE STATE BOARD:

- (1) ANNUAL DUES FOR INDIVIDUAL MEMBERS WERE LESS THAN \$120 PER YEAR;
- (2) NO PERSON CONTRIBUTED MORE THAN \$2,000;
- (3) NO SINGLE EXPENDITURE WAS MADE OF MORE THAN \$1,000; AND
- (4) AGGREGATE EXPENDITURES DID NOT EXCEED \$6,000.

§ 13-304

**On page 4, line 3, strike the brackets and the word, "INCLUDING".**

**On page 4, line 6, insert:**

(B) A POLITICAL CLUB SHALL FILE A CAMPAIGN FINANCE REPORT AT THE STATE BOARD AT THE TIMES AND FOR EACH REPORTING PERIOD ESTABLISHED BY THE STATE BOARD, ONLY IF:

- (1) ANNUAL DUES FOR INDIVIDUAL MEMBERS EXCEEDED \$120 PER YEAR;
- (2) A PERSON CONTRIBUTED MORE THAN \$2,000;
- (3) AN EXPENDITURE OF MORE THAN \$1,000 WAS MADE; OR
- (4) AGGREGATE EXPENDITURES EXCEEDED \$6,000.