

SB0895_Represent Maryland_Favorable.pdf

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Position: FAV

REPRESENT MARYLAND

#FIGHT FOR DEMOCRACY

.ORG

BILL: SB0895

BILL TITLE: Declaration of Rights - Campaign Financing Right to Know

BILL SPONSOR: Senator Smith

COMMITTEE: Education, Health, and Environmental Affairs

POSITION: FAVORABLE

HEARING DATE: February 23, 2022

Testimony in favor of SB0895

Represent Maryland is an all-volunteer, member and individual donor-funded group of activists and advocates who fight for democracy at the local and state level. We formed in 2015 to fight against the influence of big money in politics and to ensure that everyone can participate in our democratic system of governance, regardless of financial status. Public Election Funds are the #1 solution that Represent Maryland advocates for in order to expand and secure democracy for the future. We also believe that a key tenet of a democracy is transparency. In the words of former Supreme Court Justice Louis Brandeis, "Sunlight is said to be the best of disinfectants". In short, robust transparency mitigates corruption.

Everyone deserves the ability to fund their campaigns and win without having to accept donations from wealthy special interests. Not only does this improve accessibility for those who otherwise don't have the money to run for public office, but it heavily lessens the impact that lobbyists have on our political system. It's currently unviable for candidates to win without accepting donations from wealthy entities and bending to their will. Public campaign financing gives candidates an alternative that encourages them to remain beholden to those who they'll actually be representing, which is critical in upholding democracy.

Given the aforementioned influence that money has over our political system, everyone deserves to know exactly how money is spent to affect it. The fact that special interests have so much sway over our political system would have gone completely unnoticed if not for a proper paper trail being made available to the public. Such transparency is crucial for democracy. If the public isn't aware of how money is used in their political system, they can't possibly vote in an informed way, and will instead unwillingly vote against their own interests, creating confusion and distrust.

Please find SB0895 favorable to fight corruption and help create a fairer, more transparent system.

Sincerely,
Anthony Caruso, Member
Represent Maryland
Maryland Voter-LD6

Represent Maryland is a grassroots anti-corruption group of citizen advocates that #FightForDemocracy in Maryland. Our democracy solutions include: Public Election Funds, Independent Redistricting, Special Elections, Ranked Choice Voting, Increased Ethics and Transparency, and Increased Voter Participation. Learn more about our work at www.RepresentMaryland.org

Authorized by Represent Maryland PAC, T Miller, Treasurer

SB0895_Right_to_Know_MLC_FAV.docx.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0895
Declaration of Rights - Campaign Financing Right to Know

Bill Sponsor: Senator Smith

Committee: Education, Health, and Environmental Affairs

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0895 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state with well over 30,000 members.

Elections have consequences. Our very democratic Republic is rooted in the idea of free and fair elections. Yet, we have reached a place where candidates receive financing from wealthy individuals and businesses that we, as voters, are unaware of. This can easily result in votes for those candidates by individuals who have no idea what real policy agenda that those candidates have.

This bill will seek to give Marylanders the right to know. Simply that. Campaign financing should be transparent and publicly financed elections should be the norm. We think this makes our elections more democratic and gives constituents a bigger voice in choosing the people who will represent their interests.

Let the people vote on this.

We support this bill and recommend a **FAVORABLE** report in committee.

SB895_CharlieCooper(GMOM)_FAV.pdf

Uploaded by: Charlie Cooper

Position: FAV



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**TESTIMONY IN FAVOR OF SB 895 – DECLARATION OF RIGHTS –
CAMPAIGN FINANCING RIGHT TO KNOW**

February 23, 2022

Submitted by Charlie Cooper, President

Get Money Out (GMOM) is an all-volunteer organization working to assure all citizens equal access to the ballot and an equal say in governance. Through our grassroots actions, we have signed up over 9,000 supporters. We have participated in a statewide coalition to assure fair election tallying and brought together 27 organizations to promote federal fair elections legislation. We strongly support this proposed Maryland constitutional amendment SB 895 with its added protections to advance the same goals.

Right to disclosure of contributions and spending

The Supreme Court's fateful ruling in *Citizens United v. FEC* established that private corporations could spend unlimited amounts to influence election outcomes. Although the decision explicitly stated that disclosure of spending and contributions would protect election integrity, it actually jump-started the era of the SuperPAC and the 501(c)(4) "social welfare" non-profit – a comprehensive, unregulated regime of secret, unlimited spending.

Voters need to know whose private interests are hidden in campaign ads and electioneering communications, but ultra-wealthy funders have posited a "privacy" right to maintain unlimited, undisclosed spending. They have prevailed in the U. S. Senate to defeat the DISCLOSE Act on three separate occasions, most recently in January of this year, even though it had the support of a majority in the Senate.

Maryland already has good disclosure laws, but placing a right in our Constitution will further protect voters from these powerful and well-heeled opponents.

For-profit corporations can spend directly from their treasuries without going through a campaign committee or a PAC, or they can funnel money through so-called non-profit corporations that hide the identities of donors. They can use hastily created subsidiaries to make their spending difficult to track. In fact, there are at least 10 different channels for spending to influence elections, which vastly complicates the voter's task in trying to understand whose interests are being advanced by any particular campaign activity.

The lack of a national disclosure mandate has also created a *de facto* pathway for foreign money to illegally enter our elections via 501(c)(4) corporations. The IRS is now forbidden to scrutinize their donor lists to make sure that foreign money is excluded.

Both parties benefit from dark money in national elections. Experts say that estimates of the amounts of dark money spent are low because of ambiguities and difficulty tracing,¹ but over \$1 billion has been identified since 2010. The practice will inevitably grow in state and local elections. The Brennan Center says that dark money is even more dangerous in state and local elections because “numerous state and local elected offices are capable of directly impacting special interests’ bottom lines.”²A constitutional amendment will help Maryland defend against this dangerous trend.

Right to public campaign finance

Whether you are a Republican, a Democrat, belong to another party, or are unaffiliated, the money that you pay to private corporations – whether a public utility, financial institution, tech giant, pharmaceutical firm, or big government contractor – is already being used against you in politics, and that often occurs without disclosure.

Big corporations can spend directly from their treasuries without the approval of shareholders. They can also give to 501(c) “non-profit” corporations that funnel the money to SuperPACs.

Political spending by corporations and ultra-wealthy private individuals results in unfair tax breaks, wasteful government contracts, monopoly powers, laws that help keep wages low and limit union power, and impunity to pollute our air, land, and water and push the costs off onto the public. This vicious cycle is also creating a crushing wealth and income inequality. The public is fed up. The *Washington Post* and the University of Maryland found that ninety-six percent (96%) of those polled blame big money for dysfunction in our political system.

Please see the chart attached to this testimony, which shows that while election spending is a major barrier to working class candidates it is pocket change to the billionaire class.

The control of governance by mammoth corporations and ultra-wealthy individuals threatens to completely upend our democratic republic. It is corrupting our system from one that rules by the consent of the governed into one that is governed by and enriches the already wealthy. The Supreme Court has declared the corruption to be legal.

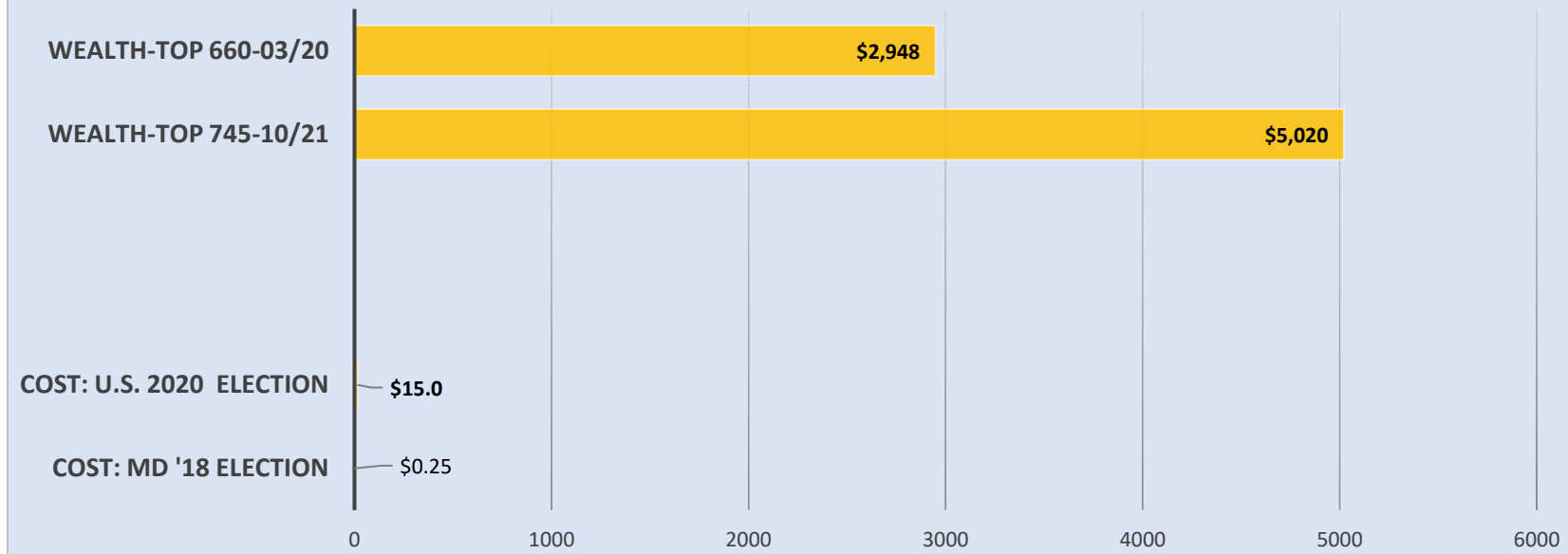
Creating a Maryland right to public campaign finance will not eliminate secrecy or independent spending by corporations and ultra-wealthy individuals. But it will give us time to keep the people’s interests front and center in Maryland governance.

Please give your favorable report to SB 895 and create a way to run for office that connects you back to your constituents, frees you from fundraising purgatory, and creates rights for the people to counterbalance the might of billionaire influence. The public will be thrilled to have this amendment on the ballot in November.

¹ <https://www.brennancenter.org/our-work/analysis-opinion/dark-money-2020-election>

² <https://www.brennancenter.org/our-work/research-reports/secret-spending-states>

Wealth inequality: Top U.S. billionaires versus cost of federal and state elections - Billions of U.S. \$



DURING THE COURSE OF THE PANDEMIC, THE U.S. HAS SEEN THE NUMBER OF BILLIONAIRES RISE TO 745, AND THEIR WEALTH HAS INCREASED FROM \$3 TRILLION TO \$5 TRILLION! THE COST OF THE U.S. 2020 NATIONAL ELECTION WAS \$15 BILLION. THAT AMOUNT IS INVISIBLE ON THIS CHART BECAUSE IT IS SUCH A SMALL PERCENTAGE OF THE WEALTH OF THE TOP 745 FAMILIES. (Source of recent wealth data: <https://inequality.org/great-divide/year-in-inequality-10-charts/>)

ALSO NOTE THAT THE TOP 1% OF FAMILIES CONTROL ALMOST 35% OF WEALTH WHILE THE BOTTOM 50% CONTROL ABOUT 1.5%. (World inequality database.)

SB0895_Emily Scarr_Maryland PIRG_FAV.pdf

Uploaded by: Emily Scarr

Position: FAV

Maryland PIRG

Maryland Public Interest Research Group

Testimony for SB0895: Declaration of Rights – Campaign Financing Right to Know Education, Health, and Environmental Affairs Committee
February 23rd, 2022
Position: Favorable

Maryland Public Interest Research Group (Maryland PIRG) is a small donor funded public interest advocacy organization with grassroots members across the state. For fifty years we've stood up to powerful interests whenever they threaten our health and safety, our financial security, or our right to fully participate in our democratic society.

We support SB895 to enshrine rights into the Maryland constitution for transparency for political spending and for publicly financed elections. If passed, the language would need to be approved by voters on the November ballot in order to be added to the Maryland Constitution.

In recent years, the Supreme Court has made a [series of decisions](#) that have upended aggregate campaign limits and unleashed virtually limitless amounts of money into the political process via independent expenditures, laying the groundwork for what is now known as super-PACs and driving a rise in mega-donor campaign spending at all levels of government. Enshrining these rights in the Maryland Constitution will demonstrate a significant and meaningful commitment to these principles to the Supreme Court and protect Maryland's laws from legal attacks.

Transparency for Campaign Financing

Our democracy works best with an informed electorate, which is why voters need to have timely information on who is donating to candidates, parties, and other political groups engaging in electoral spending. **As the Supreme Court noted in their Citizens United decision, campaign disclosure helps voters make “informed choices in the political marketplace.”**¹

Transparency in political spending is also a critical deterrent for corruption. **In Buckley v. Valeo the Supreme Court quoted Louis Brandeis in saying, “Sunlight is the best of disinfectants,” because the possibility of exposure helps “discourage those who would use money for improper purposes.”**²

Unfortunately, there is growing concern of [growing political challenges to disclosure laws](#) and that the Supreme Court may change course on more than a century of precedent on upholding transparency laws.

Dark money megadonors have flocked [to both Democratic and Republican parties and candidates](#), creating a dangerous race to the bottom that leaves everyday voters behind. Transparency laws are not partisan, they are in the public interest.

¹ Citizens United, 558 U.S. at 369.

² Buckley v. Valeo, 424 U.S. 1, 67 (1976) (quoting Louis Brandeis, Other People's Money 62 (1933)).

How this impacts Maryland: Maryland is at the forefront for campaign financing transparency and disclosure requirements. For example, Maryland has reporting requirements for individuals making independent expenditures in political campaigns. Anytime someone spends over \$10,000 in independent expenditures or to support a ballot campaign, those expenditures have to be reported within 48 hours and are publicly available immediately. Additionally, an organization or individual reporting \$10,000 or more in independent expenditures has to make public the identity of everyone who contributes over \$6,000 to their organization or cause. These sorts of disclosures help ensure the public have more knowledge over who is funding elections and political campaigns. Maryland PIRG does not spend money on electoral campaigns, but has made contributions to ballot campaigns, so we have direct experience with this law.

The best way for Maryland to be on record with the Supreme Court on the importance of transparency in campaign financing is to go further than statutory law and enshrine these rights into the Maryland constitution.

As aggregate donation limits have been raised or eliminated [at the state](#) and national level, the role of wealthy donors in elections has grown exponentially. The only recourse for voters to make an informed decision about the impact of these contributors is through open, timely, and transparent information about these contributions. Voters have a right to be informed about political spending and know who is contributing to the elected officials that represent them in government.

Public Campaign Financing

This legislation would enshrine the purpose and intent of previous campaign finance laws into the constitution. Since 1974, [Maryland code](#) has stated that:

“The General Assembly recognizes that our system of representative government depends in part on guaranteeing that election campaigns are funded by and for the people and on eliminating the corrupting and undemocratic effects of large private contributions. Accordingly, the General Assembly finds and declares that an equitable means of public campaign financing is necessary in these times in order for representative democracy to continue to function effectively.”

The legislation does not establish new public financing programs nor require every county in Maryland to adopt public campaign financing programs. **Rather, it ensures that the intent of Maryland state law is applied to elected offices across the state, and every jurisdiction has the option to legislatively create a program for public financing.**

The rise of corporate and large campaign contributions has driven up the cost to run for office and forced elected officials and candidates at all levels of government to be increasingly dependent on these donors, giving them less time to hear from and serve their constituents.

Small donor public campaign financing programs allow candidates to run for office with small donations from their constituents and remain competitive with those who accept large and corporate contributions. This serves the dual purpose of reducing corporate and large donor campaign spending and re-engaging the community in the electoral process. This program also aims to expand opportunities to run for office, so candidates of all backgrounds can run based on the strength of their ideas—not access to money. Enshrining public campaign financing programs in the Maryland Constitution will be better for candidates and elected officials, better for the public, and better for Maryland.

These types of programs are popular, effective, and gaining momentum. Montgomery County, Howard County, Prince George's County, Baltimore City, and Baltimore County have all established public campaign finance systems after approval of voters in their jurisdictions. [Montgomery County has successfully run an election using the new system with promising results](#). In 2021, in a show of bipartisan support, this committee voted to [update and permanently fund the state's gubernatorial public financing](#) program.

Enshrining the right to publicly financed elections into our state constitution will add a layer of protection for our existing public financing programs.

We respectfully request a favorable report.

SB 895 - Declaration of Rights - Campaign Financin

Uploaded by: Joanne Antoine

Position: FAV

February 23, 2022

**Testimony on SB 895
Declaration of Rights - Campaign Financing Right to Know
Education, Health, and Environmental Affairs**

Position: Favorable

Common Cause Maryland supports SB 895 which, pending approval by voters in the November 2022 election, would affirm the right of every single Maryland resident to know who and what entities spend money to influence their vote. SB 895 also protects their right to participate in publicly financed elections.

In the post-*Citizens United* era, money is more pervasive than ever in elections throughout the country. When the Supreme Court allowed for unlimited independent spending, the Maryland legislature responded by tightening up transparency and reporting of those donations when it passed the Campaign Finance Reform Act of 2013. SB 895 is an attempt to respond to the latest Supreme Court decisions with the same increase in transparency, specifically protecting the reforms we have put in place.

The United States Supreme Court has made numerous decisions that has led to hundreds of millions of dollars being raised and spent through secret money groups, denying Americans' their right to know who is funding political campaigns in our elections. One example of a recent decision is from July 2021 where the United States Supreme Court made a ruling in the case of ***Americans for Prosperity Foundation v. Bonta, Attorney General of California*** striking down a California law that required charitable organizations that raise tax-deductible funds to disclose their larger donors to the State Attorney General. The result of this decision is to undermine reasonable disclosure requirements in the name of privacy.

In Maryland, participating organizations – both 501 (c)(4) and (6) – that make political disbursements to political committees are required to, within 48 hours of making an aggregate political disbursement of more than \$6,000, officially report the date and amount of disbursements made to influence a state elections in the past two years, identifying each person who made a cumulative donation of \$10,000 or more to the participating organization. This level of transparency has ensured donors that could have huge impacts on a variety of elections in Maryland are unable to hide behind participating organizations. SB 895 protects this transparency.

To be clear, the Supreme Court's decision in *Americans for Prosperity* is a narrow decision finding a specific and unique California law was unconstitutional but does not affect disclosure regulations that have been repeatedly upheld by the Supreme Court. Nothing in that decision should be read to preclude states like Maryland from protecting current laws that requires major donors to political campaigns be disclosed.

In *Citizens United*, the Court said

the public has an interest in knowing who is speaking about a candidate shortly before an election. ... prompt disclosure of expenditures can provide shareholders and citizens with the information needed to hold corporations and elected officials accountable for their positions and supporters. Shareholders can determine whether their corporation's political speech advances the corporation's interest in making profits, and citizens can see whether elected officials are "in the pocket" of so-called moneyed interests." ...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.

SB 895 also affirms our right to continue establishing public campaign financing programs at the state and local level at a time where we must actively work to strengthen the voice of citizens against the growing influence of special interest money.

Public campaign financing helps break down barriers to participating in our democracy, creating a government that looks more like us and works better for us. In 2013, the Maryland legislature passed the Campaign Finance Reform Act which included enabling language that allowed counties to create public campaign financing programs. The Montgomery County Council quickly passed their own program by unanimous vote in 2014, successfully using the program during the 2018 election cycle. Since then, Howard County, Prince George's County, Baltimore City, and Baltimore County have established program and Anne Arundel County will likely have a charter amendment on the ballot this November for voter approval. With many of these programs in use, candidates for county council and executive have been able to build competitive campaigns powered by the communities they seek to represent instead of special interests and a handful of wealthy donors.

These programs have been gaining popularity in Maryland for a simple reason: particularly since the *Citizens United* decision, Americans across the political spectrum feel that our campaign system is disconnected from the populace, and that LLCs and wealthy individuals render regular Marylanders' voices meaningless in the current campaign finance environment. Public campaign financing programs, on the other hand, lift up regular Marylanders' voices, and empower those with community-supported ideas who may not have connections to deep-pocketed interests. SB 895 protects these existing programs and future efforts to establish programs at the state and local level.

Maryland has a well-developed system of campaign finance law, a system that ensures everyday citizens can trace who is making donations and what special interest voices are being heard in that process. SB 895 would protect this law, ensuring transparency and accountability so we can fight back against the flood of money that is entering our system.

We respectfully urge a favorable report.



SB0895-FAV-DTMG-2-23-22.pdf

Uploaded by: Olivia Bartlett

Position: FAV



Olivia Bartlett, DoTheMostGood Maryland Team

Committee: Education, Health and Environmental Affairs

Testimony on: SB0895—Declaration of Rights—Campaign Financing Right to Know

Position: Favorable

Hearing Date: February 23, 2022

Bill Contact: Senator William C. Smith, Jr.

DoTheMostGood (DTMG) is a progressive grass-roots organization with more than 3000 members in all districts in Montgomery as well as several nearby jurisdictions. DTMG strongly supports legislation that makes it easier for all eligible citizens to vote and substantially reduces the cost of running for elected office.

Elections have consequences. Our very democratic Republic is rooted in the idea of free and fair elections. Yet, we have reached a place where candidates receive substantial, secret financing from wealthy individuals and businesses that have policy agendas that they wish the candidate to promote of which we, as voters, are unaware. More transparency is essential for voters to believe that their views matter and their votes count.

Senate Bill 0895 proposes an extremely important amendment to the Maryland Constitution that is essential to stop the steady erosion of our democracy. The amendment will provide the public with the right to know information in an open, timely, and transparent manner about how, when, and by whom money is spent and by whom money is raised for candidates for elected office and on ballot questions. Significantly, SB0895 also mandates public financing of elections.

Many legal scholars consider *Citizens United* among the worst Supreme Court decisions, along with *Dred Scott* and *Plessy*. The *Citizens United* decision resulted in billions more being spent in political campaigns than in previous years. In 2000, the total sum of contributions to candidates for President and Congress was about \$4.6 billion but by 2020, that total rose to approximately to \$15 billion. The *Citizens United* decision has permitted outsized influence on our elections by rich individuals and big corporations. Since 2009, a dozen megadonors and their spouses have contributed approximately \$3.4 billion to Federal election campaigns. Moreover, the top 100 zip codes for political giving contain less than one percent of the total national population but account for roughly 20 percent of the approximately \$45 billion that federal candidates and political groups raised between 2009-2020.

While these numbers apply to Federal elections, we have no reason to believe Maryland, even with its contribution limits, offers a landscape where the donors who contribute the most do not have augmented sway. Phone calls and communications from large dollar donors are more likely to be returned or otherwise responded to by elected officials, and benefits, such as meetings with the legislators to promote their agenda, and tax breaks, are more likely to be granted to individuals and

corporations who donate the maximum sums. For these reasons, public disclosure of all contributions is essential for voters to understand which donors and vested interests are likely to influence a candidate's priorities and positions.

The dramatic increase in the amount of money candidates need to raise to be a viable candidate has also deterred many highly qualified potential candidates from running. While Maryland has contribution limits, Members of this Committee are acutely aware of how much money has to be raised in many Maryland legislative races to be a viable candidate and how the law tilts favorably to the re-election of incumbents.

A Supreme Court reversal of *Citizens United* or the enactment of an amendment to the US Constitution overturning that decision is exceedingly unlikely in the near term, and thus a potential shift in national policy on campaign financing down the road cannot be a basis to forestall election reform here. Maryland must take action under its own Constitution to enhance transparency and take the undue influence of dark money out of its politics. The best steps that Maryland can take are to require public disclosure of all political contributions and public financing of elections.

SB0895 will therefore seek to give Marylanders the right to know who is financing candidates. Campaign financing should be transparent and publicly financed elections should be the norm. This will make our elections more democratic and give constituents a bigger voice in choosing the people who will represent their interests. Passage of SB0895 will allow Marylanders to vote on this commonsense action in the upcoming November election.

For all these reasons, DTMG strongly supports SB0895 and urges a **FAVORABLE** report on this bill. Let the people vote on this!

Respectfully submitted,

Olivia Bartlett
Co-lead, DoTheMostGood Maryland Team
oliviabartlett@verizon.net
240-751-5599