ERIC LUEDTKE Legislative District 14 Montgomery County

MAJORITY LEADER

Ways and Means Committee Chair, Revenues Subcommittee



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## THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

## SPONSOR TESTIMONY

## House Bill 1343 - Major State Contractors - Donations to Advocacy Organizations -Disclosure

Chairman Barve, Vice Chair Stein, and Members of the Environment and Transportation Committee,

Existing law requires contributions to political campaigns to be reported on a regular basis and made available to the public. We require this information to be made available because the public has a right to know who is influencing our elections by providing money to campaigns. Given the impact that money can have on a campaign and the unequal ability of residents to make contributions, this transparency is widely considered to be essential information for voters to access. Reporting this information serves only to educate the public and not to block anyone from making contributions to their preferred campaign.

Despite wide recognition of the importance of tracking money in politics, major state contractors are not required to report their contributions to advocacy organizations which lobby the public in many cases. This denies public transparency and accountability for major contractors who fund campaigns in favor of new taxpayer-funded state projects that they have a significant financial stake in. And it further creates an opportunity for a practice known as "astroturfing". This is when an advocacy organization masks the funding of public campaigning to create the appearance of a grassroots movement when, in truth, support comes from a narrow group of special interests.

House Bill 1343 seeks to address this problem by requiring major state contractors to disclose contributions to advocacy organizations who could be advocating for new state projects. This legislation would require the disclosures to be made to the State Board of Elections who already receives other types of contribution disclosures. The bill also allows the State Board of Elections to conduct routine audits of advocacy organizations who promote major state projects to ensure that the disclosures are being currently filed.

This legislation seeks to ensure that the public can know who is behind efforts to lobby their community by requiring contribution disclosures for a particular type of donor. Given the state funds that these donors receive through contracts, the state and the public have a compelling reason for interest in these disclosures. Importantly, the bill creates this transparency without infringing on the associational rights of the advocacy organizations and places the requirement to disclose on the major contractors not the advocacy group.

I thank the Committee for considering this proposal and respectfully respect a favorable report,

Sincerely,

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Delegate Eric Luedtke