



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

January 25, 2022

Committee: House Ways and Means Committee

Bill: HB 93 – Candidates for Offices of Municipalities and Common Ownership Communities – Reports of Donations and Disbursements

Position: Support with Amendment

Reason for Position:

The Maryland Municipal League supports HB 93 with amendments. As introduced, the bill would require municipalities to either establish an internal process for candidates to report donations and disbursements or use the State Board of Election's procedures.

Among our members, there appears to already be a natural evolution in response to candidate spending. That is, when significant sums of money are spent, people notice, and local laws are adopted ensure the public is aware. But very few municipal elections see any meaningful spending and the vast majority of those already have financial reporting laws in place.

The League is concerned that the State process will dissuade candidates from running for office in small municipalities, in turn limiting the choices residents have at the polls. To lower the burden and attract more candidates, local governments will have to expend money outside of their current budgets adopting and administering their own reporting programs.

We understand and appreciate the intent of the sponsor's population threshold, but that method of dividing municipalities (by population) has been statutorily barred since 1957. Instead, we propose an amendment that would require candidates in municipalities that do not already have donation and disbursement requirements to use the State Board of Elections process if they raise or spend \$25,000 or more.

The \$25,000 threshold is the same one the IRS uses for local candidates to report their status and would ensure that meaningful spending is reported regardless of the population size of the municipality.

Therefore, the League respectfully requests that this committee provide HB 93 with a favorable report with the following amendments.

FOR MORE INFORMATION CONTACT:

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Suggested Amendment Language for House Bill 93

1) On page 3, strike lines 26-27.

2) On page 4, line 2, add (1) after “(D)”

3) On page 4, after line 6, insert:

(2) A candidate that reasonably expects its donations or disbursements to be less than \$25,000 is exempt from the requirements of (B)(1).

(3) A candidate that has not filed a report under (B) (1) because it did not reasonably expect its donations or disbursement to be less than \$25,000 must file an initial report within 30 days of reaching \$25,000 of either activity.

(The language in the suggested (B)(2) and (3) is modified from the IRS 8871 filing instructions.)