



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of HB 344  
Election Law - Campaign Finance - Contributions  
(Prohibiting Pay to Play Act of 2022)**

Americans are concerned about the influence of campaign contributions on elections and their government. Public opinion shows that reforms are needed to help improve the people's trust in government. This legislation addresses those concerns by prohibiting campaign contributions from registered lobbyists and businesses that do business with the State of Maryland to candidates for certain state offices.

**People Don't Trust the System**

Voters have a problem with our nation's campaign finance laws. A recent survey by researchers found that about 90% of surveyed adults are concerned that there is too much money in politics, a percentage that is fairly consistent across the political spectrum.<sup>1</sup> Moreover, three-quarters of surveyed adults believe that elective offices are for sale to the highest bidder and that campaign contributions are the equivalent of bribes.

A different survey conducted by the *New York Times* found comparable results: 84% of survey respondents think that money has too much influence in political campaigns.<sup>2</sup> More than half of respondents believe that "most of the time" elected officials promote policies that directly help their campaign donors; another 30% believe that campaign contributions drive politicians' actions "sometimes." Less than 1% believe that no changes are needed in campaign finance rules.

**Contributions from Registered Lobbyists**

Under current state law, lobbyists registered with the State are allowed to contribute to political campaigns. I conducted an analysis of the 2018 election cycle using publicly available data; due to time limitations, I only analyzed the data for the first 161 registered lobbyists in alphabetical order (24% of all registered lobbyists).

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<sup>1</sup> "Campaign Finance and American Democracy: What the Public Really Thinks and Why it Matters," Primo, David and Mark Gabrellian, 2020.

<sup>2</sup> <https://www.nytimes.com/interactive/2015/06/02/us/politics/money-in-politics-poll.html>

I found 1,224 contributions totalling \$252,216 made by 75 lobbyists.<sup>3</sup> Each of these lobbyists made on average over a dozen contributions totaling \$3,408, although two lobbyists gave more than \$20,000 and another five lobbyists gave more than \$10,000 during this four year cycle.

Notably, nearly half of lobbyists made no political contributions that cycle.

### **State Bans on Lobbyist Contributions**

Political contributions from lobbyists are not equivalent to contributions made by other Maryland residents. Lobbyists are being paid to do a job and their livelihood is directly dependent on their relationships with lawmakers. Contributions made by lobbyists are not just to support a candidate but also to curry favor with that candidate in the hopes of getting certain results.

Maryland has a troubling history of politicians favor-trading with lobbyists, with four state legislators in the last five years having been convicted of bribery and wire fraud relating to legislation being considered in Annapolis.

Other states have acted to prohibit or restrict lobbyist campaign contributions to address potential corruption and the appearance of corruption. Four states completely prohibit lobbyists from giving campaign contributions.<sup>4</sup> Furthermore, Alaska prohibits lobbyist contributions except to candidates for the legislative district in which they reside. An additional nine states prohibit lobbyist contributions during certain periods of time.<sup>5</sup>

This bill would prohibit political contributions from lobbyists registered with the State to any office holder or candidate for an office they are registered to lobby. For instance, if registered to lobby the legislature, then the lobbyist would not be allowed to contribute to the campaign of a candidate for Senator or Delegate. An exception is provided in the bill to allow for a lobbyist to contribute to the campaigns of legislative candidates for the the district in which they reside.

Maryland has enacted other legislation limiting the influence of lobbyists in the campaign finance system. For example, Maryland prohibits a lobbyist from serving as a campaign treasurer for a candidate or elected official, serving on a candidate's fundraising committee, organizing or establishing a political committee for the purpose of soliciting or transmitting contributions, or forwarding a candidate's solicitation for political contributions. The U.S. District Court of Maryland upheld these restrictions, noting that these relationships posed a danger of corruption.<sup>6</sup>

### **Contributions from State Contractors**

Maryland law currently allows businesses that do business with the State to make campaign contributions. Businesses that have a state contract worth \$200,000 or more must register with

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<sup>3</sup> Data from CRIS and State Ethics Commission.

<sup>4</sup> California, Kentucky, North Carolina, and South Carolina

<sup>5</sup> Arizona, Colorado, Connecticut, Iowa, Kansas, Minnesota, Oklahoma, Vermont, and Wisconsin

<sup>6</sup> Md. Right to Life State Political Action Comm. v. Weathersbee, 975 F. Supp. 791, 796-98 (D. Md. 1997).

the State Board of Elections and file semi-annual reports disclosing contributions made by the business and its officers and directors.<sup>7</sup>

As public records show, businesses with state contracts make campaign contributions to the candidates who vote on their contract. Many would call this “pay to play.” During the 2018 election cycle, gubernatorial candidates received \$66,385 in campaign contributions from businesses that do business with the state.<sup>8</sup> Candidates for Attorney General received \$16,500 and candidates for Comptroller received \$7,000 during that same time period.

Notably, state law only requires disclosure by entities doing public business with regard to contributions totaling \$500 or more to one candidate, meaning the true totals for these state officials could be significantly higher.

### **Ban “Pay to Play” by Entities Doing Public Business**

Members of the Board of Public Works regularly make decisions regarding the solicitation, selection, renewal, and cancellation of state contracts. It’s an actual—or at publicly perceived—conflict of interest for these officials to receive campaign contributions from businesses who are seeking contracts with the state and whose revenues are dependent on a decision made by the Board of Public Works.

Recognizing this risk, the federal government prohibits direct and indirect contributions to federal candidates, political party committees, and PACs by federal contractors. Similarly, 15 states ban political contributions by business entities that have state contracts<sup>9</sup> and 22 states ban all contributions by corporations.<sup>10</sup>

This legislation would prohibit entities that are doing business with the State, as well as principles in these entities, from providing campaign contributions to any office holder or candidate for those offices that can decide on the contract. The bill applies to businesses with a state contract worth more than \$200,000 and to candidates for Governor, Lieutenant Governor, Comptroller, and Attorney General.

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<sup>7</sup> Election Law §14-104

<sup>8</sup> Vendor payment data from the General Accounting Division.

<sup>9</sup> Colorado, Connecticut, Florida, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Nebraska, New Jersey, New Mexico, Ohio, South Carolina, Vermont, and West Virginia

<sup>10</sup> Alaska, Arizona, Arkansas, Colorado, Connecticut, Iowa, Kentucky, Massachusetts, Michigan, Minnesota, Missouri, Montana, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, Texas, West Virginia, Wisconsin, and Wyoming