



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of HB 17**  
**Campaign Finance – Recurring Contributions and Donations – Requirements**

Consumers shouldn't be tricked into unknowingly giving money to political candidates. Yet, that's exactly what happened during the 2020 election cycle, when troubling reports emerged of political candidates repeatedly charging donors who failed to opt-out of recurring contributions.

The dubious practice of requiring contributors to find and uncheck a box to avoid multiple charges resulted in hundreds of thousands of people requesting refunds amounting to over \$64.3 million during Donald Trump's reelection campaign.<sup>1</sup> This trick especially harmed older, less tech-savvy Americans, leaving them feeling scammed and scrambling to undo the charges with their credit card companies.<sup>2</sup>

The issue drew the attention of the Federal Election Commission, which unanimously recommended that Congress ban these default recurring donation practices.<sup>3</sup> In response, legislation has been introduced in Congress to ban this practice in federal elections.<sup>4</sup>

This has also been an issue in state elections.<sup>5</sup>

HB 17 would prohibit state-regulated campaigns from using pre-checked recurring political donation boxes, thereby protecting vulnerable Maryland consumers from being caught in these schemes.

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<sup>1</sup> "How Trump Steered Supporters Into Unwitting Donations." The New York Times. <https://www.nytimes.com/2021/04/03/us/politics/trump-donations.html>

<sup>2</sup> "How Deceptive Campaign Fund-Raising Ensnares Older People." The New York Times. <https://www.nytimes.com/2021/06/26/us/politics/recurring-donations-seniors.html>

<sup>3</sup> "F.E.C. Asks Congress to Ban Prechecked Recurring Donation Boxes." The New York Times. <https://www.nytimes.com/2021/05/06/us/politics/fec-trump-donations.html>

<sup>4</sup> "S.1786 - Rescuing Every Contributor from Unwanted Recurrences (RECUR) Act." United States Congress. <https://www.congress.gov/bill/117th-congress/senate-bill/1786>

<sup>5</sup> "Pa. GOP gubernatorial hopeful McSwain using pre-checked box for extra donations." Pennsylvania Capital-Star <https://www.penncapital-star.com/government-politics/pa-gop-gubernatorial-hopeful-mcswain-using-pre-checked-box-for-extra-donations/>

## **Pre-Checked Recurring Charge Boxes are Banned in Europe**

Since 2011, the European Union has banned pre-checked recurring charge boxes for all types of transactions, not just political ones.<sup>6</sup> Their system operates on the principle that “express consent” ought to be obtained before charging a consumer and that, by using a pre-checked box, the vendor has inappropriately assumed consent.

Marylanders deserve the same rights and protections when it comes to their political donations.

## **Affirmative Consent is a Common Business Practice in the U.S.**

When offering an automatically recurring or monthly payment method, utility companies (including BGE and PEPCO) and internet providers (including Verizon and Comcast) ask for affirmative consent from the customer. Companies that offer subscription services, such as newspapers, also clearly state recurring costs to their subscribers when marketing their products. The same applies to eCommerce platforms and financial institutions that offer an automatic debit or “bill pay” method, like Google Pay, PayPal, and Zelle.

Platforms for political contributions should meet the same standards for consumer consent.

## **What this Bill Does**

- Prevents recurring political contributions if the donor has not affirmatively consented. Passive action by the contributor, such as failing to uncheck a pre-checked box, would not meet the requirement of affirmative consent.
  - Allows campaigns to raise funds through recurring contributions so long as they have the affirmative consent of the donor. See Figure 1 below for allowable examples.
- Requires that any campaign entity accepting a recurring contribution must provide a receipt for each recurring contribution that clearly and conspicuously discloses all material terms, such as how often and for how long the recurring contributions will occur. The receipt must also include all information needed for the donor to cancel the recurring contributions.
- Requires that any campaign entity accepting a recurring contribution must immediately cancel recurring contributions upon request of the donor.

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<sup>6</sup> “New EU rules on consumer rights to enter into force.” European Commission. [https://ec.europa.eu/commission/presscorner/detail/en/MEMO\\_11\\_675](https://ec.europa.eu/commission/presscorner/detail/en/MEMO_11_675)

- Violations of this legislation would be subject to the typical penalties for campaign finance violations (Election Law §13-604.1).
- Would go into effect on January 1, 2023—the start of the next four-year campaign finance cycle.

**Figure 1. Examples of allowable fundraising forms under this bill.**

The image shows two parts of a fundraising interface. The left part is a grid of donation frequency and amount options. The 'Once' frequency is circled in red. The right part is a checkout screen with a 'Make it monthly!' prompt and a 'No, donate once' button circled in red.

Once	Monthly	Quarterly	Yearly
\$25	\$45	\$100	
\$500	\$1,000	\$2,500	
\$6,000	Other		

\$25 \$100 \$250 \$1,000

\$

**Make it monthly!**

Yes, count me in!  No, donate once

**Checkout**

Have an ActBlue Express account? [Sign in to give faster.](#)

Pay