

HB1356 Candidates for Village Board or Columbia Council in a Village of Columbia – Reports of Donations and Disbursements

Favorable with Amendments

Testimony of Joel Hurewitz
(Vice Chair of the Harper's Choice Community Association but testifying only as an individual)
Ways and Means Committee
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HB1356 fails to address the core issue that was the original impetus for the bill and related legislation in prior sessions: independent expenditures by third-parties who might seek to influence the elections in the Columbia village community associations.

In 2021, a deep-pocketed, outside entity, The Rouse Project, LLC, seeking to elect its candidates, pumped large sums of money into the normally quiet elections in Columbia for the representatives to the Columbia Council who are in turn appointed, and not legally elected, to the Columbia Association Board of Directors. The Rouse Project ran a campaign much akin to that for one running to be a delegate with mass mailings and campaign signs. One curious letter came from what appears to have been a fictitious entity with a postal box in the District of Columbia.

Thereafter, people in some of the ten Columbia villages started discussions about the need for campaign finance disclosure in Columbia's elections. For example, as a result, the Hickory Ridge Community Association created its own rules which generally fulfill the requirements of HB1356. However, the associations currently have no mechanism to enforce reporting of truly independent expenditures.

To regulate the independent expenditures an additional subsection should be added to the bill loosely based upon **Election Law § 13-306 Independent expenditure report**. To enforce compliance with the independent expenditure reporting requirements, the bill would authorize lawsuits by each village community association, or by a member for the benefit of the association, for three times of the amount not properly disclosed, plus court costs and attorneys fees. Maryland law already provides for lawsuits for three times damages to enforce compliance in other contexts including **Business Regulation § 6-509(b) Failure to comply with charitable contribution requirements; Commercial Law Section 12-1018(b) Civil Penalties; Commercial Law § 14-1912(a) Failure to comply with requirements; Labor and Employment § 3-507(b) Enforcement; Real Property § 8-203 Security deposits; and Real Property § 8-203.1(a) Security deposit receipt**.

Any person who makes independent expenditures has created a potentially adverse relationship with the community association by inserting itself into the elections of a homeowners association, and the State should authorize a lawsuit for the damages caused by the nondisclosure.

Therefore, I ask for a Favorable with Amendments report that addresses the problem of independent expenditures in Columbia village community association elections.