GET MONEY OUT Maryland

<u>Board of Directors</u> Charlie Cooper, President Doug Miller, Vice President Renaud Brown

Tina Coplan Sheila Ruth Wylie Sawyer Ashley Sparks Martin Wulfe

TESTIMONY IN SUPPORT OF SENATE BILL 458 – CAMPAIGN FINANCE – POLITICAL ORGANIZATIONS – PROHIBITIONS AND DISCLOSURES SUBMITTED TO THE HOUSE WAYS AND MEANS COMMITTEE March 26, 2024

Get Money Out–Maryland is an all-volunteer force seeking to get big money out of our political system and make elections fairer.

The amount of money spent on political campaigns skyrocketed in the wake of the 2010 Supreme Court decision in *Citizens United v. FEC.* In the 2008 Presidential campaign cycle, total spending was \$7.2 billion (adjusted for inflation). By 2020, it had more than doubled to \$16.4 billion.ⁱ Moreover, the Federal Election Commission allowed the creation of Super PACs, independent expenditure organizations with almost no federal regulation. From the beginning, observers have been warning about self-dealing in connection with SuperPACs.

These developments are a double whammy for the voting public. The interests of billionaires and multinational corporations preempt consideration of the public interest. On top of that, solicitations from a campaign group that seems like an appeal to a principled position may turn out to be merely a scheme to enrich the group's founders. After studying SuperPACs, *ProPublica* reported that "some who have set up super PACs are directing donors' cash into their own pockets."ⁱⁱ

Federal authorities may allow this type of tawdry behavior, but there is no reason that Maryland cannot make it illegal. Enacting SB 458 mandates that independent spending groups cannot direct donors' money to companies run by the group's founders, directors, employees, or their relatives. It will be a positive step to make it more likely that donations will be used for the purpose that donors intend. This will protect small donors and reduce cynicism. Please issue a favorable report on SB 458.

We suggest a clarifying amendment on page 4, line 8 to make it clear that the required disclaimer must be posted on the person's social media pages as well as their website. And in line 10, change "THIS WEBSITE IS NOT THE OFFICIAL WEBSITE OF (NAME OF CANDIDATE OR POLITICAL PARTY)." to "THIS INFORMATION WAS NOT POSTED BY (NAME OF CANDIDATE OR POLITICAL PARTY)."

 $^{^{}i}\ https://www.opensecrets.org/elections-overview/cost-of-election?cycle=2020\& display=T\& infl=Y$

[&]quot; https://www.propublica.org/article/campaign-spending-shows-political-ties-self-dealing