

**JOE VOGEL**  
Legislative District 17  
Montgomery County

Ways and Means Committee

*Subcommittees*

Education

Revenues



The Maryland House of Delegates  
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**THE MARYLAND HOUSE OF DELEGATES**  
ANNAPOLIS, MARYLAND 21401

**HB 509: Campaign Finance - Contributions by Gas and Electric Utility Companies -  
Prohibition**

Government, Labor, and Elections Committee

Wednesday, February 11th - 2:00 PM

Chair Wells, Vice Chair Kerr, Members of the Government, Labor, and Elections Committee,

Prior to 2005, public utilities were barred from contributing to candidates for elected office under the Public Utility Holding Company Act (PUHCA). Since the Act's repeal, states exclusively regulate these companies' participation in the electoral process. HB 509 prohibits public utilities from donating any amount of money - directly or indirectly - to candidate committees, slates, or other campaigns for candidates in the State of Maryland, returning to the pre-2005 restriction on political contributions.

Utility company operations are regulated by the General Assembly and the Public Service Commission. Importantly, they approve rates charged to customers and returns collected on investments. Allowing these same companies to donate directly to political campaigns creates a clear conflict of interest. Political spending enables utilities to wield undue influence over the institutions and policymakers responsible for regulating them, undermining the General Assembly's ability to act neutrally and solely in the interest of ratepayers. Conflicts of this nature have been addressed before, such as the prohibition on campaign contributions from video lottery license holders.

A 2023 study examining the effects of PUHCA's repeal found that utilities in states allowing corporate campaign contributions consistently benefited from more favorable regulatory outcomes. Across the 30 states that permit such contributions, utility election spending increased by an average of \$45,000 per state. Public Utility Commissions in those states subsequently approved higher returns on equity, generating approximately \$4 million in additional annual profit per utility.<sup>1</sup> Maryland is one of the 20 states that do not restrict contributions from corporations, including utilities. From 2023 to 2026, Exelon, BG&E, and PEPSCO contributed over \$400,000 to candidates in Maryland.

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<sup>1</sup> Van Orden, Mark, (2023) "[Power Play: Political Contributions and Regulatory Capture in the Electric Utility Industry.](#)"

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Maryland's clean energy transition demands that utilities remain focused on their core public obligations—modernizing infrastructure, delivering reliable and affordable service, and meeting the State's climate goals. Allowing regulated monopolies to spend ratepayer-derived funds on political influence is a distraction from that mission and erodes public trust. HB 509 draws a clear and necessary line between utility regulation and electoral politics.

**I urge the Committee to give a favorable report on HB 509.**