

JEN TERRASA  
Legislative District 13  
Howard County

Government, Labor, and  
Elections Committee

*Subcommittees*

Election Law

Labor

Oversight Committee on Personnel



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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

March 4, 2026

To: The Honorable Melissa Wells  
Chair, Government, Labor, and Elections Committee

From: Delegate Jen Terrasa  
District 13, Howard County

Re: Sponsor Testimony in Support of HB 1378 – Corporations and Associations - Limitations  
on Election and Ballot Issue Activities (Maryland Corporate Power Reset Act)

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

Thank you for the opportunity to present HB 1378, the Maryland Corporate Power Reset Act,  
which addresses the problem of the Citizens United case by clarifying the scope of activity that  
corporations or other artificial legal persons are authorized to engage in under the Corporations  
and Associations Article of the Maryland Code.

**The Problem**

The 2010 U.S. Supreme Court decision *Citizens United v. Federal Election Commission* that  
enables independent political spending by artificial entities fundamentally shifted the nature of  
elections in our country. Since 2008, the United States has seen a 2,800% increase in outside  
financing of political campaigns.<sup>1</sup> The ability to contribute large sums of money to elections and  
politicians grants disproportionate political influence to the wealthiest people and corporations in  
the nation.

There is widespread disapproval of extensive political spending by corporations, with many  
Americans believing it undermines democracy. National polls have found that over 75% of  
Americans, regardless of political affiliation, agree that “the appearance of wealthy donors or

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<sup>1</sup> [transparentelection.org](http://transparentelection.org)

corporations gaining influence over or access to elected officials causes me to lose faith in this democracy.”<sup>2</sup>

Since the 2010 *Citizens United* ruling, legislators across the country have tried to address corporate spending and dark money in politics. These efforts have generally focused on campaign finance regulation. These regulations have never been held up in federal court, every time getting shut down by *Citizens United*. Federal courts have clearly communicated that states may not enact regulations to limit corporate spending which the *Citizens United* declared to be “speech.”

### **Maryland Corporate Law**

Corporate law is founded on three basic principles: 1) corporations are created by the state; 2) corporations exist at the pleasure of the state; and 3) corporations hold only the powers the state chooses to grant them.

Under Maryland corporate law, corporations and other artificial entities have assumed the right to spend money in elections and on ballot measures. Current state law authorizes artificial entities to do all things “necessary or convenient” to carry out their purpose. These vague ‘general powers’ clauses have been affirmed, by Courts and even the U.S. Supreme Court, to grant corporations legal grounds for financial activity involving elections and ballots.

This is a misinterpretation of Maryland lawmakers’ intent when designing corporate law. The state never specified whether it grants political spending authority to corporations through its general-powers provisions. HB 1378 will clarify the intent of the Maryland legislature.

### **The Bill**

HB 1378 addresses corporate spending in elections by amending what powers Maryland grants these artificial entities, which, under the Tenth Amendment’s reserved-powers doctrine, *states have the right to do*.

HB 1378 specifies the parameters of the powers granted to artificial entities by Maryland. Under the bill, no artificial legal person has a legal entitlement to any particular statutory grant of power. The general power provision will be amended to revoke generalized grants of power, and specific artificial-person powers will be reestablished and defined to omit political spending. Corporations will still retain all of the powers necessary to do business in Maryland; they will only lack the power to spend money in our elections.

**This bill does not restrict free speech, but rather defines corporate capacity in our state.**

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<sup>2</sup> [New polling illuminates how the Supreme Court got Citizens United wrong and shows bipartisan momentum for money-in-politics reforms, including proposed Montana ballot measure - Issue One](#)

HB 1378 will apply to all artificial legal persons formed, organized, or authorized under Maryland law. These persons include, but are not necessarily limited to: business corporations, nonstock and nonprofit corporations, professional corporations, limited liability companies, limited partnerships, limited liability partnerships, real estate investment trusts, statutory trusts and business trusts.

HB 1378 is a *Corporate Power Reset* (CPR) policy approach. CPR measures are being considered by multiple states across the country, with bills already introduced in California, Georgia, Hawaii, Montana, New York, Rhode Island, Vermont, and Virginia. CPR bills have been drafted in Connecticut, Kansas, Minnesota, Missouri, North Carolina, and Pennsylvania.

### **Conclusion**

Getting dark money out of politics is an issue that most Americans can agree on. For 16 years, courts have allowed corporations to have a grossly disproportionate say in our elections. HB 1378 is necessary for proper political representation, and also essential to restore our citizens' faith in the state government.

It is time to give Marylanders back the power to shape the course of our state's democracy.

I respectfully urge a favorable report on HB 1378.