

Written Testimony: HB 1378 Favorable
Maryland Corporate Power Reset Act
Government, Labor, and Elections Committee
Hearing Date March 4

My name is Donna Hoffmeister. I live in Prince George ' s County and I urge you to support HB 1378 which would limit the ability of corporations in Maryland to engage in election activity.

Ever since the 2010 Supreme Court decision in Citizens United vs. FEC, outside spending in elections has exploded, from \$1 billion in 2012 to over \$4 billion in 2024, according to Open Secrets. " Dark money, " which has no transparency requirements, has gone from less than \$6 million in 2006 to over \$170 million in 2024, according to Open Secrets. Corporations can give directly to candidates and be subject to donation restrictions, but they can also give indirectly to Super PACs and dark money groups without those restrictions. These enormous amounts distort the political landscape by giving those with the deepest pockets the loudest voice.

Voters dislike the influence of big money in politics. A Pew Research poll found that 80% of Americans feel that campaign donors have too much influence over congressional decisions, and 72% say there should be some kind of limits on campaign spending.

HB 1378 takes advantage of the fact that states have sovereign authority to define and regulate corporations so that corporations have only the powers granted to them by the state. States therefore have the power to limit corporate activities and business practices including limiting corporate financial involvement in election activity or ballot - issue activity. The bill grants to corporations only those powers they need to carry out their lawful business. It explicitly denies them the ability to engage in any election activity or ballot - issue activity. It would apply to dark money groups if they are organized as a 501(c)(4) entity. It does not restrict the activities of ordinary political action committees. All corporations would be subject to these provisions, even if they are outside of Maryland but conducting business in Maryland. It applies to all Maryland elections, including election for federal offices.

This bill would go some way to undoing the damage caused by Citizens United by removing the ability of corporations to engage in election activity, as well as removing the ability of 501C(4) "dark money" groups from spending in elections. Citizens should influence elections, not big corporations, and dark money groups.