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Testimony on HB0297

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Election Law - Business Entity Campaign Contributions – Prohibition
Ways and Means

POSITION: FAVORABLE

Maryland PIRG is a state based, citizen funded public interest advocacy organization with grassroots members across the state and a student funded, student directed chapter at the University of Maryland College Park. For forty years we've stood up to powerful interests whenever they threaten our health and safety, our financial security, or our right to fully participate in our democratic society. Our Democracy for the People Campaign's aim is to curb the impact of big money on our democracy and empower everyday citizens

I want to thank Delegate Moon for introducing HB0297 and look forward to working with him, members of this committee, and others on this issue.

Maryland PIRG believes that in a true democracy every citizen should have more or less equal opportunity to influence the actions of government. A government of, by, and for the people requires political equality; that is, no demographic barriers such as wealth, age, race, geography, gender, etc should make any one citizen more powerful than another. Furthermore only individual human beings should be able to finance elections. A system with more political equality will ensure that lawmakers prioritize what is best for the most people over what is best for a few well-heeled special interests.

It is time for Maryland to ban corporate contributions to campaigns. There are twenty two states that prohibit corporations from contributing to political campaigns.¹ Unfortunately, Maryland is not yet one of them.

Corporations are given special power to amass money for economic purposes. Corporate treasury funds do not represent public support for the corporation's political ideas; it is therefore inappropriate to use these funds to influence public policy.

Allowing a CEO to direct funds aggregated from commercial enterprise to support a candidate or cause fundamentally skews our democratic process to favor the profit imperative above the public interest and allows unheard of big money to flood our election, further weakening the voice of the average donor.

BACKGROUND: For too long, large campaign contributions - which only a fraction of the American public can afford to make - have unduly influenced who can run for office and who wins elections in the United States. Much of the money raised by candidates and political parties comes from corporations, sources that are not even permitted to vote in the election they seek to influence.

This problem has reached a fever pitch. In recent years, our state and national campaign finance laws have been under attack. Banning corporate campaign contributions is a strong and forceful actions that Maryland can take to reign in the influence of private interests on our political system.

While the Supreme Court has gutted limits on corporate spending through independent expenditures, the Court has turned down requests to consider lifting bans on direct contributions to candidates from corporations.ⁱⁱ These bans are a strong tool that we should be using.

In addition to our fundamental opposition to corporate campaign contributions, there are additional negative side effects to the recent meteoric rise of corporate election spending:

1. Candidates and elected officials are often trapped spending an increasing amount of time fundraising from large and corporate donors, giving them less time to hear from and serve their constituents.
2. The rise of corporate spending in elections has exacerbated the already shrinking faith that citizens have in their elected officials, as evidenced in the recent midterm elections, which saw the lowest turnout since World War II.

Never before has the public had such a solid understanding of why contribution and spending limits are important and never before has the will for reform been so strong.

A 2015 NYT poll found that, “Americans, regardless of their political affiliation, agree that money has too much influence on elections, the wealthy have more influence on elections, and candidates who win office promote policies that help their donors.”ⁱⁱⁱ

It’s time to start fixing our broken campaign finance system and return to a government of, by, and for the people. I urge you to give a favorable report on **HB0297**. Thank you.

ⁱ National Conference of State Legislatures, <http://www.ncsl.org/research/elections-and-campaigns/campaign-contribution-limits-overview.aspx>

ⁱⁱ Supreme Court won’t review ban on corporate contributions to political candidates, The Washington Post, Robert Barnes, April 2, 2014, https://www.washingtonpost.com/politics/supreme-court-wont-review-ban-on-corporate-contributions-to-political-candidates/2014/04/07/5913523c-be61-11e3-bcec-b71ee10e9bc3_story.html

ⁱⁱⁱ Americans’ Views on Money in Politics, June 2, 2015, <http://www.nytimes.com/interactive/2015/06/02/us/politics/money-in-politics-poll.html>