

Allison Hayward Vice President of Policy Center for Competitive Politics 124 S. West St., Ste. 201 Alexandria, VA 22314

Dec. 6, 2010

Advisory Committee on Campaign Finance c/o Ru Belt Office of the Attorney General 200 St. Paul Place Baltimore, MD 21202

Via email: rbelt@oag.state.md.us

Re: Comment on Maryland's Campaign Finance Laws

## To the Committee:

The Center for Competitive Politics (CCP) would like to comment on your efforts to revise Maryland campaign finance laws and regulations. CCP is a nonprofit advocacy organization dedicated to defending First Amendment political rights. To that end, we work with legislators and policymakers around the country. In Maryland, we commented on Maryland State Board of Elections regulations that would have imposed onerous recordkeeping requirements on social media used in politics. We were encouraged when those aspects of the regulation were removed.

In this present review, the element we are most interested in is the proposal for raising campaign contribution limits. In a recent editorial, the *Baltimore Sun* noted that it "might be time to loosen restrictions on individual contributions." That issue has also been included in your news releases as a target for inquiry. Overly restrictive contribution limits to candidates—as well as restrictive aggregate limits—encourage political funding to move to other, less transparent or accountable recipients. When this occurs, limits help create a situation that "appears" corrupt and that encourages public cynicism.

<sup>&</sup>lt;sup>1</sup> "A fresh look at campaign financing." Editorial. *Baltimore Sun*, Nov. 11, 2010; <a href="http://articles.baltimoresun.com/2010-11-10/news/bs-ed-campaign-finance-20101110\_1\_campaign-finance-loopholes-true-source">http://articles.baltimoresun.com/2010-11-10/news/bs-ed-campaign-finance-20101110\_1\_campaign-finance-loopholes-true-source</a>.

Therefore, we support your reexamination of Maryland contribution limits, including the low aggregate limits, and encourage you to recalibrate them to a level that permits ample robust political activity within the structure of candidate campaigns. Increased limits would also allow candidates to spend fewer hours fundraising. We believe that any potential for corruption that may exist with higher limits is addressed by prompt and accurate disclosure at an appropriate itemization threshold. This move, more than any other, would dry up much of the demand for the various substitute "loopholes" that populate Maryland political finance, such as the use of multiple LLCs and loans.

Second, we remain wary of campaign finance restrictions and requirements imposed on "new media." While it may be tempting to treat Internet communications like broadcast advertising or mass mailings, there are significant differences. Much of what a person receives online is by choice. It makes little sense to require onerous sender identifications on discrete messages when an individual has chosen to hear from that sender. This is especially true for social media, where participants have to opt in to communications by "following" the speaker or becoming their "friend." Additionally, Internet communications do not necessarily happen within the state's jurisdiction. Thus, any peculiar regulations Maryland chooses to adopt can be avoided by some, leaving more compliant in-state activists at a disadvantage.

Finally, in general we would like to caution the committee about inventing new disclosure requirements "in light of *Citizens United*." To be sure, in that decision the Supreme Court affirmed its view that disclosure requirements are proper when applied to electioneering communications, and to contributions made to fund those communications. The Court has long affirmed disclosure of political funding. The current challenge is how to determine which funds are sufficiently "political" to fall within these precedents. Some policy activists in other venues are advocating broad new disclosure requirements that would essentially place a group's membership rolls on the public record, and would look back to report funders that gave long before any expenditures made. These proposals go far beyond what the Court has affirmed. They would tread on First Amendment associational rights, as well as individual privacy, reputational, and autonomy rights.

Thank you for providing us with the opportunity to comment. We welcome any opportunity to be of assistance to you in the future.

Very Truly Yours,

Allison Hayward Vice President of Policy

Center for Competitive Politics

allian Hayward