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OPINION PIECE: CAMPAIGN FINANCE REFORM

It was back in January of this year that the Supreme Court opened up the floodgates for corporate spending on elections in the landmark Citizens United decision, overturning a century's worth of federal and state laws designed to limit the power of corporations to use their influence to buy elections.

Then, on Election Day, Maryland voters got a sneak preview of how the new ruling will affect our elections in the coming years. In the highly contested 1st Congressional District race, outside groups, including some who accept unlimited money from individuals and corporations, flooded the mailboxes and airwaves. The unprecedented spending from outside groups alone totaled nearly \$4 million, the 10th highest total of any House race in the nation – an unsurprising statistic to anyone who saw the ads on television this fall.

As new Congressional leadership prepares to take power in January, the prospects for addressing the impact of Citizens United at the federal level are dim. But there are some legislative measures that state lawmakers of both parties can support that would mitigate the effect of the Supreme Court decision on both state and federal races and ensure that, in the coming years, Maryland's voters are not drowned out by corporate cash.

The first way we can do this is by improving corporate governance to ensure that shareholders of corporations are aware of political expenditures. As it stands, corporations are not required to obtain shareholder approval or disclose detailed reporting of political activity before spending unlimited amounts on campaigns at the federal and state level. Requiring such approval, or at least disclosure, would raise the level of accountability of CEOs by placing power directly in the hands of their company's shareholders.

The Maryland legislature has the power to regulate all public and privately-held corporations that are incorporated in our state. While we do not want to put our Maryland-based companies at a competitive disadvantage, we need to prevent state-based corporate special interests from funneling unlimited and anonymous amounts through shadowy national groups without transparency for their shareholders. To that end, this popular idea of disclosing information is one that shareholders themselves support. As the Committee for Economic Development (CED) reports, disclosure of political expenditures has become the second most popular shareholder resolution. Furthermore, corporations themselves have been receptive to the idea – more than 70 of the country's biggest corporations, including Coca Cola, DuPont, Hewlett-Packard, and United Health Group, have agreed to voluntary disclosure and board oversight of corporate political spending.

Secondly, state lawmakers have the power to expand the disclosure requirements for all groups based in Maryland involved in outside spending. Groups funded by special interests routinely take advantage of loopholes in current state election law relating to a narrow definition of what constitutes "independent expenditures" in races. This has allowed these groups - some of whom are not required to disclose any of their contributors - to run "issue ads" targeting candidates

during the heat of competitive campaigns, as long as they avoid explicitly mentioning a candidate by name. To address this, we should broaden our definition of "independent expenditures" to include all electioneering communications that can be reasonably interpreted to support or oppose a candidate, and we should require that the identities of donors who fund such expenditures be disclosed.

Finally, it is time to pass voluntary public campaign finance reform, of the likes of Arizona and Maine. In those states, candidates who choose to take public money agree not to solicit or use private contributions. By definition, this program provides elected officials who are indebted to the citizens of their state, not special interests. By empowering shareholders, establishing public campaign finance, and closing loopholes in existing issue ad laws, Maryland can go a long way towards limiting the damage of the recent Supreme Court decision. Lawmakers of both parties should come together to work in good faith to address these issues in the coming legislative session. The health of our electoral process - and the vibrancy of our democracy - depend on it.

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