
By: **Delegate Wood**

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Assigned to: Rules and Executive Nominations

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Committee Report: Favorable with amendments

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CHAPTER _____

1 AN ACT concerning

2 **Election Law - Political Action Committees - Contributions**

3 FOR the purpose of authorizing an employee to contribute by payroll deduction
4 certain contributions to certain affiliated political action committees selected by
5 the employee; requiring an employer to keep certain records relating to certain
6 employee contributions; requiring an employer to transmit certain contributions
7 to certain affiliated political action committees designated by an employee;
8 requiring certain employee membership entities to transmit certain
9 contributions to certain persons within a certain time period; requiring certain
10 persons to keep certain records; making certain stylistic and organizational
11 changes; prohibiting an employer, employee membership entity, or affiliated
12 political action committee from soliciting, receiving, or using certain employee
13 contributions in a certain manner; providing for the effective date of this Act;
14 and generally relating to the deduction, solicitation, receipt, and use of certain
15 employee contributions and the distribution of the contributions to certain
16 entities.

17 BY repealing and reenacting, with amendments,
18 Article - Election Law
19 Section 13-241 and 13-242
20 Annotated Code of Maryland
21 (As enacted by Chapter _____ (S.B. 1) of the Acts of the General Assembly of
22 2002)

23 BY adding to
24 Article - Election Law

1 Section 13-241
2 Annotated Code of Maryland
3 (As enacted by Chapter _____ (S.B. 1) of the Acts of the General Assembly of
4 2002)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
6 MARYLAND, That the Laws of Maryland read as follows:

7 **Article - Election Law**

8 13-241.

9 (A) AN EMPLOYER MAY ESTABLISH A PROGRAM FOR COLLECTING FROM
10 EMPLOYEES BY MEANS OF PAYROLL DEDUCTIONS VOLUNTARY CONTRIBUTIONS TO
11 ONE OR MORE CAMPAIGN FINANCE ENTITIES SELECTED BY THE EMPLOYER.

12 (B) PERIODIC CONTRIBUTIONS COLLECTED BY PAYROLL DEDUCTIONS UNDER
13 A PROGRAM ESTABLISHED UNDER SUBSECTION (A) OF THIS SECTION SHALL BE
14 COMBINED AND ACCUMULATED IN A SEGREGATED ESCROW ACCOUNT MAINTAINED
15 SOLELY FOR THAT PURPOSE.

16 (C) AN EMPLOYER SHALL KEEP DETAILED AND ACCURATE RECORDS OF EACH
17 PAYROLL DEDUCTION MADE UNDER SUBSECTION (A) OF THIS SECTION, INCLUDING:

- 18 (1) THE NAME OF THE CONTRIBUTOR;
19 (2) THE DATE ON WHICH THE CONTRIBUTION IS WITHHELD;
20 (3) THE AMOUNT OF THE CONTRIBUTION; AND
21 (4) THE DISPOSITION OF THE CONTRIBUTION.

22 (D) WITHIN 3 MONTHS AFTER WITHHOLDING A CONTRIBUTION UNDER THIS
23 SECTION, THE EMPLOYER SHALL TRANSMIT THE CONTRIBUTION TO THE
24 APPROPRIATE CAMPAIGN FINANCE ENTITY, TOGETHER WITH THE INFORMATION
25 RECORDED UNDER SUBSECTION (C)(1), (2), AND (3) OF THIS SECTION.

26 (E) IN SOLICITING AN EMPLOYEE TO MAKE A CONTRIBUTION TO A CAMPAIGN
27 FINANCE ENTITY BY PAYROLL DEDUCTION, AN EMPLOYER SHALL INFORM THE
28 EMPLOYEE OF:

- 29 (1) THE POLITICAL PURPOSES OF THE CAMPAIGN FINANCE ENTITY; AND
30 (2) THE EMPLOYEE'S RIGHT TO REFUSE TO CONTRIBUTE TO THE
31 CAMPAIGN FINANCE ENTITY WITHOUT REPRISAL.

32 (F) AN EMPLOYER MAY NOT RECEIVE OR USE MONEY OR ANYTHING OF
33 VALUE UNDER THIS SECTION IF IT IS OBTAINED:

- 34 (1) BY ACTUAL OR THREATENED:

- 1 (I) PHYSICAL FORCE;
- 2 (II) JOB DISCRIMINATION; OR
- 3 (III) FINANCIAL REPRISAL; OR
- 4 (2) AS:
- 5 (I) A RESULT OF A COMMERCIAL TRANSACTION; OR
- 6 (II) DUES, FEES, OR OTHER ASSESSMENT REQUIRED AS A
- 7 CONDITION OF MEMBERSHIP IN A LABOR ORGANIZATION OR EMPLOYMENT.

8 [13-241.] 13-242.

9 (a) (1) In this section the following words have the meanings indicated.

10 (2) "Affiliated political action committee" means a political ACTION

11 committee affiliated with an employee membership entity.

12 (3) "Employee membership entity" means an organization whose

13 membership includes employees of [an] THE employer.

14 (b) [(1) An employer may establish a program for collecting from employees

15 by means of payroll deductions voluntary contributions to one or more campaign

16 finance entities selected by the employer.

17 (2)] If an employer withholds from employees by payroll deduction the

18 [employees'] EMPLOYEES dues to an employee membership entity, [the employees]

19 AN EMPLOYEE may contribute by payroll deduction to [an] ONE OR MORE affiliated

20 political action [committee] COMMITTEES SELECTED BY THE EMPLOYEE.

21 (c) Periodic contributions collected by payroll deductions pursuant to a

22 program established under subsection (b) of this section shall be:

23 (1) combined and accumulated in a segregated escrow account

24 maintained solely for that purpose; AND

25 (2) TRANSMITTED TO THE EMPLOYEE MEMBERSHIP ENTITY WITHIN 30

26 DAYS OF BEING WITHHELD, TOGETHER WITH THE INFORMATION REQUIRED UNDER

27 SUBSECTION (D)(1) THROUGH (4) OF THIS SECTION.

28 (d) [(1) An employer shall keep detailed and accurate records of all payroll

29 deductions made under subsection (b)(1) of this section, including:

- 30 (i) the name of each contributor;
- 31 (ii) the date on which each contribution is withheld;
- 32 (iii) the amount of each contribution; and

1 (iv) the disposition of the amounts withheld.

2 (2) An affiliated political action committee, in conjunction with its
3 employee membership entity and the employer, shall keep detailed and accurate
4 records of [all] EACH [payroll deductions that include contributions received]
5 CONTRIBUTION under subsection [(b)(2)] (B) of this section, including:

6 [(i)] (1) the name of [each] THE contributor;

7 [(ii)] (2) the date on which [each payroll deduction] THE
8 CONTRIBUTION was made;

9 [(iii)] (3) the [total] amount of [each payroll deduction] THE
10 CONTRIBUTION;

11 [(iv)] (4) the [amount of the payroll deduction that constituted a
12 contribution] NAME OF THE AFFILIATED POLITICAL ACTION COMMITTEE
13 DESIGNATED BY THE EMPLOYEE TO RECEIVE THE CONTRIBUTION; AND

14 [(v)] (5) the date on which the [contributions were]
15 CONTRIBUTION WAS received by the employee membership entity [or] AND the
16 affiliated political action committee [or both]; and

17 (vi) the disposition of the amounts withheld].

18 (e) (1) [Within 3 months of being withheld, a contribution under subsection
19 (b)(1) of this section shall be transmitted, with the information recorded under
20 subsection (d)(1) of this section, to a campaign finance entity.

21 (f) (1) Within 3 months of being withheld, a contribution under subsection
22 (b)(2) of this section shall be transmitted to the affiliated political action committee or
23 the employee membership entity, together with:

24 (i) the information recorded under subsection (d)(2)(i) and (ii) of
25 this section; and

26 (ii) at the employer's discretion, the information recorded under
27 subsection (d)(2)(iii) through (v) of this section.

28 (2) Within 30 days after receiving a contribution under this subsection,
29 an employee membership entity shall transmit the contribution to its affiliated
30 political action committee, together with:

31 (i) the information recorded under subsection (d)(2)(i) and (ii) of
32 this section that is received from the employer; and

33 (ii) any information recorded under subsection (d)(2)(iii) through (v)
34 of this section that is received from the employer] WITHIN 30 DAYS AFTER IT
35 RECEIVES A CONTRIBUTION UNDER SUBSECTION (C) OF THIS SECTION, THE
36 EMPLOYEE MEMBERSHIP ENTITY SHALL TRANSMIT THE CONTRIBUTION:

1 (I) TO ITS AFFILIATED POLITICAL ACTION COMMITTEE; OR

2 (II) IF A CONTRIBUTION IS DESIGNATED FOR A POLITICAL ACTION
3 COMMITTEE AFFILIATED WITH A STATE OR LOCAL CHAPTER OF THE EMPLOYEE
4 MEMBERSHIP ENTITY, TO THE STATE OR LOCAL CHAPTER OF THE EMPLOYEE
5 MEMBERSHIP ENTITY.

6 (2) WITHIN 5 DAYS AFTER IT RECEIVES A CONTRIBUTION UNDER
7 PARAGRAPH (1)(II) OF THIS SUBSECTION, THE STATE OR LOCAL CHAPTER OF THE
8 EMPLOYEE MEMBERSHIP ENTITY SHALL TRANSMIT THE CONTRIBUTION TO ITS
9 AFFILIATED POLITICAL ACTION COMMITTEE.

10 (3) AN EMPLOYEE MEMBERSHIP ENTITY, INCLUDING A STATE OR LOCAL
11 CHAPTER, THAT TRANSFERS CONTRIBUTIONS IN ACCORDANCE WITH PARAGRAPHS
12 (1) OR (2) OF THIS SUBSECTION SHALL INCLUDE THE INFORMATION RECORDED
13 UNDER SUBSECTION (D) OF THIS SECTION THAT IS RECEIVED FROM THE EMPLOYER.

14 [(g)] (F) [In soliciting an employee to make a contribution by payroll
15 deduction, an employer or political committee shall inform the employee of:

16 (1) the political purposes of the affiliated political action committee; and

17 (2) the employee's right to refuse to contribute to the affiliated political
18 action committee without reprisal.

19 (h) An employer may not receive or use money or anything of value under this
20 section if it is obtained:

21 (1) by actual or threatened:

22 (i) physical force;

23 (ii) job discrimination; or

24 (iii) financial reprisal; or

25 (2) as:

26 (i) a result of a commercial transaction; or

27 (ii) dues, fees, or other assessment required as a condition of
28 membership in a labor organization or employment] AN EMPLOYER, EMPLOYEE
29 MEMBERSHIP ENTITY, OR AFFILIATED POLITICAL ACTION COMMITTEE, MAY NOT
30 SOLICIT, RECEIVE, OR USE EMPLOYEE CONTRIBUTIONS IN A MANNER THAT WOULD
31 BE PROHIBITED UNDER § 13-241(E) AND (F) OF THIS SUBTITLE IF PERFORMED BY AN
32 EMPLOYER.

33 [13-242.] 13-243.

34 (a) (1) In this section the following words have the meanings indicated.

1 (2) "Membership entity" means an organization that collects dues from
2 its members.

3 (3) "Affiliated political action committee" means a political ACTION
4 committee affiliated with a membership entity.

5 (b) A membership entity may establish a program for periodically collecting
6 from its members and accumulating voluntary contributions by the members to an
7 affiliated political action committee if those contributions are collected together with:

8 (1) membership dues invoiced and collected by the membership entity; or

9 (2) contributions by the members to a political action committee
10 established under federal law, if that political action committee is also affiliated with
11 the membership entity.

12 (c) A membership entity shall keep detailed and accurate records of [all
13 contributions] EACH CONTRIBUTION received under subsection (b) of this section,
14 including:

15 (1) the name of [each] THE contributor;

16 (2) the date on which [each] THE contribution [was received] IS
17 WITHHELD;

18 (3) the amount of [each] THE contribution; and

19 (4) the disposition of the [amounts held] CONTRIBUTION.

20 (d) Within 30 days [of] AFTER being received, a contribution under this
21 section shall be transmitted BY THE MEMBERSHIP ENTITY, with the information
22 recorded under subsection (c)(1), (2), and (3) of this section, to its affiliated political
23 action committee.

24 (e) In soliciting a member, by joint invoice for membership dues or for a
25 contribution to an affiliated federal political action committee, to make a contribution
26 to its affiliated political action committee, a membership entity shall inform the
27 member of:

28 (1) the political purposes of the {affiliated} political action committee;
29 and

30 (2) the member's right to refuse to contribute to the political action
31 committee without reprisal.

32 (f) An employee membership entity or its affiliated political action committee
33 entity may not receive or use money or anything of value under this section if it is
34 obtained:

35 (1) by actual or threatened:

- 1 (i) physical force;
- 2 (ii) membership discrimination; or
- 3 (iii) financial or professional reprisal; or
- 4 (2) as dues, fees, or other assessment required as a condition of
- 5 membership.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 January 1, 2003.