

HOUSE BILL 538

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By: **Delegates Mosby and Cain**

Introduced and read first time: January 27, 2020

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Campaign Finance – Revisions**

3 FOR the purpose of requiring a treasurer of a campaign finance entity to approve, rather
4 than make, all disbursements for the entity; prohibiting the treasurer of a party
5 central committee from approving, rather than making, a disbursement except under
6 certain circumstances; authorizing the chairman of a campaign finance entity to
7 approve, rather than make, disbursements for the entity under certain
8 circumstances; requiring a campaign finance entity that is liable for a certain civil
9 penalty to submit certain bank statements with the campaign finance entity's
10 campaign finance reports during a certain period; making conforming changes;
11 providing for a delayed effective date; and generally relating to campaign finance.

12 BY repealing and reenacting, with amendments,
13 Article – Election Law
14 Section 13–218, 13–240(b), and 13–304
15 Annotated Code of Maryland
16 (2017 Replacement Volume and 2019 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – Election Law
19 Section 13–604.1(b)
20 Annotated Code of Maryland
21 (2017 Replacement Volume and 2019 Supplement)

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

24 **Article – Election Law**

25 13–218.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) All assets received by or on behalf of a campaign finance entity shall be:

2 (1) delivered to the treasurer; and

3 (2) maintained by the treasurer for the purposes of the campaign finance
4 entity.

5 (b) (1) Assets of a campaign finance entity may be disbursed only:

6 (i) if they have passed through the hands of the treasurer; and

7 (ii) in accordance with the purposes of the entity.

8 (2) Subject to § 13–220(b)(2) and (c) of this subtitle and except as provided
9 in subsection (d) of this section, the treasurer shall **[make] APPROVE** all disbursements for
10 the campaign finance entity.

11 (c) The treasurer of a State or county central committee of a political party may
12 not **[make] APPROVE** any disbursement of the central committee's assets, or incur any
13 liability on its behalf, without authority and direction from the chairman of the central
14 committee.

15 (d) (1) If the treasurer of a campaign finance entity is temporarily unable to
16 perform the duties of the office, the chairman of the campaign finance entity may **[make]**
17 **APPROVE** a disbursement on behalf of the campaign finance entity in the same manner as
18 the treasurer.

19 (2) If the chairman **[makes] APPROVES** a disbursement under this
20 subsection, within 7 days after **[making] APPROVING** the disbursement, the chairman
21 shall submit a report to the treasurer for the account book of the campaign finance entity,
22 including:

23 (i) a statement of the expenditure **[made] APPROVED** under the
24 authority of the chairman;

25 (ii) the name and address of the person to whom the expenditure was
26 made;

27 (iii) the purpose for which the expenditure was made; and

28 (iv) a copy of the receipt for the expenditure that was made.

29 (3) A chairman who is a candidate may not **[make] APPROVE** a
30 disbursement for a campaign finance entity.

31 13–240.

1 (b) Except as provided in § [13-304(c)] **13-304(D)** of this title, but
2 notwithstanding § 13-239 of this subtitle or any other law that prohibits an anonymous
3 contribution, a political committee may accept contributions received from the sale of a spin
4 or chance or a raffle ticket, and need not identify the individual contributor on its campaign
5 finance reports, if:

6 (1) the account book of the political committee includes:

7 (i) the net amount received by the political committee from the
8 raffle, spin, or chance at the fundraising event at which the sale was made; and

9 (ii) the name and address of each person who attended the event;

10 (2) no spin or chance is sold at the event for more than \$2;

11 (3) the net income of the sponsoring political committee from spins and
12 chances at the event does not exceed \$1,500 in a 24-hour period;

13 (4) the total receipts of the sponsoring political committee from spins and
14 chances in that election do not exceed \$2,500;

15 (5) a raffle is conducted in accordance with § 12-106(b) of the Criminal Law
16 Article; and

17 (6) the political committee includes on its campaign finance report:

18 (i) a lump sum contribution of the net amount received by the
19 political committee from the raffle, spin, or chance at the fundraising event; and

20 (ii) the total number of persons purchasing a raffle ticket, spin, or
21 chance at the event.

22 13-304.

23 (a) (1) From the date of its organization until its termination under the
24 provisions of this title, a campaign finance entity, except a political club, shall file a
25 campaign finance report at the State Board at the times and for the periods required by §§
26 13-309, 13-312, and 13-316 of this subtitle.

27 (2) A campaign finance report submitted using an electronic format shall:

28 (i) be made under oath or affirmation;

29 (ii) require an electronic signature from the treasurer at the time of
30 the filing of the campaign finance report; and

(iii) be made subject to the penalties for perjury.

(b) A campaign finance report filed by a campaign finance entity under subsection (a) of this section shall include:

(1) the information required by the State Board with respect to all contributions received and all expenditures made by or on behalf of the campaign finance entity during the designated reporting period; and

(2) the information regarding the occupations and employers of contributors required to be recorded by the treasurer of a campaign finance entity under § 13-221 of this title.

(c) (1) DURING THE PERIOD SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION, A CAMPAIGN FINANCE ENTITY THAT IS LIABLE FOR A CIVIL PENALTY IMPOSED UNDER § 13-604.1(B)(1), (2), (3), (4), (5), OR (6) OF THIS TITLE SHALL SUBMIT, WITH EACH CAMPAIGN FINANCE REPORT FILED UNDER SUBSECTION (A) OF THIS SECTION, BANK STATEMENTS THAT:

(I) DOCUMENT ALL EXPENDITURES MADE BY OR ON BEHALF OF THE CAMPAIGN FINANCE ENTITY DURING THE REPORTING PERIOD; AND

(II) HAVE ALL PERSONAL IDENTIFYING INFORMATION, INCLUDING BANK ACCOUNT NUMBERS, REDACTED.

(2) A CAMPAIGN FINANCE ENTITY SHALL SUBMIT BANK STATEMENTS IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION DURING THE PERIOD THAT:

(I) BEGINS ON THE FIRST CLOSING DATE FOR A CAMPAIGN FINANCE REPORT THAT OCCURS AFTER THE CAMPAIGN FINANCE ENTITY BECAME LIABLE FOR A CIVIL PENALTY IMPOSED UNDER § 13-604.1(B)(1), (2), (3), (4), (5), OR (6) OF THIS TITLE; AND

(II) ENDS AT THE LATER OF:

1. THE CONCLUSION OF THE ELECTION CYCLE IN WHICH THE CAMPAIGN FINANCE ENTITY BECAME LIABLE FOR THE CIVIL PENALTY ISSUED UNDER § 13-604.1(B)(1), (2), (3), (4), (5), OR (6) OF THIS TITLE; OR

2. THE DUE DATE OF THE LAST CAMPAIGN FINANCE REPORT THAT IS DUE WITHIN 2 YEARS AFTER THE CAMPAIGN FINANCE ENTITY BECAME LIABLE FOR THE CIVIL PENALTY IMPOSED UNDER § 13-604.1(B)(1), (2), (3), (4), (5), OR (6) OF THIS TITLE.

1 **[(c)] (D)** (1) In this subsection, “eligible contribution” means a contribution
2 or series of contributions made by the same person for which a receipt is not required to be
3 issued under § 13–222 of this title.

4 (2) The requirements of this subsection prevail to the extent of any conflict
5 with § 13–240(b) of this title.

6 (3) Except as provided in paragraphs (4) and (5) of this subsection, a
7 political committee shall report the following information on its campaign finance reports
8 for each contribution the committee receives:

9 (i) the amount of each contribution; and

10 (ii) the name and residential address of each contributor, unless a
11 contributor receives a confidentiality waiver from the State Board for a residential address,
12 in which case a suitable alternative address approved by the State Board may be used.

13 (4) A campaign finance entity of a candidate may report a maximum of a
14 cumulative amount of \$25,000 in eligible contributions in an election cycle on its campaign
15 finance reports without providing the information required under paragraph (3) of this
16 subsection.

17 (5) A political committee may report eligible contributions collected in
18 accordance with § 13–241 or § 13–242 of this title on its campaign finance reports in the
19 manner specified in paragraph (4) of this subsection if the following is included on the
20 political committee’s campaign finance report:

21 (i) a lump sum contribution of the total amount received by the
22 political committee in the form of eligible contributions;

23 (ii) the number of individuals making eligible contributions; and

24 (iii) the average amount of the eligible contributions received by the
25 political committee.

26 **[(d)] (E)** A campaign finance report prescribed by this subtitle for the campaign
27 finance entity of a candidate is required whether or not:

28 (1) the candidate files a certificate of candidacy;

29 (2) the candidate withdraws, declines a nomination, or otherwise ceases to
30 be a candidate;

31 (3) the candidate’s name appears on the primary ballot; or

32 (4) the candidate is successful in the election.

1 13-604.1.

2 (b) The State Board may impose a civil penalty in accordance with this section for
3 the following violations:

4 (1) making a disbursement in a manner not authorized in § 13-218(b)(2),
5 (c), and (d) of this title;

6 (2) failure to maintain a campaign bank account as required in § 13-220(a)
7 of this title;

8 (3) making a disbursement by a method not authorized in § 13-220(d) of
9 this title;

10 (4) failure to maintain detailed and accurate account books and records as
11 required in § 13-221 of this title;

12 (5) fund-raising during the General Assembly session in a manner not
13 authorized in § 13-235 of this title;

14 (6) failure to report all contributions received and expenditures made as
15 required in § 13-304(b) of this title;

16 (7) failure to include an authority line on campaign material as required in
17 § 13-401 of this title; or

18 (8) failure to retain a copy of campaign material as required in § 13-403 of
19 this title.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 January 1, 2021.