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**By: Senators Van Hollen and Sfikas**

Introduced and read first time: February 2, 1996

Assigned to: Economic and Environmental Affairs

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A BILL ENTITLED

1 AN ACT concerning

2 **Campaign Finance Reform Act**

3 FOR the purpose of altering the limits on contributions and transfers that may be made  
4 by certain persons to certain candidates and certain committees; prohibiting a  
5 candidate or candidate's committee from receiving more than a certain percentage  
6 of aggregate transfers from political action committees; establishing certain civil  
7 penalties of certain amounts for certain violations under certain circumstances;  
8 authorizing the State Administrative Board of Election Laws, represented by the  
9 State Prosecutor, to institute a civil action for certain violations; defining a certain  
10 term; providing certain effective dates for certain provisions of this Act; and  
11 generally relating to campaign financing.

12 BY repealing and reenacting, with amendments,  
13 Article 33 - Election Code  
14 Section 26-9 (d) and (e)  
15 Annotated Code of Maryland  
16 (1993 Replacement Volume and 1995 Supplement)

17 BY adding to  
18 Article 33 - Election Code  
19 Section 26-9 (e-2)  
20 Annotated Code of Maryland  
21 (1993 Replacement Volume and 1995 Supplement)

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

24 **Article 33 - Election Code**

25 26-9.

26 (d) (1) Except as provided in subsections (e) and (e-1) of this section, it is  
27 unlawful for any individual, association, unincorporated association, corporation, or any  
28 other entity either directly or indirectly, to contribute any money or thing of value greater  
29 than [\$4,000] \$1,000 to any candidate or political committee or to contribute money in  
30 excess of \$100 except by check in any 4-year election cycle. Contributions may be made by  
31 credit card, not to exceed \$100 per transaction, to any candidate or political committee

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1 under this subsection. Total contributions by a contributor under this subsection shall not  
2 exceed \$10,000 in any 4-year election cycle.

3 (2) Notwithstanding any other provision of this article, the limit on  
4 contributions during a 4-year election cycle by the governing body for a political party or  
5 local central committee shall be as follows:

6 (i) For a statewide governing body for a political party, not more than  
7 \$1 for every two registered voters in the State, regardless of party affiliation, as of January  
8 1 following the preceding gubernatorial election; and

9 (ii) For the governing body of a local central committee for a political  
10 party, not more than \$1 for every two registered voters in the county, regardless of party  
11 affiliation, as of January 1 following the preceding gubernatorial election.

12 (3) (i) The limitations set forth in paragraph (1) of this subsection and  
13 subsection (e)(1) of this section shall apply to each 4-year election cycle beginning on  
14 January 1 following the gubernatorial election and continuing until December 31 that is 4  
15 years later.

16 (ii) Without regard to when a contribution or transfer is expended or  
17 used, the contribution or transfer shall be charged against the limitation for the election  
18 cycle in which:

19 1. The check is written or dated; or

20 2. The cash or other thing of value is received.

21 (e) (1) In this subsection, "political committee" includes a political committee  
22 registered under § 26-4 of this subtitle and an out-of-state political committee.

23 (2) Except as provided in paragraph (3) of this subsection, during a 4-year  
24 election cycle the treasurer of a political committee or the treasurer of a candidate may  
25 not directly or indirectly transfer any money greater than [~~\$6,000~~] \$2,000 to the treasurer  
26 or political committee of a candidate or any other political committee.

27 (3) The limitations on transfers and the provisions on affiliations set forth in  
28 this subsection may not apply to:

29 (i) Transfers between and among political committees that are state  
30 or local committees of the same political party;

31 (ii) Transfers between and among a slate and its candidatemembers;  
32 and

33 (iii) Transfers between a campaign committee authorized by a  
34 candidate and that candidate's treasurer.

35 (4) In applying the limitations of this subsection, all affiliated political  
36 committees are treated as a single transferor. Political committees are "affiliated" if they  
37 are organized and operated in coordination and cooperation with each other or otherwise  
38 conduct their operations and make their contribution decisions under the control of the  
39 same individual or entity.

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1 (5) The limitations on transfers to the treasurer or political committee of a  
2 candidate set forth in paragraph (2) of this subsection shall apply to the individual  
3 regardless of the number of offices for which that individual files a certificate of  
4 candidacy within a 4-year election cycle.

5 (6) No transfer of any kind, in any amount, is permitted if it is intended to  
6 conceal the true identity of the actual contributor or the identity of the intended  
7 recipient.

8 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
9 read as follows:

10 **Article 33 - Election Code**

11 26-9.

12 (E-2) (1) IN THIS SUBSECTION "POLITICAL ACTION COMMITTEE" MEANS A  
13 POLITICAL COMMITTEE THAT IS NOT:

14 (I) A POLITICAL PARTY;

15 (II) A CENTRAL COMMITTEE; OR

16 (III) A POLITICAL COMMITTEE ORGANIZED AND OPERATED BY,  
17 AND SOLELY ON BEHALF OF, AN INDIVIDUAL RUNNING FOR ANY ELECTIVE OFFICE.

18 (2) (I) A CANDIDATE OR A CANDIDATE'S COMMITTEE MAY NOT  
19 RECEIVE TRANSFERS FROM POLITICAL ACTION COMMITTEES THAT, IN THE  
20 AGGREGATE, ARE MORE THAN 20% OF THE CANDIDATE'S AGGREGATE  
21 CONTRIBUTIONS AND TRANSFERS RECEIVED FROM ALL PERSONS BEFORE EACH  
22 ELECTION.

23 (II) THE DETERMINATION AS TO WHETHER A CANDIDATE OR A  
24 CANDIDATE'S COMMITTEE HAS COMPLIED WITH SUBPARAGRAPH (I) OF THIS  
25 PARAGRAPH SHALL BE BASED ON THE FINAL ELECTION REPORT SUBMITTED  
26 BEFORE THE PRIMARY ELECTION AND BEFORE THE GENERAL ELECTION IN  
27 ACCORDANCE WITH § 26-11(A)(2) OF THIS ARTICLE.

28 (3) IF A CANDIDATE OR A CANDIDATE'S COMMITTEE RECEIVES  
29 AGGREGATE TRANSFERS FROM POLITICAL ACTION COMMITTEES THAT EXCEED 20%  
30 OF THE CANDIDATE'S AGGREGATE RECEIPTS OF CONTRIBUTIONS AND TRANSFERS  
31 FROM ALL PERSONS AND THE AMOUNT THAT EXCEEDS THE 20% IS \$500 OR MORE,  
32 THE CANDIDATE IS SUBJECT TO A CIVIL PENALTY THAT IS EQUAL TO TWICE THE  
33 AMOUNT OF THE FUNDS RECEIVED THAT EXCEED \$500.

34 (4) THE STATE BOARD, REPRESENTED BY THE STATE PROSECUTOR,  
35 MAY INSTITUTE A CIVIL ACTION FOR ANY VIOLATION OF THIS SUBSECTION.

36 SECTION 3. AND BE IT FURTHER ENACTED, That the revised limits on  
37 transfers and contributions set forth in Section 1 of this Act shall apply only to transfers  
38 and contributions received on or after the effective date of Section 1.

39 SECTION 4. AND BE IT FURTHER ENACTED, That, except for any election  
40 subject to the provisions of Article 33 of the Code that is held during the 1999 calendar

SENATE BILL 589

4

1 year, the provisions of Section 2 of this Act shall apply to contributions and transfers  
2 received by a candidate or the candidate's committee on or after the effective date of  
3 Section 2. For purposes of any election held during the 1999 calendar year, the provisions  
4 of Section 2 shall apply contributions and transfers received by a candidate or the  
5 candidate's committee on or after January 1, 2000.

6           SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
7 take effect October 1, 1996.

8           SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
9 take effect January 1, 1999.