
By: Senators Van Hollen, Pinsky, Dyson, Sfikas, Teitelbaum, Frosh, Conway, and McCabe

Introduced and read first time: January 31, 1997

Assigned to: Economic and Environmental Affairs

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 certain
5 candidates or certain committees from receiving more than a certain percentage of
6 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 1996 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 1996 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) (I) 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:

2

1 1. [any] ANY money or thing of value greater than \$4,000 to
2 any candidate FOR STATEWIDE ELECTIVE OFFICE or political committee;

3 2. ANY MONEY OR THING OF VALUE GREATER THAN \$2,000
4 TO ANY CANDIDATE FOR AN ELECTIVE OFFICE THAT IS NOT A STATEWIDE
5 ELECTIVE OFFICE OR POLITICAL COMMITTEE ASSOCIATED WITH A CANDIDATE FOR
6 AN ELECTIVE OFFICE THAT IS NOT A STATEWIDE ELECTIVE OFFICE; or

7 3. [to contribute money] MONEY in excess of \$100 except by
8 check in any 4-year election cycle.

9 (II) Contributions may be made by credit card, not to exceed \$100 per
10 transaction, to any candidate or political committee under this subsection.

11 (III) Total contributions by a contributor under this subsection shall not
12 exceed \$10,000 in any 4-year election cycle.

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

16 (i) For a statewide governing body for a political party, not more than
17 \$1 for every two registered voters in the State, regardless of party affiliation, as of January
18 1 following the preceding gubernatorial election; and

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

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

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

29 1. The check is written or dated; or

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

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

33 (2) Except as provided in paragraph (3) of this subsection, during a 4-year
34 election cycle the treasurer of a political committee or the treasurer of a candidate may
35 not directly or indirectly transfer any money greater than:

36 (I) \$6,000 to the treasurer or political committee of a candidate FOR
37 STATEWIDE ELECTIVE OFFICE or any other political committee; OR

38 (II) \$2,000 TO THE TREASURER OR POLITICAL COMMITTEE OF A
39 CANDIDATE FOR AN ELECTIVE OFFICE THAT IS NOT A STATEWIDE ELECTIVE OFFICE

3
1 OR ANY OTHER POLITICAL COMMITTEE ASSOCIATED WITH A CANDIDATE FOR AN
2 ELECTIVE OFFICE THAT IS NOT A STATEWIDE OFFICE.

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

5 (i) Transfers between and among political committees that are State
6 or local committees of the same political party;

7 (ii) Transfers between and among a slate and its candidate members;
8 and

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

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

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

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

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

25 **Article 33 - Election Code**

26 26-9.

27 (E-2) (1) IN THIS SUBSECTION, "POLITICAL ACTION COMMITTEE" MEANS A
28 POLITICAL COMMITTEE THAT IS NOT:

29 (I) A POLITICAL PARTY;

30 (II) A CENTRAL COMMITTEE; OR

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

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

4

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

6 (3) IF A CANDIDATE OR A CANDIDATE'S COMMITTEE RECEIVES
7 AGGREGATE TRANSFERS FROM POLITICAL ACTION COMMITTEES THAT EXCEED 20%
8 OF THE CANDIDATE'S AGGREGATE RECEIPTS OF CONTRIBUTIONS AND TRANSFERS
9 FROM ALL PERSONS AND THE AMOUNT THAT EXCEEDS THE 20% IS \$500 OR MORE,
10 THE CANDIDATE IS SUBJECT TO A CIVIL PENALTY THAT IS EQUAL TO TWICE THE
11 AMOUNT OF THE FUNDS THAT EXCEED \$500.

12 (4) THE STATE ADMINISTRATIVE BOARD OF ELECTIONS LAWS,
13 REPRESENTED BY THE STATE PROSECUTOR, MAY INSTITUTE A CIVIL ACTION FOR
14 ANY VIOLATION OF THIS SUBSECTION.

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

18 SECTION 4. AND BE IT FURTHER ENACTED, That, except for any election
19 subject to the provisions of Article 33 of the Code that is held during the 1999 calendar
20 year, the provisions of Section 2 of this Act shall apply to contributions and transfers
21 received by a candidate or the candidate's committee on or after the effective date of
22 Section 2. For purposes of any election held during the 1999 calendar year, the provisions
23 of Section 2 shall apply to contributions and transfers received by a candidate or the
24 candidate's committee on or after January 1, 2000.

25 SECTION 5. AND BE IT FURTHER ENACTED, That Sections 1, 3, and 4 of this
26 Act shall take effect October 1, 1997.

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