
By: **Delegates Bobo, Faulkner, Kittleman, Mandel, McIntosh, Pendergrass,
Pitkin, and Snodgrass**

Introduced and read first time: February 13, 1998
Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 18, 1998

CHAPTER _____

1 AN ACT concerning

2 **Election Law - Campaign Finance - Attribution of Contributions**

3 FOR the purpose of altering the treatment of certain contributions that are made by
4 certain associated entities; attributing the campaign contributions of certain
5 associated entities to a single contributor for purposes of determining the
6 maximum amount of the contributions that such associated entities may make;
7 and generally relating to the attribution of campaign contributions made by
8 certain associated entities and the application of campaign finance contribution
9 limitations to such associated entities.

10 BY repealing and reenacting, without amendments,
11 Article 33 - Election Code
12 Section 26-9(d) and (e)
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 1997 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article 33 - Election Code
17 Section 26-9(g)
18 Annotated Code of Maryland
19 (1997 Replacement Volume and 1997 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article 33 - Election Code
22 Section 13-212(b)

1 Annotated Code of Maryland
2 (1997 Replacement Volume and 1997 Supplement)
3 (As enacted by Chapter _____ (S.B. 118/H.B. 127) of the Acts of the General
4 Assembly of 1998)

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

7 **Article 33 - Election Code**

8 26-9.

9 (d) (1) Except as provided in subsections (e) and (e-1) of this section, it is
10 unlawful for any individual, association, unincorporated association, corporation, or
11 any other entity either directly or indirectly, to contribute any money or thing of value
12 greater than \$4,000 to any candidate or political committee or to contribute money in
13 excess of \$100 except by check in any 4-year election cycle. Contributions may be
14 made by credit card, not to exceed \$100 per transaction, to any candidate or political
15 committee under this subsection. Total contributions by a contributor under this
16 subsection shall not exceed \$10,000 in any 4-year election cycle.

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

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

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

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

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

- 34 1. The check is written or dated; or
35 2. The cash or other thing of value is received.

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

4 (2) Except as provided in paragraph (3) of this subsection, during a
5 4-year election cycle the treasurer of a political committee or the treasurer of a
6 candidate may not directly or indirectly transfer any money greater than \$6,000 to
7 the treasurer or political committee of a candidate or any other political committee.

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

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

12 (ii) Transfers between and among a slate and its candidate
13 members; and

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

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

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

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

28 (g) (1) [Except] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AND
29 EXCEPT as otherwise provided by law, an individual, association, unincorporated
30 association, corporation, PARTNERSHIP, LIMITED LIABILITY COMPANY, REAL ESTATE
31 INVESTMENT TRUST, or other entity may make contributions in accordance with the
32 limitations on contributions set forth in this section.

33 (2) [, provided that, for] FOR the purpose of determining the maximum
34 amount that [a corporation] ANY ENTITY DESCRIBED IN PARAGRAPH (1) OF THIS
35 SUBSECTION may contribute, a contribution [by a corporation] SHALL BE
36 CONSIDERED AS BEING MADE BY A SINGLE CONTRIBUTOR IF AN ENTITY and any
37 wholly owned subsidiary of the [corporation] ENTITY or 2 or more [corporations
38 owned by the same stockholders shall be considered as being made by 1 contributor]
39 OF SUCH CONTRIBUTING ENTITIES:

1 (I) AS TO CORPORATIONS, ARE OWNED BY THE SAME
2 STOCKHOLDERS;

3 (II) AS TO LIMITED LIABILITY COMPANIES, CONSIST OF THE SAME
4 MEMBERS;

5 (III) AS TO REAL ESTATE INVESTMENT TRUSTS, CONSIST OF THE
6 SAME SHAREHOLDERS;

7 (IV) AS TO PARTNERSHIPS UNDER THE MARYLAND UNIFORM
8 PARTNERSHIP ACT, CONSIST OF THE SAME PARTNERS; OR

9 (V) AS TO PARTNERSHIPS UNDER THE MARYLAND LIMITED
10 PARTNERSHIP ACT, CONSIST OF THE SAME GENERAL PARTNERS.

11 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect~~
12 ~~October 1, 1998.~~

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

15 **Article 33 - Election Code**

16 13-212.

17 (b) (1) [Except] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AND
18 EXCEPT as otherwise provided by law, an individual, association, unincorporated
19 association, corporation, PARTNERSHIP, LIMITED LIABILITY COMPANY, REAL ESTATE
20 INVESTMENT TRUST, or other entity may make contributions in accordance with the
21 limitations on contributions set forth in this section.

22 (2) [, provided that, for] FOR the purpose of determining the maximum
23 amount that [a corporation] ANY ENTITY DESCRIBED IN PARAGRAPH (1) OF THIS
24 SUBSECTION may contribute, a contribution [by a corporation] SHALL BE
25 CONSIDERED AS BEING MADE BY A SINGLE CONTRIBUTOR IF AN ENTITY and any
26 wholly owned subsidiary of the [corporation] ENTITY or 2 or more [corporations
27 owned by the same stockholders shall be considered as being made by 1 contributor]
28 OF SUCH CONTRIBUTING ENTITIES:

29 (I) AS TO CORPORATIONS, ARE OWNED BY THE SAME
30 STOCKHOLDERS;

31 (II) AS TO LIMITED LIABILITY COMPANIES, CONSIST OF THE SAME
32 MEMBERS;

33 (III) AS TO REAL ESTATE INVESTMENT TRUSTS, CONSIST OF THE
34 SAME SHAREHOLDERS;

35 (IV) AS TO PARTNERSHIPS UNDER THE MARYLAND UNIFORM
36 PARTNERSHIP ACT, CONSIST OF THE SAME PARTNERS; OR

1 (V) AS TO PARTNERSHIPS UNDER THE MARYLAND LIMITED
2 PARTNERSHIP ACT, CONSIST OF THE SAME GENERAL PARTNERS.

3 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act
4 shall take effect January 1, 1999, only if Chapter _____ (S.B. 118/H.B. 127) of the Acts
5 of the General Assembly of 1998 does not take effect.

6 SECTION 4. AND BE IT FURTHER ENACTED, That:

7 (1) Section 2 of this Act is contingent on the taking effect of Chapter
8 (S.B. 118/H.B. 127) of the Acts of the General Assembly of 1998, and if Chapter
9 does not become effective, Section 2 of this Act shall be null and void without the
10 necessity of further action by the General Assembly; and

11 (2) Subject to paragraph (1) of this section, Section 2 of this Act shall
12 take effect January 1, 1999.