

SENATE BILL 613

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SB 711/97 - EEA

1998 Regular Session
8r1973

By: **Senators Van Hollen, Sfikas, Roesser, Pinsky, Dyson, Conway, and Frosh**

Introduced and read first time: February 6, 1998
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
4 made by certain persons to certain candidates and certain committees;
5 prohibiting certain candidates or certain committees from receiving more than a
6 certain percentage of aggregate transfers from political action committees;
7 establishing certain civil penalties of certain amounts for certain violations
8 under certain circumstances; authorizing the State Administrative Board of
9 Election Laws, represented by the State Prosecutor, to institute a civil action for
10 certain violations; defining a certain term; providing for the application of this
11 Act; providing for a delayed effective date; and generally relating to campaign
12 financing.

13 BY repealing and reenacting, with amendments,
14 Article 33 - Election Code
15 Section 26-9(d) and (e)
16 Annotated Code of Maryland
17 (1997 Replacement Volume and 1997 Supplement)

18 BY adding to
19 Article 33 - Election Code
20 Section 26-9(e-2)
21 Annotated Code of Maryland
22 (1997 Replacement Volume and 1997 Supplement)

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

1 **Article 33 - Election Code**

2 26-9.

3 (d) (1) (I) Except as provided in subsections (e) and (e-1) of this section, it
4 is unlawful for any individual, association, unincorporated association, corporation, or
5 any other entity either directly or indirectly, to contribute:

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

8 2. ANY MONEY OR THING OF VALUE GREATER THAN \$2,000
9 TO ANY CANDIDATE FOR AN ELECTIVE OFFICE THAT IS NOT A STATEWIDE ELECTIVE
10 OFFICE OR POLITICAL COMMITTEE ASSOCIATED WITH A CANDIDATE FOR AN
11 ELECTIVE OFFICE THAT IS NOT A STATEWIDE ELECTIVE OFFICE; or

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

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

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

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

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

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

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

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

35 1. The check is written or dated; or

36 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:

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

9 (II) \$2,000 TO THE TREASURER OR POLITICAL COMMITTEE OF A
10 CANDIDATE FOR AN ELECTIVE OFFICE THAT IS NOT A STATEWIDE ELECTIVE OFFICE
11 OR ANY OTHER POLITICAL COMMITTEE ASSOCIATED WITH A CANDIDATE FOR AN
12 ELECTIVE OFFICE THAT IS NOT A STATEWIDE OFFICE.

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

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

17 (ii) Transfers between and among a slate and its candidate
18 members; and

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

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

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

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

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

35 (I) A POLITICAL PARTY;

36 (II) A CENTRAL COMMITTEE; OR

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

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

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

13 (3) IF A CANDIDATE OR A CANDIDATE'S COMMITTEE RECEIVES
14 AGGREGATE TRANSFERS FROM POLITICAL ACTION COMMITTEES THAT EXCEED 20%
15 OF THE CANDIDATE'S AGGREGATE RECEIPTS OF CONTRIBUTIONS AND TRANSFERS
16 FROM ALL PERSONS AND THE AMOUNT THAT EXCEEDS THE 20% IS \$500 OR MORE,
17 THE CANDIDATE IS SUBJECT TO A CIVIL PENALTY THAT IS EQUAL TO TWICE THE
18 AMOUNT OF THE FUNDS THAT EXCEED \$500.

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

22 SECTION 2. AND BE IT FURTHER ENACTED, That, except for any election
23 subject to the provisions of Article 33 of the Code that is held during the 1999
24 calendar year, the provisions of this Act shall apply to contributions and transfers
25 received by a candidate or the candidate's committee on or after January 1, 1999. For
26 purposes of any election held during the 1999 calendar year, the provisions of §
27 26-9(e-2) shall apply to contributions and transfers received by a candidate or the
28 candidate's committee on or after January 1, 2000.

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 January 1, 1999.