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By: **Delegate Wood**  
Introduced and read first time: February 12, 2002  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Election Law - Political Action Committees - Contributions**

3 FOR the purpose of authorizing an employee to contribute by payroll deduction  
4 certain contributions to certain affiliated political action committees selected by  
5 the employee; requiring an employer to keep certain records relating to certain  
6 employee contributions; requiring an employer to transmit certain contributions  
7 to certain affiliated political action committees designated by an employee;  
8 requiring certain employee membership entities to transmit certain  
9 contributions to certain persons within a certain time period; requiring certain  
10 persons to keep certain records; making certain stylistic and organizational  
11 changes; prohibiting an employer, employee membership entity, or affiliated  
12 political action committee from soliciting, receiving, or using certain employee  
13 contributions in a certain manner; providing for the effective date of this Act;  
14 and generally relating to the deduction, solicitation, receipt, and use of certain  
15 employee contributions and the distribution of the contributions to certain  
16 entities.

17 BY repealing and reenacting, with amendments,  
18 Article - Election Law  
19 Section 13-241 and 13-242  
20 Annotated Code of Maryland  
21 (As enacted by Chapter \_\_\_\_\_ (S.B. 1) of the Acts of the General Assembly of  
22 2002)

23 BY adding to  
24 Article - Election Law  
25 Section 13-241  
26 Annotated Code of Maryland  
27 (As enacted by Chapter \_\_\_\_\_ (S.B. 1) of the Acts of the General Assembly of  
28 2002)

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

1 **Article - Election Law**

2 13-241.

3 (A) AN EMPLOYER MAY ESTABLISH A PROGRAM FOR COLLECTING FROM  
4 EMPLOYEES BY MEANS OF PAYROLL DEDUCTIONS VOLUNTARY CONTRIBUTIONS TO  
5 ONE OR MORE CAMPAIGN FINANCE ENTITIES SELECTED BY THE EMPLOYER.

6 (B) PERIODIC CONTRIBUTIONS COLLECTED BY PAYROLL DEDUCTIONS UNDER  
7 A PROGRAM ESTABLISHED UNDER SUBSECTION (A) OF THIS SECTION SHALL BE  
8 COMBINED AND ACCUMULATED IN A SEGREGATED ESCROW ACCOUNT MAINTAINED  
9 SOLELY FOR THAT PURPOSE.

10 (C) AN EMPLOYER SHALL KEEP DETAILED AND ACCURATE RECORDS OF EACH  
11 PAYROLL DEDUCTION MADE UNDER SUBSECTION (A) OF THIS SECTION, INCLUDING:

12 (1) THE NAME OF THE CONTRIBUTOR;

13 (2) THE DATE ON WHICH THE CONTRIBUTION IS WITHHELD;

14 (3) THE AMOUNT OF THE CONTRIBUTION; AND

15 (4) THE DISPOSITION OF THE CONTRIBUTION.

16 (D) WITHIN 3 MONTHS AFTER WITHHOLDING A CONTRIBUTION UNDER THIS  
17 SECTION, THE EMPLOYER SHALL TRANSMIT THE CONTRIBUTION TO THE  
18 APPROPRIATE CAMPAIGN FINANCE ENTITY, TOGETHER WITH THE INFORMATION  
19 RECORDED UNDER SUBSECTION (C)(1), (2), AND (3) OF THIS SECTION.

20 (E) IN SOLICITING AN EMPLOYEE TO MAKE A CONTRIBUTION TO A CAMPAIGN  
21 FINANCE ENTITY BY PAYROLL DEDUCTION, AN EMPLOYER SHALL INFORM THE  
22 EMPLOYEE OF:

23 (1) THE POLITICAL PURPOSES OF THE CAMPAIGN FINANCE ENTITY; AND

24 (2) THE EMPLOYEE'S RIGHT TO REFUSE TO CONTRIBUTE TO THE  
25 CAMPAIGN FINANCE ENTITY WITHOUT REPRISAL.

26 (F) AN EMPLOYER MAY NOT RECEIVE OR USE MONEY OR ANYTHING OF  
27 VALUE UNDER THIS SECTION IF IT IS OBTAINED:

28 (1) BY ACTUAL OR THREATENED:

29 (I) PHYSICAL FORCE;

30 (II) JOB DISCRIMINATION; OR

31 (III) FINANCIAL REPRISAL; OR

32 (2) AS:

- 1 (I) A RESULT OF A COMMERCIAL TRANSACTION; OR  
2 (II) DUES, FEES, OR OTHER ASSESSMENT REQUIRED AS A  
3 CONDITION OF MEMBERSHIP IN A LABOR ORGANIZATION OR EMPLOYMENT.

4 [13-241.] 13-242.

5 (a) (1) In this section the following words have the meanings indicated.

6 (2) "Affiliated political action committee" means a political ACTION  
7 committee affiliated with an employee membership entity.

8 (3) "Employee membership entity" means an organization whose  
9 membership includes employees of [an] THE employer.

10 (b) [(1) An employer may establish a program for collecting from employees  
11 by means of payroll deductions voluntary contributions to one or more campaign  
12 finance entities selected by the employer.

13 (2)] If an employer withholds from employees by payroll deduction the  
14 [employees'] EMPLOYEES dues to an employee membership entity, [the employees]  
15 AN EMPLOYEE may contribute by payroll deduction to [an] ONE OR MORE affiliated  
16 political action [committee] COMMITTEES SELECTED BY THE EMPLOYEE.

17 (c) Periodic contributions collected by payroll deductions pursuant to a  
18 program established under subsection (b) of this section shall be:

19 (1) combined and accumulated in a segregated escrow account  
20 maintained solely for that purpose; AND

21 (2) TRANSMITTED TO THE EMPLOYEE MEMBERSHIP ENTITY WITHIN 30  
22 DAYS, TOGETHER WITH THE INFORMATION REQUIRED UNDER SUBSECTION (D)(1)  
23 THROUGH (4) OF THIS SECTION.

24 (d) [(1) An employer shall keep detailed and accurate records of all payroll  
25 deductions made under subsection (b)(1) of this section, including:

- 26 (i) the name of each contributor;  
27 (ii) the date on which each contribution is withheld;  
28 (iii) the amount of each contribution; and  
29 (iv) the disposition of the amounts withheld.

30 (2)] An affiliated political action committee, in conjunction with its  
31 employee membership entity and the employer, shall keep detailed and accurate  
32 records of [all] EACH [payroll deductions that include contributions received]  
33 CONTRIBUTION under subsection [(b)(2)] (B) of this section, including:

34 [(i)] (1) the name of [each] THE contributor;

1                            [(ii)]    (2)    the date on which [each payroll deduction] THE  
2 CONTRIBUTION was made;

3                            [(iii)]    (3)    the [total] amount of [each payroll deduction] THE  
4 CONTRIBUTION;

5                            [(iv)]    (4)    the [amount of the payroll deduction that constituted a  
6 contribution] NAME OF THE AFFILIATED POLITICAL ACTION COMMITTEE  
7 DESIGNATED BY THE EMPLOYEE TO RECEIVE THE CONTRIBUTION; AND

8                            [(v)]    (5)    the date on which the [contributions were]  
9 CONTRIBUTION WAS received by the employee membership entity [or] AND the  
10 affiliated political action committee [or both; and

11                            (vi)    the disposition of the amounts withheld].

12    (e)    [Within 3 months of being withheld, a contribution under subsection (b)(1)  
13 of this section shall be transmitted, with the information recorded under subsection  
14 (d)(1) of this section, to a campaign finance entity.

15    (f)    (1)    Within 3 months of being withheld, a contribution under subsection  
16 (b)(2) of this section shall be transmitted to the affiliated political action committee or  
17 the employee membership entity, together with:

18                            (i)    the information recorded under subsection (d)(2)(i) and (ii) of  
19 this section; and

20                            (ii)    at the employer's discretion, the information recorded under  
21 subsection (d)(2)(iii) through (v) of this section.

22                            (2)    Within 30 days after receiving a contribution under this subsection,  
23 an employee membership entity shall transmit the contribution to its affiliated  
24 political action committee, together with:

25                            (i)    the information recorded under subsection (d)(2)(i) and (ii) of  
26 this section that is received from the employer; and

27                            (ii)    any information recorded under subsection (d)(2)(iii) through (v)  
28 of this section that is received from the employer] WITHIN 30 DAYS AFTER IT  
29 RECEIVES A CONTRIBUTION UNDER SUBSECTION (C) OF THIS SECTION, THE  
30 EMPLOYEE MEMBERSHIP ENTITY SHALL TRANSMIT THE CONTRIBUTION:

31                            (I)    TO ITS AFFILIATED POLITICAL ACTION COMMITTEE; OR

32                            (II)    IF A CONTRIBUTION IS DESIGNATED FOR A POLITICAL ACTION  
33 COMMITTEE AFFILIATED WITH A STATE OR LOCAL CHAPTER OF THE EMPLOYEE  
34 MEMBERSHIP ENTITY, TO THE STATE OR LOCAL CHAPTER OF THE EMPLOYEE  
35 MEMBERSHIP ENTITY.

1 (2) WITHIN 5 DAYS AFTER IT RECEIVES A CONTRIBUTION UNDER  
 2 PARAGRAPH (1)(II) OF THIS SUBSECTION, THE STATE OR LOCAL CHAPTER OF THE  
 3 EMPLOYEE MEMBERSHIP ENTITY SHALL TRANSMIT THE CONTRIBUTION TO ITS  
 4 AFFILIATED POLITICAL ACTION COMMITTEE.

5 (3) AN EMPLOYEE MEMBERSHIP ENTITY, INCLUDING A STATE OR LOCAL  
 6 CHAPTER, THAT TRANSFERS CONTRIBUTIONS IN ACCORDANCE WITH PARAGRAPHS  
 7 (1) OR (2) OF THIS SUBSECTION SHALL INCLUDE THE INFORMATION RECORDED  
 8 UNDER SUBSECTION (D) OF THIS SECTION THAT IS RECEIVED FROM THE EMPLOYER.

9 [(g)] (F) [In soliciting an employee to make a contribution by payroll  
 10 deduction, an employer or political committee shall inform the employee of:

11 (1) the political purposes of the affiliated political action committee; and

12 (2) the employee's right to refuse to contribute to the affiliated political  
 13 action committee without reprisal.

14 (h) An employer may not receive or use money or anything of value under this  
 15 section if it is obtained:

16 (1) by actual or threatened:

17 (i) physical force;

18 (ii) job discrimination; or

19 (iii) financial reprisal; or

20 (2) as:

21 (i) a result of a commercial transaction; or

22 (ii) dues, fees, or other assessment required as a condition of  
 23 membership in a labor organization or employment] AN EMPLOYER, EMPLOYEE  
 24 MEMBERSHIP ENTITY, OR AFFILIATED POLITICAL ACTION COMMITTEE, MAY NOT  
 25 SOLICIT, RECEIVE, OR USE EMPLOYEE CONTRIBUTIONS IN A MANNER THAT WOULD  
 26 BE PROHIBITED UNDER § 13-241(E) AND (F) OF THIS SUBTITLE IF PERFORMED BY AN  
 27 EMPLOYER.

28 [13-242.] 13-243.

29 (a) (1) In this section the following words have the meanings indicated.

30 (2) "Membership entity" means an organization that collects dues from  
 31 its members.

32 (3) "Affiliated political action committee" means a political ACTION  
 33 committee affiliated with a membership entity.

1 (b) A membership entity may establish a program for periodically collecting  
2 from its members and accumulating voluntary contributions by the members to an  
3 affiliated political action committee if those contributions are collected together with:

4 (1) membership dues invoiced and collected by the membership entity; or

5 (2) contributions by the members to a political action committee  
6 established under federal law, if that political action committee is also affiliated with  
7 the membership entity.

8 (c) A membership entity shall keep detailed and accurate records of [all  
9 contributions] EACH CONTRIBUTION received under subsection (b) of this section,  
10 including:

11 (1) the name of [each] THE contributor;

12 (2) the date on which [each] THE contribution [was received] IS  
13 WITHHELD;

14 (3) the amount of [each] THE contribution; and

15 (4) the disposition of the [amounts held] CONTRIBUTION.

16 (d) Within 30 days [of] AFTER being received, a contribution under this  
17 section shall be transmitted BY THE MEMBERSHIP ENTITY, with the information  
18 recorded under subsection (c)(1), (2), and (3) of this section, to its affiliated political  
19 action committee.

20 (e) In soliciting a member, by joint invoice for membership dues or for a  
21 contribution to an affiliated federal political action committee, to make a contribution  
22 to its affiliated political action committee, a membership entity shall inform the  
23 member of:

24 (1) the political purposes of the [affiliated] political action committee;  
25 and

26 (2) the member's right to refuse to contribute to the political action  
27 committee without reprisal.

28 (f) An employee membership entity or its affiliated political action committee  
29 entity may not receive or use money or anything of value under this section if it is  
30 obtained:

31 (1) by actual or threatened:

32 (i) physical force;

33 (ii) membership discrimination; or

34 (iii) financial or professional reprisal; or

1                   (2)       as dues, fees, or other assessment required as a condition of  
2 membership.

3       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 January 1, 2003.