

# HOUSE BILL 555

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CF SB 195

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By: **Delegates Krebs, Elliott, and Frank**  
Introduced and read first time: February 7, 2007  
Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Election Law – Political Committees – Campaign Finance**

3 FOR the purpose of prohibiting an organization that collects dues from its members  
4 from engaging in campaign finance activity except through an affiliated political  
5 action committee; subjecting a certain membership entity to certain campaign  
6 finance reporting requirements; defining certain terms; repealing certain  
7 exceptions relating to a political club; and generally relating to the regulation of  
8 campaign finance activities conducted by certain political committees.

9 BY repealing and reenacting, with amendments,  
10 Article – Election Law  
11 Section 1–101, 13–207, 13–243, and 13–304(a)  
12 Annotated Code of Maryland  
13 (2003 Volume and 2006 Supplement)

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

16 **Article – Election Law**

17 1–101.

18 (a) In this article the following words have the meanings indicated unless a  
19 different meaning is clearly intended from the context.

20 (b) “Absentee ballot” means a ballot not used in a polling place.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) “Authorized candidate campaign committee” means a political committee  
2 established under Title 13 of this article and authorized by a candidate to promote the  
3 candidate’s candidacy.

4 (d) (1) “Ballot” or “official ballot” includes:

- 5 (i) an absentee ballot;
- 6 (ii) a provisional ballot;
- 7 (iii) a document ballot; or
- 8 (iv) a voting machine ballot.

9 (2) “Ballot” or “official ballot” does not include:

- 10 (i) a sample ballot; or
- 11 (ii) a specimen ballot.

12 (e) “Ballot face” means a single side of a sheet on which are printed some or  
13 all of the contests to be voted on by a voter.

14 (f) “Ballot issue committee” means a political committee that is formed to  
15 promote the success or defeat of a question to be submitted to a vote at an election.

16 (g) “Ballot style” means a unique aggregation of contests that make up the  
17 ballot for a particular group of voters identified by common characteristics of residence  
18 location, party affiliation, or both.

19 (h) **“CAMPAIGN FINANCE ACTIVITY” MEANS THE COLLECTION OR**  
20 **EXPENDITURE OF \$51 OR MORE DURING ANY ELECTION CYCLE BY A**  
21 **COMBINATION OF TWO OR MORE PERSONS, INCLUDING A COLLECTION OR**  
22 **EXPENDITURE COORDINATED WITH A CANDIDATE OR CAMPAIGN FINANCE**  
23 **ENTITY, TO ASSIST OR ATTEMPT TO ASSIST IN PROMOTING THE SUCCESS OR**  
24 **DEFEAT OF ANY CANDIDATE, POLITICAL PARTY, OR QUESTION SUBMITTED TO A**  
25 **VOTE AT ANY ELECTION.**

26 (I) “Campaign finance entity” means a political committee established under  
27 Title 13 of this article.

1            [(i)] (J)        “Campaign finance report” means a report, statement, affidavit, or  
2 other document that is:

3                    (1)        authorized or required under this article;

4                    (2)        related to the campaign finance activities of a campaign finance  
5 entity or to expenses associated with a legislative newsletter; and

6                    (3)        filed or submitted on a form prescribed by the State Board under  
7 this article.

8            [(j)] (K)        “Campaign manager” means a person designated by a candidate,  
9 or the candidate’s representative, to exercise general overall responsibility for the  
10 conduct of the candidate’s political campaign.

11           [(k)] (L)        (1)        “Campaign material” means any material that:

12                    (i)        contains text, graphics, or other images;

13                    (ii)       relates to a candidate, a prospective candidate, or the  
14 approval or rejection of a question; and

15                    (iii)       is published or distributed.

16                    (2)        “Campaign material” includes:

17                    (i)        material transmitted by or appearing on the Internet or  
18 other electronic medium; and

19                    (ii)       an oral commercial campaign advertisement.

20           [(l)] (M)        (1)        “Candidate” means an individual who files a certificate of  
21 candidacy for a public or party office.

22                    (2)        “Candidate” includes:

23                    (i)        an incumbent judge of the Court of Appeals or Court of  
24 Special Appeals at an election for continuance in office; and

25                    (ii)       an individual, prior to that individual filing a certificate of  
26 candidacy, if a campaign finance entity has been established on behalf of that  
27 individual.

1            [(m)] (N)    (1)    “Contest” means:

2                            (i)    the aggregate of candidates who run against each other or  
3 among themselves for nomination for, or election to, an office or multiple offices of the  
4 same category; or

5                            (ii)   the positive and negative voting options for a question  
6 submitted to the voters.

7                            (2)    “Contest” includes, in a general election for an office, the write-in  
8 option.

9            [(n)] (O)    “Continuing political committee” means a political committee that  
10 is permitted to continue in existence from year to year.

11           [(o)] (P)    (1)    “Contribution” means the gift or transfer, or promise of gift  
12 or transfer, of money or other thing of value to a campaign finance entity to promote or  
13 assist in the promotion of the success or defeat of a candidate, political party, or  
14 question.

15                            (2)    “Contribution” includes:

16                            (I)    proceeds from the sale of tickets to a campaign fund-raising  
17 event; **AND**

18                            (II)   **ANY EXPENDITURE BY AN INDIVIDUAL IN**  
19 **COORDINATION WITH OR AT THE REQUEST OR SUGGESTION OF A CANDIDATE,**  
20 **CAMPAIGN FINANCE ENTITY, OR AGENT OF A CANDIDATE OR CAMPAIGN**  
21 **FINANCE ENTITY.**

22           [(p)] (Q)    “County” means a county of the State or Baltimore City.

23           [(q)] (R)    “Disabled” means having a temporary or permanent physical  
24 disability.

25           [(r)] (S)    (1)    “Distributor” means a person engaged for profit in the  
26 distribution of campaign material by hand delivery or direct mail.

27                            (2)    “Distributor” does not include salaried employees, agents, or  
28 volunteers of the person.

1           [(s)] (T)     (1)   “Document ballot” means a ballot used with a voting system  
2 in which the voter individually is issued a ballot on which to indicate one or more  
3 votes.

4                   (2)   “Document ballot” includes:

5                           (i)   a machine–read ballot, such as an optically scanned ballot;  
6 and

7                           (ii) a hand–counted paper ballot.

8           [(t)] (U)     “Driver’s license” includes an identification card issued by the  
9 Motor Vehicle Administration.

10          [(u)] (V)     “Elderly” means 65 years of age or older.

11          [(v)] (W)     (1)   “Election” means the process by which voters cast votes on  
12 one or more contests under the laws of this State or the United States.

13                   (2)   “Election” includes, unless otherwise specifically provided in this  
14 article, all general elections, primary elections, and special elections.

15                   (3)   “Election” does not include, unless otherwise specifically provided  
16 in this article, a municipal election other than in Baltimore City.

17          [(w)] (X)     “Election cycle” means the period that begins on the January 1  
18 that follows a gubernatorial election and continues until the December 31 that is 4  
19 years later.

20          [(x)] (Y)     “Electronic storage format” means a computer disk or other  
21 information storage and retrieval medium approved by the State Board.

22          [(y)] (Z)     “Expenditure” means a gift, transfer, disbursement, or promise of  
23 money or a thing of value by or on behalf of a campaign finance entity to:

24                   (1)   promote or assist in the promotion of the success or defeat of a  
25 candidate, political party, or question at an election; or

26                   (2)   pay for the publication expense of a legislative newsletter under  
27 Title 13, Subtitle 4 of this article.

1            [(z)] (AA) “Independent expenditure” means an expenditure by a person to  
2 aid or promote the success or defeat of a candidate if the expenditure is not made in  
3 coordination with, or at the request or suggestion of, the candidate, a campaign  
4 finance entity of the candidate, or an agent of the candidate.

5            [(aa)] (BB) “Infamous crime” means any felony, treason, perjury, or any crime  
6 involving an element of deceit, fraud, or corruption.

7            [(bb)] (CC) “Local board” means a county board of elections.

8            [(cc)] (DD) “Majority party” means the political party to which the incumbent  
9 Governor belongs, if the incumbent Governor is a member of a principal political  
10 party. If the incumbent Governor is not a member of one of the two principal political  
11 parties, “majority party” means the principal political party whose candidate for  
12 Governor received the highest number of votes of any party candidate at the last  
13 preceding general election.

14            (EE) (1) **“MEMBERSHIP ENTITY” MEANS AN ORGANIZATION THAT**  
15 **COLLECTS DUES FROM ITS MEMBERS.**

16            (2) **“MEMBERSHIP ENTITY” INCLUDES A POLITICAL CLUB.**

17            [(dd)] (FF) “Partisan organization” means a combination of two or more  
18 individuals formed for the purpose of organizing a new political party.

19            [(ee)] (GG) “Political action committee” means a political committee that is  
20 not:

21            (1) a political party;

22            (2) a central committee;

23            (3) a slate;

24            (4) a political committee organized and operated solely to support or  
25 oppose a single candidate; or

26            (5) a political committee organized and operated solely to support or  
27 oppose a ballot issue.

28            [(ff)] (HH) “Political committee” means [a combination of two or more  
29 individuals that assists or attempts to assist in promoting the success or defeat of a

1 candidate, political party, or question submitted to a vote at any election] **ANY**  
2 **COMBINATION OF TWO OR MORE PERSONS WHO ENGAGE IN CAMPAIGN FINANCE**  
3 **ACTIVITY.**

4 [(gg)] **(II)** “Political party” means an organized group that is qualified as a  
5 political party in accordance with Title 4 of this article.

6 [(hh)] **(JJ)** “Precinct” includes:

7 (1) an election district in a county that is not divided into precincts;

8 (2) an election precinct in an election district that is divided into  
9 precincts; or

10 (3) a precinct in a ward of the City of Baltimore.

11 [(ii)] **(KK)** “Precinct register” means the list of voters for a single precinct.

12 [(jj)] **(LL)** “Principal minority party” means the principal political party  
13 whose candidate for Governor received the second highest number of votes of any  
14 party candidate at the last preceding general election.

15 [(kk)] **(MM)** “Principal political parties” means the majority party and the  
16 principal minority party.

17 [(ll)] **(NN)** “Provisional ballot” means a ballot that is cast by an individual but  
18 not counted until the individual’s qualifications to vote have been confirmed by the  
19 local board.

20 [(mm)] **(OO)** “Responsible officers” means the chairman and treasurer of a  
21 political committee.

22 [(nn)] **(PP)** “Sample ballot” means a facsimile of a ballot used for informational  
23 purposes by a person or entity other than a local board.

24 [(oo)] **(QQ)** “Slate” means a political committee of two or more candidates who  
25 join together to conduct and pay for joint campaign activities.

26 [(pp)] **(RR)** “Specimen ballot” means a facsimile of a ballot used by a local  
27 board to provide notice to registered voters of the contents of the ballot.

1           [(qq)] **(SS)** “State Administrator” means the State Administrator of Elections.

2           [(rr)] **(TT)** “State Board” means the State Board of Elections.

3           [(ss)] **(UU)** “Transfer” means a monetary contribution that is made by one  
4 campaign finance entity to another campaign finance entity, other than one made by  
5 or to a political club.

6           [(tt)] **(VV)** “Treasurer” means an individual appointed in accordance with  
7 Title 13, Subtitle 2 of this article.

8           [(uu)] **(WW)** “Vote” means to cast a ballot that is counted.

9           [(vv)] **(XX)** “Voting machine” includes:

10                   (1) a mechanical lever machine; and

11                   (2) a direct recording electronic voting device.

12           [(ww)] **(YY)** “Voting machine ballot” means a ballot posted on or in the voting  
13 machine and referred to by the voter to indicate the voting locations for each contest.

14           [(xx)] **(ZZ)** “Voting system” means a method of casting and tabulating ballots  
15 or votes.

16           [(yy)] **(AAA)** “Write-in candidate” means an individual whose name will not  
17 appear on the ballot but who files a certificate of candidacy in accordance with § 5-303  
18 of this article.

19           [(zz)] **(BBB)** “Write-in vote” means a vote cast, in a contest at a general  
20 election, for an individual whose name is not on the ballot for that contest.

21 13-207.

22           (a) This section applies to a political committee [other than a political club].

23           (b) A political committee may not receive or disburse money or any other  
24 thing of value unless the political committee is established in accordance with the  
25 requirements of this section.

26           (c) To establish a political committee:



1 (1) a chairman and a treasurer shall be appointed on a form that the  
2 State Board prescribes and that is signed by the chairman and treasurer and includes:

3 (i) the residence addresses of the chairman and the treasurer;  
4 and

5 (ii) the information required by § 13–208 of this subtitle; and

6 (2) the form shall be filed with the board where the political committee  
7 is required to file campaign finance reports.

8 (d) (1) A chairman or treasurer of a political committee may resign by  
9 completing a resignation form that the State Board prescribes and filing the form with  
10 the board where the political committee was established.

11 (2) If a vacancy occurs in the office of chairman or the office of  
12 treasurer, the political committee promptly shall appoint a new chairman or treasurer  
13 in accordance with this section.

14 13–243.

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

16 (2) [“Membership entity” means an organization that collects dues  
17 from its members.

18 (3)] “Affiliated political action committee” means a political action  
19 committee affiliated with a membership entity.

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

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

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

28 (c) **A MEMBERSHIP ENTITY MAY NOT ENGAGE IN CAMPAIGN FINANCE**  
29 **ACTIVITY EXCEPT THROUGH AN AFFILIATED POLITICAL ACTION COMMITTEE.**

1           **(D)** A membership entity shall keep detailed and accurate records of each  
2 contribution received under subsection (b) of this section, including:

- 3           (1) the name of the contributor;
- 4           (2) the date on which the contribution is withheld;
- 5           (3) the amount of the contribution; and
- 6           (4) the disposition of the contribution.

7           **[(d)] (E)** Within 30 days after being received, a contribution under this  
8 section shall be transmitted by the membership entity, with the information recorded  
9 under subsection **[(c)(1)] (D)(1)**, (2), and (3) of this section, to its affiliated political  
10 action committee.

11           **[(e)] (F)** In soliciting a member, by joint invoice for membership dues or for  
12 a contribution to an affiliated federal political action committee, to make a  
13 contribution to its affiliated political action committee, a membership entity shall  
14 inform the member of:

- 15           (1) the political purposes of the affiliated political action committee;
- 16 and
- 17           (2) the member's right to refuse to contribute to the political action  
18 committee without reprisal.

19           **[(f)] (G)** An employee membership entity or its affiliated political action  
20 committee entity may not receive or use money or anything of value under this section  
21 if it is obtained:

- 22           (1) by actual or threatened:
  - 23           (i) physical force;
  - 24           (ii) membership discrimination; or
  - 25           (iii) financial or professional reprisal; or
- 26           (2) as dues, fees, or other assessment required as a condition of  
27 membership.

1 13-304.

2 (a) From the date of its organization until its termination under the  
3 provisions of this title, a campaign finance entity[, except a political club,] shall file a  
4 campaign finance report at the times, for the periods, and at the locations required by  
5 §§ 13-309, 13-312, and 13-316 of this subtitle.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 October 1, 2007.