

# HOUSE BILL 1014

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By: **Delegate Mosby**

Introduced and read first time: February 8, 2019

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Campaign Finance – Disclosure of Donations – Reporting Requirements**

3 FOR the purpose of requiring that a certain summary of election law prepared by the State  
4 Board of Elections address compliance and reporting requirements for campaign  
5 finance entities and certain persons; requiring the State Board to provide campaign  
6 finance entities and certain persons with a copy of the summary and certain forms  
7 at a certain time; altering the definition of “donation” for certain provisions of law  
8 requiring that certain persons disclose donations in certain reports filed with the  
9 State Board to include only donations that the donor and certain persons agree may  
10 be used for certain political purposes; requiring a political committee and certain  
11 persons that receive certain political disbursements of a certain amount in an  
12 election cycle from a participating organization to provide a certain notice to the  
13 participating organization that the participating organization may be required to  
14 register with the State Board under a certain provision of law; altering the aggregate  
15 amount of certain political disbursements a participating organization must make  
16 in an election cycle before the participating organization is required to register with  
17 the State Board; making conforming changes; altering certain definitions; defining  
18 certain terms; making technical and clarifying changes; and generally relating to  
19 disclosure of donations and reporting requirements under the campaign finance law.

20 BY repealing and reenacting, with amendments,  
21 Article – Election Law  
22 Section 13–103, 13–306, 13–307, and 13–309.2  
23 Annotated Code of Maryland  
24 (2017 Replacement Volume and 2018 Supplement)

25 BY repealing and reenacting, without amendments,  
26 Article – Election Law  
27 Section 13–208 and 13–301  
28 Annotated Code of Maryland  
29 (2017 Replacement Volume and 2018 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Election Law**

4 13–103.

5 (a) (1) **(I)** The State Board shall prepare a summary of the election law that  
6 relates to campaign finance activity and provide for distribution of the summary.

7 **(II) THE SUMMARY SHALL SPECIFICALLY ADDRESS**  
8 **COMPLIANCE AND REPORTING REQUIREMENTS FOR EACH CAMPAIGN FINANCE**  
9 **ENTITY AND EACH PERSON REQUIRED TO REGISTER OR REPORT UNDER THIS TITLE.**

10 (2) When a certificate of candidacy, **STATEMENT OF ORGANIZATION**  
11 **UNDER § 13–208 OF THIS TITLE, OR REGISTRATION FORM UNDER § 13–301, §**  
12 **13–306, § 13–307, OR § 13–309.2 OF THIS TITLE** is filed, the [board receiving the  
13 certificate] **STATE BOARD** shall provide the [candidate] **CAMPAIGN FINANCE ENTITY OR**  
14 **PERSON** with:

15 (i) a copy of the summary; and

16 (ii) each form the [candidate] **CAMPAIGN FINANCE ENTITY OR**  
17 **PERSON** is required to file under this title.

18 (b) The State Board shall provide to a local board samples of [such of] the forms  
19 required under this title [as] **THAT** the local board may request.

20 13–208.

21 (a) This section applies to a political committee other than a political club.

22 (b) A political committee shall provide, with the filing required by § 13–207(c) of  
23 this subtitle, a statement of organization that includes its name and a statement of purpose.

24 (c) The statement of purpose shall specify:

25 (1) each candidate or ballot question, if any, that the political committee  
26 was formed to promote or defeat;

27 (2) the identity of each special interest, including any business or  
28 occupation, that the organizers of or contributors to the political committee have in  
29 common; and

30 (3) whether the political committee will participate in presidential,

1 gubernatorial, Baltimore City, or multiple elections.

2 (d) (1) A political committee may not use a name that is intended or operates  
3 to deceive people as to the political committee's true nature or character.

4 (2) A political committee established by and for a single candidate shall  
5 disclose within the political committee's name the name of the candidate.

6 (3) A political committee sponsored by or affiliated with another entity or  
7 group shall identify within the political committee's name the other entity or group.

8 (e) A change in the information reported under this section shall be disclosed in  
9 the campaign finance report next filed by the political committee.

10 13-301.

11 (a) In this section, "out-of-state political committee" means a nonfederal political  
12 committee organized under the law of another state.

13 (b) (1) An out-of-state political committee shall register with the State Board  
14 on a form that the State Board prescribes within 48 hours after directly or indirectly  
15 making transfers in a cumulative amount of \$6,000 or more in an election cycle to one or  
16 more campaign finance entities organized under Subtitle 2, Part II of this title.

17 (2) The registration form the State Board prescribes shall require an  
18 out-of-state political committee to designate the election year in which the committee is  
19 participating.

20 (c) After registering with the State Board, an out-of-state political committee  
21 shall file reports with the State Board for the election year in which the committee is  
22 participating on or before each date that a campaign finance entity of a candidate is  
23 required to file a campaign finance report under § 13-309 of this subtitle.

24 (d) The reports under subsection (c) of this section shall:

25 (1) disclose all expenditures made in the State by the out-of-state political  
26 committee:

27 (i) from the beginning of the election cycle in the case of the first  
28 report filed by the out-of-state political committee; or

29 (ii) during the applicable reporting period under § 13-312 of this  
30 subtitle for each subsequent report filed by the out-of-state political committee;

31 (2) describe how to access the campaign finance reports filed by the  
32 out-of-state political committee in the state where the committee is registered and files  
33 the reports; and

1 (3) be filed in the manner and subject to the sanctions provided in Parts VI  
2 and VII of this subtitle.

3 13–306.

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

5 (2) (i) “Donation” means the gift or transfer, or promise of gift or  
6 transfer, of money or other thing of value to a person who makes independent expenditures  
7 **IF:**

8 **1. THE PERSON MAKING INDEPENDENT EXPENDITURES**  
9 **ACCEPTED THE GIFT OR TRANSFER, OR PROMISE OF GIFT OR TRANSFER, OF MONEY**  
10 **OR OTHER THING OF VALUE SUBJECT TO A CONDITION, AN AGREEMENT, OR AN**  
11 **UNDERSTANDING WITH THE DONOR THAT ALL OR A PORTION OF THE GIFT OR**  
12 **TRANSFER, OR PROMISE OF GIFT OR TRANSFER, OF MONEY OR OTHER THING OF**  
13 **VALUE MAY BE USED FOR MAKING INDEPENDENT EXPENDITURES; OR**

14 **2. AFTER THE PERSON MAKING INDEPENDENT**  
15 **EXPENDITURES ACCEPTED THE GIFT OR TRANSFER, OR PROMISE OF GIFT OR**  
16 **TRANSFER, OF MONEY OR OTHER THING OF VALUE, AN AGREEMENT OR**  
17 **UNDERSTANDING WAS REACHED WITH THE DONOR THAT ALL OR A PORTION OF THE**  
18 **GIFT OR TRANSFER, OR PROMISE OF GIFT OR TRANSFER, OF MONEY OR OTHER**  
19 **THING OF VALUE MAY BE USED FOR MAKING INDEPENDENT EXPENDITURES.**

20 (ii) “Donation” does not include any amount of money or any other  
21 thing of value[:

22 1.] received by a person in the ordinary course of any trade or  
23 business conducted by the person, whether for profit or not for profit, or in the form of  
24 investments in the person’s business[; or

25 2. A. that the donor and the person receiving the money  
26 or thing of value expressly agree in writing may not be used for independent expenditures;  
27 and

28 B. in the case of a monetary donation, is deposited in a  
29 separate bank account that is never used for independent expenditures].

30 (3) “E–mail blast” means a transmission of electronic mail messages of an  
31 identical or substantially similar nature to 5,000 or more e–mail accounts simultaneously.

32 (4) “Mass mailing” means a mailing by United States mail or facsimile of  
33 more than 500 pieces of mail matter of an identical or substantially similar nature within

1 any 30–day period.

2 (5) (i) “Person” includes an individual, a partnership, a committee, an  
3 association, a corporation, a labor organization, or any other organization or group of  
4 persons.

5 (ii) “Person” does not include a campaign finance entity organized  
6 under Subtitle 2, Part II of this title.

7 (6) (i) “Public communication” means a communication by means of  
8 any broadcast television or radio communication, cable television communication, satellite  
9 television or radio communication, newspaper, magazine, outdoor advertising facility, mass  
10 mailing, e–mail blast, text blast, qualifying paid digital communication, or telephone bank  
11 to the general public, or any other form of general public political advertising.

12 (ii) “Public communication” does not include:

13 1. a news story, a commentary, or an editorial disseminated  
14 by a broadcasting station, including a cable television operator, programmer, or producer,  
15 satellite television or radio provider, website, newspaper, magazine, or other periodical  
16 publication, including any Internet or electronic publication, that is not controlled by a  
17 candidate or political party;

18 2. an internal membership communication by a business or  
19 other entity to its stockholders or members and executive and administrative personnel  
20 and their immediate families, or by a membership entity, as defined under § 13–243 of this  
21 title, to its members, executive and administrative personnel and their immediate families;  
22 or

23 3. a candidate debate or forum.

24 (7) “Telephone bank” means more than 500 telephone calls of an identical  
25 or substantially similar nature within any 30–day period.

26 (8) “Text blast” means a transmission of text messages of an identical or  
27 substantially similar nature to 5,000 or more telephone numbers simultaneously.

28 (b) Within 48 hours after a person makes aggregate independent expenditures of  
29 \$5,000 or more in an election cycle for campaign material that is a public communication,  
30 the person shall file a registration form with the State Board.

31 (c) Within 48 hours after a day on which a person makes aggregate independent  
32 expenditures of \$10,000 or more in an election cycle for campaign material that is a public  
33 communication, the person shall file an independent expenditure report with the State  
34 Board.

35 (d) A person who files an independent expenditure report under subsection (c) of

1 this section shall file an additional independent expenditure report with the State Board  
2 within 48 hours after a day on which the person makes aggregate independent  
3 expenditures of \$10,000 or more for campaign material that is a public communication  
4 following the closing date of the person's previous independent expenditure report.

5 (e) An independent expenditure report shall include the following information:

6 (1) the identity of the person making the independent expenditures and of  
7 the person exercising direction or control over the activities of the person making the  
8 independent expenditures;

9 (2) the business address of the person making the independent  
10 expenditures;

11 (3) the amount and date of each independent expenditure during the period  
12 covered by the report and the person to whom the expenditure was made;

13 (4) the candidate or ballot issue to which the independent expenditure  
14 relates and whether the independent expenditure supports or opposes that candidate or  
15 ballot issue; and

16 (5) the identity of each person who made cumulative donations of \$6,000  
17 or more to the person making the independent expenditures during the period covered by  
18 the report.

19 (f) For purposes of this section, a person shall be considered to have made an  
20 independent expenditure if the person has executed a contract to make an independent  
21 expenditure.

22 (g) The cost of creating and disseminating campaign material, including any  
23 design and production costs, shall be considered in determining the aggregate amount of  
24 independent expenditures made by a person for campaign material that is a public  
25 communication under this section.

26 (h) The treasurer or other individual designated by an entity required to file an  
27 independent expenditure report under this section:

28 (1) shall sign each independent expenditure report; and

29 (2) is responsible for filing independent expenditure reports in full and  
30 accurate detail.

31 (i) (1) Within 48 hours after a person makes aggregate independent  
32 expenditures of \$50,000 or more in an election cycle for campaign material that is a public  
33 communication, the person shall identify a registered agent located in the State for service  
34 of process.

1           (2) A person making independent expenditures shall identify a registered  
2 agent on a form prescribed by the State Board.

3           (j) (1) A person who fails to provide on an independent expenditure report all  
4 of the information required by this section shall file an amended report as provided in §  
5 13–327(b) of this subtitle.

6           (2) (i) Except as provided in subparagraph (ii) of this paragraph, in  
7 addition to any other sanction provided by law, the State Board may assess a civil penalty  
8 for failure to file properly an independent expenditure report or an amended independent  
9 expenditure report in an amount not exceeding the greater of:

10                   1. \$1,000 for each day or part of a day that an independent  
11 expenditure report or amended independent expenditure report is overdue; or

12                   2. 10% of the amount of the donations or independent  
13 expenditures that were not reported in a timely manner.

14           (ii) If the failure to file properly an independent expenditure report  
15 or an amended independent expenditure report occurs more than 28 days before the day of  
16 a primary or general election, the State Board may assess a civil penalty in an amount not  
17 exceeding the greater of:

18                   1. \$100 for each day or part of a day that an independent  
19 expenditure report or amended independent expenditure report is overdue; or

20                   2. 10% of the amount of the donations or disbursements for  
21 independent expenditures that were not reported in a timely manner.

22           (3) A civil penalty under paragraph (2) of this subsection shall be:

23                   (i) assessed in the manner specified in § 13–604.1 of this title;

24                   (ii) distributed to the Fair Campaign Financing Fund established  
25 under § 15–103 of this article; and

26                   (iii) the joint and several liability of:

27                           1. the person making independent expenditures;

28                           2. the treasurer or other individual who signs and files the  
29 reports required by this section for the person making independent expenditures; and

30                           3. the person exercising direction or control over the  
31 activities of the person making independent expenditures.

32           (4) A person who fails to file properly an independent expenditure report

1 or amended independent expenditure report under this section may seek relief from a  
2 penalty under paragraph (2) of this subsection for just cause as provided in § 13–337 of this  
3 subtitle.

4 (k) If a treasurer of a person making independent expenditures or a person  
5 exercising direction or control over the activities of a person making independent  
6 expenditures has failed to pay any civil penalty or late fee under this title for which the  
7 individual is responsible, the individual may not:

8 (1) serve as the responsible officer of a political committee;

9 (2) serve in any position of responsibility in any other entity subject to  
10 regulation under this title; or

11 (3) assist in the formation of a political committee or any other entity  
12 subject to regulation under this title.

13 (l) (1) An entity required to file an independent expenditure report under this  
14 section shall do at least one of the following, unless neither are applicable to the entity:

15 (i) if the entity submits regular, periodic reports to its shareholders,  
16 members, or donors, include in each report, in a clear and conspicuous manner, the  
17 information specified in subsection (e)(3) through (5) of this section for each independent  
18 expenditure made during the period covered by the report that must be included in an  
19 independent expenditure report; or

20 (ii) if the entity maintains an Internet site, post on that Internet site  
21 a hyperlink from its homepage to the Internet site where the entity's independent  
22 expenditure report information is publicly available.

23 (2) An entity shall post the hyperlink required under paragraph (1)(ii) of  
24 this subsection within 24 hours of the entity's independent expenditure report information  
25 being made publicly available on the Internet, and the hyperlink shall remain posted on  
26 the entity's Internet site until the end of the election cycle during which the entity filed an  
27 independent expenditure report.

28 (m) (1) A person required to file an independent expenditure report under this  
29 section shall keep detailed and accurate records of:

30 (i) all independent expenditures made by the person for campaign  
31 material that is a public communication; and

32 (ii) all donations received by the person.

33 (2) Records required to be kept under this subsection shall be preserved for  
34 2 years after the end of the election cycle in which the person filed the independent  
35 expenditure report to which the records relate.



1 (n) The State Board may adopt regulations as necessary to implement the  
2 requirements of this section.

3 13-307.

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

5 (2) (i) "Donation" means the gift or transfer, or promise of gift or  
6 transfer, of money or other thing of value to a person that makes disbursements for  
7 electioneering communications **IF:**

8 **1. THE PERSON MAKING DISBURSEMENTS FOR**  
9 **ELECTIONEERING COMMUNICATIONS ACCEPTED THE GIFT OR TRANSFER, OR**  
10 **PROMISE OF GIFT OR TRANSFER, OF MONEY OR OTHER THING OF VALUE SUBJECT**  
11 **TO A CONDITION, AN AGREEMENT, OR AN UNDERSTANDING WITH THE DONOR THAT**  
12 **ALL OR A PORTION OF THE GIFT OR TRANSFER, OR PROMISE OF GIFT OR TRANSFER,**  
13 **OF MONEY OR OTHER THING OF VALUE MAY BE USED FOR MAKING DISBURSEMENTS**  
14 **FOR ELECTIONEERING COMMUNICATIONS; OR**

15 **2. AFTER THE PERSON MAKING DISBURSEMENTS FOR**  
16 **ELECTIONEERING COMMUNICATIONS ACCEPTED THE GIFT OR TRANSFER, OR**  
17 **PROMISE OF GIFT OR TRANSFER, OF MONEY OR OTHER THING OF VALUE, AN**  
18 **AGREEMENT OR UNDERSTANDING WAS REACHED WITH THE DONOR THAT ALL OR A**  
19 **PORTION OF THE GIFT OR TRANSFER, OR PROMISE OF GIFT OR TRANSFER, OF**  
20 **MONEY OR OTHER THING OF VALUE MAY BE USED FOR MAKING DISBURSEMENTS**  
21 **FOR ELECTIONEERING COMMUNICATIONS.**

22 (ii) "Donation" does not include any amount of money or any other  
23 thing of value[:

24 1.] received by a person in the ordinary course of any trade or  
25 business conducted by the person, whether for profit or not for profit, or in the form of  
26 investments in the person's business[; or

27 2. A. that the donor and the person receiving the money  
28 or thing of value expressly agree in writing may not be used for electioneering  
29 communications; and

30 B. in the case of a monetary donation, is deposited in a  
31 separate bank account that is never used for electioneering communications].

32 (3) (i) "Electioneering communication" means a broadcast television or  
33 radio communication, a cable television communication, a satellite television or radio  
34 communication, a mass mailing, an e-mail blast, a text blast, a telephone bank, a qualifying

1 paid digital communication, or an advertisement in a print publication that:

2 1. refers to a clearly identified candidate or ballot issue;

3 2. is made within 60 days of an election day on which the  
4 candidate or ballot issue is on the ballot;

5 3. is capable of being received by:

6 A. 50,000 or more individuals in the constituency where the  
7 candidate or ballot issue is on the ballot, if the communication is transmitted by television  
8 or radio; or

9 B. 5,000 or more individuals in the constituency where the  
10 candidate or ballot issue is on the ballot, if the communication is a mass mailing, an e-mail  
11 blast, a text blast, a telephone bank, a qualifying paid digital communication, or an  
12 advertisement in a print publication; and

13 4. is not made in coordination with, or at the request or  
14 suggestion of, a candidate, a campaign finance entity of a candidate, an agent of a  
15 candidate, or a ballot issue committee.

16 (ii) "Electioneering communication" does not include:

17 1. an independent expenditure;

18 2. a news story, a commentary, or an editorial disseminated  
19 by a broadcasting station, including a cable television operator, programmer, or producer,  
20 or satellite television or radio provider, website, newspaper, magazine, or other periodical  
21 publication, including any Internet or electronic publication, that is not controlled by a  
22 candidate or political party;

23 3. a candidate debate or forum;

24 4. an internal membership communication by a business or  
25 other entity to its stockholders or members and executive and administrative personnel  
26 and their immediate families, or by a membership entity, as defined under § 13-243 of this  
27 title, to its members, executive and administrative personnel and their immediate families;  
28 or

29 5. a communication that proposes a commercial transaction.

30 (iii) For purposes of this paragraph, "clearly identified" means:

31 1. the name of a candidate appears;

32 2. a photograph or drawing of a candidate appears; or

1                                   3.     the identity of a candidate or ballot issue is apparent by  
2 unambiguous reference.

3                                   (4)    “E–mail blast” means a transmission of electronic mail messages of an  
4 identical or substantially similar nature to 5,000 or more e–mail accounts simultaneously.

5                                   (5)    “Mass mailing” means a mailing by United States mail or facsimile of  
6 more than 5,000 pieces of mail matter of an identical or substantially similar nature within  
7 any 30–day period.

8                                   (6)    (i)    “Person” includes an individual, a partnership, a committee, an  
9 association, a corporation, a labor organization, or any other organization or group of  
10 persons.

11                                   (ii)   “Person” does not include a campaign finance entity organized  
12 under Subtitle 2, Part II of this title.

13                                   (7)    “Telephone bank” means more than 5,000 telephone calls of an identical  
14 or substantially similar nature within any 30–day period.

15                                   (8)    “Text blast” means a transmission of text messages of an identical or  
16 substantially similar nature to 5,000 or more telephone numbers simultaneously.

17                                   (b)    Within 48 hours after a person makes aggregate disbursements of \$5,000 or  
18 more in an election cycle for electioneering communications, the person shall file a  
19 registration form with the State Board.

20                                   (c)    Within 48 hours after a day on which a person makes aggregate  
21 disbursements of \$10,000 or more in an election cycle for electioneering communications,  
22 the person shall file an electioneering communication report with the State Board.

23                                   (d)    A person who files an electioneering communication report under subsection  
24 (c) of this section shall file an additional electioneering communication report with the  
25 State Board within 48 hours after a day on which the person makes aggregate  
26 disbursements of \$10,000 or more for electioneering communications following the closing  
27 date of the person’s previous electioneering communication report.

28                                   (e)    An electioneering communication report shall include the following  
29 information:

30                                   (1)    the identity of the person making disbursements for electioneering  
31 communications and of the person exercising direction or control over the activities of the  
32 person making the disbursements for electioneering communications;

33                                   (2)    the business address of the person making the disbursements for  
34 electioneering communications;

1 (3) the amount and date of each disbursement for electioneering  
2 communications during the period covered by the report and the person to whom the  
3 disbursement was made;

4 (4) the candidate or ballot issue to which the electioneering  
5 communications relate; and

6 (5) the identity of each person who made cumulative donations of \$6,000  
7 or more to the person making the disbursements for electioneering communications during  
8 the period covered by the report.

9 (f) (1) For purposes of this section, a person shall be considered to have made  
10 a disbursement for an electioneering communication if the person has executed a contract  
11 to make a disbursement for an electioneering communication.

12 (2) A person who makes a contribution to a campaign finance entity may  
13 not be considered to have made a disbursement for electioneering communications under  
14 this section because of the contribution.

15 (g) The cost of creating and disseminating electioneering communications,  
16 including any design and production costs, shall be considered in determining the aggregate  
17 amount of disbursements for electioneering communications made by a person under this  
18 section.

19 (h) The treasurer or other individual designated by an entity required to file an  
20 electioneering communication report under this section:

21 (1) shall sign each electioneering communication report; and

22 (2) is responsible for filing electioneering communication reports in full  
23 and accurate detail.

24 (i) (1) Within 48 hours after a person makes aggregate disbursements of  
25 \$50,000 or more in an election cycle for electioneering communications, the person shall  
26 identify a registered agent located in the State for service of process.

27 (2) A person making disbursements for electioneering communications  
28 shall identify a registered agent on a form prescribed by the State Board.

29 (j) (1) A person who fails to provide on an electioneering communication  
30 report all of the information required by this section shall file an amended report as  
31 provided in § 13–327(b) of this subtitle.

32 (2) (i) Except as provided in subparagraph (ii) of this paragraph, in  
33 addition to any other sanction provided by law, the State Board may assess a civil penalty  
34 for failure to file properly an electioneering communication report or an amended

1 electioneering communication report in an amount not exceeding the greater of:

2 1. \$1,000 for each day or part of a day that an electioneering  
3 communication report or amended electioneering communication report is overdue; or

4 2. 10% of the amount of the donations or disbursements for  
5 electioneering communications that were not reported in a timely manner.

6 (ii) If the failure to file properly an electioneering communication  
7 report or an amended electioneering communication report occurs more than 28 days before  
8 the day of a primary or general election, the State Board may assess a civil penalty in an  
9 amount not exceeding the greater of:

10 1. \$100 for each day or part of a day that an electioneering  
11 communication report or amended electioneering communication report is overdue; or

12 2. 10% of the amount of the donations or disbursements for  
13 electioneering communications that were not reported in a timely manner.

14 (3) A penalty under paragraph (2) of this subsection shall be:

15 (i) assessed in the manner specified in § 13–604.1 of this title;

16 (ii) distributed to the Fair Campaign Financing Fund established  
17 under § 15–103 of this article; and

18 (iii) the joint and several liability of:

19 1. the person making disbursements for electioneering  
20 communications;

21 2. the treasurer or other individual who signs and files the  
22 reports required by this section for the person making disbursements for electioneering  
23 communications; and

24 3. the person exercising direction or control over the  
25 activities of the person making disbursements for electioneering communications.

26 (4) A person who fails to file properly an electioneering communication  
27 report or amended electioneering communication report under this section may seek relief  
28 from a penalty under paragraph (2) of this subsection for just cause as provided in §  
29 13–337 of this subtitle.

30 (k) If a treasurer of a person making disbursements for electioneering  
31 communications or a person exercising direction or control over the activities of a person  
32 making disbursements for electioneering communications has failed to pay any civil  
33 penalty or late fee under this title for which the individual is responsible, the individual

1 may not:

2 (1) serve as the responsible officer of a political committee;

3 (2) serve in any position of responsibility in any other entity subject to  
4 regulation under this title; or

5 (3) assist in the formation of a political committee or any other entity  
6 subject to regulation under this title.

7 (l) (1) An entity required to file an electioneering communication report under  
8 this section shall do at least one of the following, unless neither are applicable to the entity:

9 (i) if the entity submits regular, periodic reports to its shareholders,  
10 members, or donors, include in each report in a clear and conspicuous manner, the  
11 information specified in subsection (e)(3) through (5) of this section for each disbursement  
12 for electioneering communications made during the period covered by the report that must  
13 be included in an electioneering communication report; or

14 (ii) if the entity maintains an Internet site, post on that Internet site  
15 a hyperlink from its homepage to the Internet site where the entity's electioneering  
16 communication report information is publicly available.

17 (2) (i) An entity shall post the hyperlink required under paragraph  
18 (1)(ii) of this subsection within 24 hours of the entity's electioneering communication report  
19 information being made publicly available on the Internet.

20 (ii) The hyperlink shall remain posted on the entity's Internet site  
21 until the end of the election cycle during which the entity filed an electioneering  
22 communication report.

23 (m) (1) A person required to file an electioneering communication report under  
24 this section shall keep detailed and accurate records of:

25 (i) all disbursements for electioneering communications made by  
26 the person; and

27 (ii) all donations received by the person.

28 (2) Records required to be kept under this subsection shall be preserved  
29 until 2 years after the end of the election cycle in which the person filed the electioneering  
30 communication report to which the records relate.

31 (n) The State Board may adopt regulations as necessary to implement the  
32 requirements of this section.

33 13-309.2.

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

2 (2) (i) “Donation TO A PARTICIPATING ORGANIZATION” means the  
3 gift or transfer, or promise of gift or transfer, of money or any other thing of value to a  
4 participating organization IF:

5 1. THE PARTICIPATING ORGANIZATION ACCEPTED THE  
6 GIFT OR TRANSFER, OR PROMISE OF GIFT OR TRANSFER, OF MONEY OR OTHER  
7 THING OF VALUE SUBJECT TO A CONDITION, AN AGREEMENT, OR AN  
8 UNDERSTANDING WITH THE DONOR THAT ALL OR A PORTION OF THE GIFT OR  
9 TRANSFER, OR PROMISE OF GIFT OR TRANSFER, OF MONEY OR OTHER THING OF  
10 VALUE MAY BE USED FOR POLITICAL DISBURSEMENTS; OR

11 2. AFTER THE PARTICIPATING ORGANIZATION  
12 ACCEPTED THE GIFT OR TRANSFER, OR PROMISE OF GIFT OR TRANSFER, OF MONEY  
13 OR OTHER THING OF VALUE, AN AGREEMENT OR UNDERSTANDING WAS REACHED  
14 WITH THE DONOR THAT ALL OR A PORTION OF THE GIFT OR TRANSFER, OR PROMISE  
15 OF GIFT OR TRANSFER, OF MONEY OR OTHER THING OF VALUE MAY BE USED FOR  
16 POLITICAL DISBURSEMENTS.

17 (ii) “Donation TO A PARTICIPATING ORGANIZATION” does not  
18 include any amount of money or other thing of value[:

19 1.] received by a participating organization in the ordinary  
20 course of any trade or business conducted by the participating organization, whether for  
21 profit or not for profit, or in the form of investments in the participating organization’s  
22 business[; or

23 2. A. that the donor and the participating organization  
24 expressly agree in writing may not be used for political disbursements; and

25 B. in the case of a monetary donation, is deposited in a  
26 separate bank account that is never used for political disbursements].

27 (3) “DONATION TO A PERSON MAKING AN INDEPENDENT  
28 EXPENDITURE” MEANS A DONATION, AS DEFINED IN § 13-306(A)(2) OF THIS  
29 SUBTITLE.

30 (4) “DONATION TO A PERSON MAKING DISBURSEMENTS FOR  
31 ELECTIONEERING COMMUNICATIONS” MEANS A DONATION, AS DEFINED IN §  
32 13-307(A)(2) OF THIS SUBTITLE.

33 [(3)] (5) “Participating organization” means any entity that:

1 (i) is organized under § 501(c)(4) or (6) or § 527 of the Internal  
2 Revenue Code; and

3 (ii) makes political disbursements.

4 **[(4)] (6)** “Political disbursements” means:

5 (i) a contribution to a political committee organized under [the laws  
6 of the State] **THIS TITLE**;

7 (ii) a [disbursement] **DONATION** to a person making an independent  
8 expenditure [or a disbursement] **IN THE STATE**;

9 **(III) A DONATION TO A PERSON MAKING DISBURSEMENTS** for  
10 electioneering communications in the State; or

11 **[(iii)] (IV)** a disbursement to an out-of-state political committee that  
12 makes a disbursement in the State.

13 **(A-1) (1) WITHIN 14 DAYS AFTER RECEIVING AGGREGATE POLITICAL**  
14 **DISBURSEMENTS OF \$5,000 OR MORE IN AN ELECTION CYCLE FROM A**  
15 **PARTICIPATING ORGANIZATION, A POLITICAL COMMITTEE OR PERSON SHALL**  
16 **NOTIFY THE PARTICIPATING ORGANIZATION THAT THE PARTICIPATING**  
17 **ORGANIZATION MAY BE REQUIRED TO REGISTER UNDER SUBSECTION (B) OF THIS**  
18 **SECTION.**

19 **(2) THE STATE BOARD SHALL PRESCRIBE THE CONTENT AND OTHER**  
20 **REQUIREMENTS FOR THE NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

21 **(3) A POLITICAL COMMITTEE OR PERSON SHALL MAINTAIN A RECORD**  
22 **OF EACH NOTICE PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

23 (b) (1) Within 48 hours after a participating organization makes aggregate  
24 political disbursements of more than [~~\$6,000~~] **\$10,000** in an election cycle, the  
25 participating organization shall file a registration form with the State Board.

26 (2) The registration form shall include:

27 (i) a statement of whether the participating organization plans to  
28 file the reports required under subsection (c) of this section or provide a link on the  
29 homepage of its Web site as specified in subsection (d) of this section; and

30 (ii) the identity of the person exercising direction or control over the  
31 activities of the participating organization.



1 (c) (1) Except as provided in subsection (d) of this section, within 48 hours  
2 after a participating organization makes aggregate political disbursements of \$10,000 or  
3 more in an election cycle, the participating organization shall file a participating  
4 organization report with the State Board.

5 (2) Except as provided in subsection (d) of this section, a participating  
6 organization shall file an additional participating organization report with the State Board  
7 within 48 hours after the participating organization makes aggregate political  
8 disbursements of \$10,000 or more after the closing date of the participating organization's  
9 previous participating organization report.

10 (3) A participating organization report shall include:

11 (i) the amount and date of each political disbursement made by the  
12 person in the State or to influence a State election during the period covered by the report;

13 (ii) the identity of each person that made cumulative donations of  
14 \$10,000 or more to the participating organization during the period covered by the report;  
15 and

16 (iii) any other information required by the State Board concerning  
17 the political disbursements and donations of the participating organization.

18 (4) A participating organization report shall cover:

19 (i) for the first report filed by a participating organization, the  
20 period beginning 2 years before the date the report is filed; and

21 (ii) for any subsequent reports filed by a participating organization,  
22 the period after the closing date of the participating organization's previous report.

23 (d) (1) A participating organization is not required to file any participating  
24 organization reports if the participating organization provides a link on the homepage of  
25 its Web site to the information required under subsection (c)(3) of this section concerning  
26 the participating organization's political disbursements and donations to the participating  
27 organization.

28 (2) A participating organization shall continually update the information  
29 required under paragraph (1) of this subsection within 48 hours until the end of the election  
30 cycle.

31 (e) The treasurer or other individual designated by a participating organization  
32 to file a report required under this section:

33 (1) shall sign each participating organization report; and

34 (2) is responsible for filing participating organization reports in full and

1 accurate detail.

2 (f) (1) Within 48 hours after a participating organization makes aggregate  
3 political disbursements of \$50,000 or more in an election cycle, the participating  
4 organization shall identify a registered agent located in the State for service of process.

5 (2) A participating organization shall identify a registered agent on a form  
6 prescribed by the State Board.

7 (g) (1) A participating organization that fails to provide on a participating  
8 organization report all of the information required by this section shall file an amended  
9 report as provided in § 13–327(b) of this subtitle.

10 (2) In addition to any other sanction provided by law, the State Board may  
11 assess a civil penalty for failure to file properly a participating organization report or an  
12 amended participating organization report in an amount not exceeding the greater of:

13 (i) \$1,000 for each day or part of a day that a participating  
14 organization report or an amended participating organization report is overdue; or

15 (ii) 10% of the amount of the donations or political disbursements  
16 that were not reported in a timely manner.

17 (3) A civil penalty under paragraph (2) of this subsection shall be:

18 (i) assessed in the manner specified in § 13–604.1 of this title;

19 (ii) distributed to the Fair Campaign Financing Fund established  
20 under § 15–103 of this article; and

21 (iii) the joint and several liability of:

22 1. the participating organization;

23 2. the treasurer or other individual who signs and files the  
24 reports required by this section for the participating organization; and

25 3. the person exercising direction or control over the  
26 activities of the participating organization.

27 (4) A participating organization that fails to file properly a participating  
28 organization report or an amended participating organization report under this section may  
29 seek relief from a penalty under paragraph (2) of this subsection for just cause as provided  
30 in § 13–337 of this subtitle.

31 (h) If a treasurer of a participating organization or a person exercising direction  
32 or control over the activities of a participating organization has failed to pay any civil

1 penalty or late fee under this title for which the individual is responsible, the individual  
2 may not:

3 (1) serve as the responsible officer of a political committee;

4 (2) serve in any position of responsibility in any other entity subject to  
5 regulation under this title; or

6 (3) assist in the formation of a political committee or any other entity  
7 subject to regulation under this title.

8 (i) (1) A participating organization subject to this section shall keep detailed  
9 and accurate records of:

10 (i) all political disbursements made in the State or affecting a State  
11 election by the participating organization; and

12 (ii) all donations received by the participating organization.

13 (2) Records required to be kept under this subsection shall be preserved for  
14 2 years after the end of the election cycle in which the participating organization made  
15 political disbursements.

16 (j) The State Board may adopt regulations as necessary to implement the  
17 requirements of this section.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2019.