# **Department of Legislative Services**

Maryland General Assembly 2025 Session

## FISCAL AND POLICY NOTE First Reader

House Bill 730 Ways and Means

(Delegate M. Morgan)

# **Election Law - Online Platforms and Qualifying Paid Digital Communications - Alterations**

This bill makes various alterations to provisions governing qualifying paid digital communications on online platforms by (1) modifying requirements related to the notification and information provided by a purchaser of a qualifying paid digital communication to an online platform and the online platform's disclosure of that information for public inspection on the Internet and (2) requiring that records that, under current law, only must be maintained by an online platform and made available to the State Board of Elections (SBE) on request instead must be included among the records that the online platform makes available for public inspection on the Internet (with certain modifications to the content of those records).

## **Fiscal Summary**

**State Effect:** The bill does not directly affect State finances.

Local Effect: None.

**Small Business Effect:** None.

### **Analysis**

**Bill Summary:** The bill modifies provisions enacted under Chapters 833 and 834 of 2018 that (1) require a person who requests placement of a qualifying paid digital communication on an online platform to provide certain notification and information to the platform and (2) require the platform to make certain information publicly available and certain information available to SBE on request.

The bill modifies requirements related to the notification and information provided by a purchaser of a qualifying paid digital communication to an online platform and the online platform's disclosure of that information for public inspection on the Internet, as follows:

- notification must be provided to the online platform "before the purchase of" rather than at the time of a request for placement of a qualifying paid digital communication that the communication is a qualifying paid digital communication;
- the notification must be provided by the "person who directly purchases" the qualifying paid digital communication rather than the "person who directly or indirectly requests placement of" the qualifying paid digital communication;
- a requirement that records made available for public inspection on the online platform's website must be "in a clearly identifiable location" is repealed;
- a requirement that the records be made available within 48 hours after a qualifying paid digital communication is purchased is changed to require the records to be made available as soon as practicable after the online platform disseminated the qualifying paid digital communication (and provisions allowing for a waiver from the 48-hour requirement are correspondingly repealed);
- a requirement that the records maintained by an online platform and made available on the Internet include the amount paid by the purchaser to the online platform for placement of the qualifying paid digital communication is modified to require that information on the "approximate" rather than the "total" amount be maintained;
- a requirement that separately-described records of identifying information for qualifying paid digital communication purchasers who are ad networks be maintained (and made available on the Internet) is repealed, so that the same identifying information, and information on the amount paid for the qualifying paid digital communication, must be maintained for purchasers who are ad networks as for other purchasers other than political committees (separately described identifying information must be maintained for political committees); and
- the requirement that a purchaser of a qualifying paid digital communication provide the necessary information to the online platform in order for the online platform to make the required information available online is added to by also requiring the purchaser to provide to the online platform any updates to the information as necessary.

The bill also requires records that, under current law, only must be maintained by an online platform and made available to SBE on request, instead must be included among the records that the online platform makes available for public inspection on the Internet. The bill also makes certain modification to those required records:

- "dates and times that the qualifying paid digital communication was first disseminated and last disseminated" is changed to only require dates and not times;
- "a digital copy of the content of the qualifying paid digital communication" is changed to instead require a "digital representation";
- "an approximate description of the geographic locations where the qualifying paid digital communication was disseminated" is changed to instead require an approximate description of the geographic locations where the qualifying paid digital communication was "targeted";
- "an approximate description of the audience that received or was targeted to receive the qualifying paid digital communication" is changed to simply require an approximate description of the audience that "was targeted to receive" the qualifying paid digital communication; and
- "the total number of impressions generated by the qualifying paid digital communication" is changed to require "the *approximate* number of impressions."

#### **Current Law:**

#### Qualifying Paid Digital Communications

Under Chapters 833 and 834, a person who directly or indirectly requests placement of a "qualifying paid digital communication" on an online platform must expressly notify the online platform at the time the request for placement is made that the communication is a qualifying paid digital communication.

"Qualifying paid digital communication" is defined as any electronic communication that (1) is campaign material; (2) is placed or promoted for a fee on an online platform; (3) is disseminated to 500 or more individuals; and (4) does not propose a commercial transaction. "Online platform" is defined as any public-facing website, web application, or digital application, including a social network, ad network, or search engine, that (1) has 100,000 or more unique monthly United States visitors or users for a majority of months during the immediately preceding 12 months and (2) receives payment for qualifying paid digital communications.

An online platform must maintain specified records for each qualifying paid digital communication a purchaser requests to disseminate through the online platform and for which the purchaser has provided notice of it being a qualifying paid digital communication. Certain records must be made available to the public (regarding those responsible for the qualifying paid digital communication and the amount paid for its placement) on the Internet, in a clearly identifiable location on the online platform's website and searchable by purchaser, within 48 hours of the purchase of a qualifying paid

digital communication. Other records must be made available to SBE on request (regarding the content of the qualifying paid digital communication, the timing of the dissemination, the geographic and audience focus of the dissemination, and the exposure generated by the dissemination), within 48 hours after a qualifying paid digital communication is first disseminated.

A purchaser of a qualifying paid digital communication must provide the online platform with the information necessary for the online platform to maintain the required records, and an online platform may rely in good faith on the information provided by a purchaser. The records made available to and obtained by SBE are not subject to inspection under the Public Information Act.

An online platform must make reasonable efforts to (1) allow SBE to take specified actions, generally relating to implementation and enforcement of the requirements applicable to qualifying paid digital communications and (2) in accordance with specified federal law, comply with any subpoena issued in connection with an investigation concerning the compliance of a purchaser of a qualifying paid digital communication with the bill's requirements or campaign material authority line requirements.

The State Administrator of Elections may investigate a potential violation of requirements applicable to a purchaser of a qualifying paid digital communication (including campaign material authority line requirements), and in furtherance of an investigation, the State Administrator may issue a subpoena, and a circuit court may compel compliance with a subpoena.

At the conclusion of an investigation, SBE may request that the Attorney General institute an action in a circuit court for injunctive relief to (1) require a purchaser of a qualifying paid digital communication to comply with applicable requirements or (2) require an online platform to remove a qualifying paid digital communication if the qualifying paid digital communication or the purchaser does not comply with applicable requirements. Before requesting that the Attorney General seek an injunction, SBE must notify a purchaser of a qualifying paid digital communication who is the subject of an investigation of the circumstances that gave rise to the investigation.

A circuit court may grant injunctive relief only if the Attorney General shows by clear and convincing evidence that a violation of applicable requirements is being committed.

Enforcement of Chapters 833 and 834 Against Certain Entities Enjoined

The U.S. District Court for the District of Maryland, in a lawsuit brought by various media outlets (*The Washington Post, et al.*, v. David J. McManus, Jr., et al.), granted a preliminary injunction preventing the State from enforcing – against the plaintiff media outlets – the HB 730/ Page 4

requirements under Chapters 833 and 834 that are applicable to online platforms. The 4th Circuit U.S. Court of Appeals upheld, in December 2019, the District Court's decision to grant the preliminary injunction. The District Court and Court of Appeals both held that the requirements applicable to online platforms were likely unconstitutional, due to violating First Amendment rights of free speech and a free press, as applied to the plaintiffs in the case.

State Board of Elections Regulations

SBE adopted regulations in 2023 (COMAR <u>33.13.21</u>), to implement § 13-405 of the Election Law Article (enacted under Chapters 833 and 834), but the regulations establish that they (1) do not apply to a press organization, or a website owned or controlled by a press organization, and (2) only apply to an online platform that has at least \$10.0 million in gross revenue.

#### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland State Board of Elections; Department of Legislative

Services

**Fiscal Note History:** First Reader - February 10, 2025

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Analysis by: Arnold H. Adja Direct Inquiries to:

(410) 946-5510 (301) 970-5510