

# HOUSE BILL 538

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By: **Delegates Mosby and Cain**

Introduced and read first time: January 27, 2020

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2020

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

### 2 **Campaign Finance – Revisions**

3 FOR the purpose of requiring a treasurer of a campaign finance entity to approve, rather  
4 than make, all disbursements for the entity; prohibiting the treasurer of a party  
5 central committee from approving, rather than making, a disbursement except under  
6 certain circumstances; authorizing the chairman of a campaign finance entity to  
7 approve, rather than make, disbursements for the entity under certain  
8 circumstances; requiring a campaign finance entity that is liable for a certain civil  
9 penalty to submit certain bank statements with the campaign finance entity's  
10 campaign finance reports during a certain period; authorizing the State Board of  
11 Elections to waive the requirement that a campaign finance entity submit bank  
12 statements with its campaign finance reports for the remainder of a certain period  
13 under certain circumstances; making conforming changes; providing for a delayed  
14 effective date; and generally relating to campaign finance.

15 BY repealing and reenacting, with amendments,  
16 Article – Election Law  
17 Section 13–218, 13–240(b), and 13–304  
18 Annotated Code of Maryland  
19 (2017 Replacement Volume and 2019 Supplement)

20 BY repealing and reenacting, without amendments,  
21 Article – Election Law  
22 Section 13–604.1(b)  
23 Annotated Code of Maryland

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(2017 Replacement Volume and 2019 Supplement)

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

**Article – Election Law**

13–218.

(a) All assets received by or on behalf of a campaign finance entity shall be:

(1) delivered to the treasurer; and

(2) maintained by the treasurer for the purposes of the campaign finance entity.

(b) (1) Assets of a campaign finance entity may be disbursed only:

(i) if they have passed through the hands of the treasurer; and

(ii) in accordance with the purposes of the entity.

(2) Subject to § 13–220(b)(2) and (c) of this subtitle and except as provided in subsection (d) of this section, the treasurer shall **[make] APPROVE** all disbursements for the campaign finance entity.

(c) The treasurer of a State or county central committee of a political party may not **[make] APPROVE** any disbursement of the central committee's assets, or incur any liability on its behalf, without authority and direction from the chairman of the central committee.

(d) (1) If the treasurer of a campaign finance entity is temporarily unable to perform the duties of the office, the chairman of the campaign finance entity may **[make] APPROVE** a disbursement on behalf of the campaign finance entity in the same manner as the treasurer.

(2) If the chairman **[makes] APPROVES** a disbursement under this subsection, within 7 days after **[making] APPROVING** the disbursement, the chairman shall submit a report to the treasurer for the account book of the campaign finance entity, including:

(i) a statement of the expenditure **[made] APPROVED** under the authority of the chairman;

(ii) the name and address of the person to whom the expenditure was made;

(iii) the purpose for which the expenditure was made; and

(iv) a copy of the receipt for the expenditure that was made.

(3) A chairman who is a candidate may not [make] **APPROVE** a disbursement for a campaign finance entity.

13–240.

(b) Except as provided in § [13–304(c)] **13–304(D)** of this title, but notwithstanding § 13–239 of this subtitle or any other law that prohibits an anonymous contribution, a political committee may accept contributions received from the sale of a spin or chance or a raffle ticket, and need not identify the individual contributor on its campaign finance reports, if:

(1) the account book of the political committee includes:

(i) the net amount received by the political committee from the raffle, spin, or chance at the fundraising event at which the sale was made; and

(ii) the name and address of each person who attended the event;

(2) no spin or chance is sold at the event for more than \$2;

(3) the net income of the sponsoring political committee from spins and chances at the event does not exceed \$1,500 in a 24-hour period;

(4) the total receipts of the sponsoring political committee from spins and chances in that election do not exceed \$2,500;

(5) a raffle is conducted in accordance with § 12–106(b) of the Criminal Law Article; and

(6) the political committee includes on its campaign finance report:

(i) a lump sum contribution of the net amount received by the political committee from the raffle, spin, or chance at the fundraising event; and

(ii) the total number of persons purchasing a raffle ticket, spin, or chance at the event.

13–304.

(a) (1) From the date of its organization until its termination under the provisions of this title, a campaign finance entity, except a political club, shall file a

campaign finance report at the State Board at the times and for the periods required by §§ 13–309, 13–312, and 13–316 of this subtitle.

(2) A campaign finance report submitted using an electronic format shall:

(i) be made under oath or affirmation;

(ii) require an electronic signature from the treasurer at the time of the filing of the campaign finance report; and

(iii) be made subject to the penalties for perjury.

(b) A campaign finance report filed by a campaign finance entity under subsection (a) of this section shall include:

(1) the information required by the State Board with respect to all contributions received and all expenditures made by or on behalf of the campaign finance entity during the designated reporting period; and

(2) the information regarding the occupations and employers of contributors required to be recorded by the treasurer of a campaign finance entity under § 13–221 of this title.

**(C) (1) DURING THE PERIOD SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION, A CAMPAIGN FINANCE ENTITY THAT IS LIABLE FOR A CIVIL PENALTY IMPOSED UNDER § 13–604.1(B)(1), (2), (3), (4), (5), OR (6) OF THIS TITLE SHALL SUBMIT, WITH EACH CAMPAIGN FINANCE REPORT FILED UNDER SUBSECTION (A) OF THIS SECTION, BANK STATEMENTS THAT:**

**(I) DOCUMENT ALL EXPENDITURES MADE BY OR ON BEHALF OF THE CAMPAIGN FINANCE ENTITY DURING THE REPORTING PERIOD; AND**

**(II) HAVE ALL PERSONAL IDENTIFYING INFORMATION, INCLUDING BANK ACCOUNT NUMBERS, REDACTED.**

**(2) ~~A~~ SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A CAMPAIGN FINANCE ENTITY SHALL SUBMIT BANK STATEMENTS IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION DURING THE PERIOD THAT:**

**(I) BEGINS ON THE FIRST CLOSING DATE FOR A CAMPAIGN FINANCE REPORT THAT OCCURS AFTER THE CAMPAIGN FINANCE ENTITY BECAME LIABLE FOR A CIVIL PENALTY IMPOSED UNDER § 13–604.1(B)(1), (2), (3), (4), (5), OR (6) OF THIS TITLE; AND**

**(II) ENDS AT THE LATER OF:**

1                   1.     THE CONCLUSION OF THE ELECTION CYCLE IN WHICH  
2 THE CAMPAIGN FINANCE ENTITY BECAME LIABLE FOR THE CIVIL PENALTY ISSUED  
3 UNDER § 13-604.1(B)(1), (2), (3), (4), (5), OR (6) OF THIS TITLE; OR

4                   2.     THE DUE DATE OF THE LAST CAMPAIGN FINANCE  
5 REPORT THAT IS DUE WITHIN 2 YEARS AFTER THE CAMPAIGN FINANCE ENTITY  
6 BECAME LIABLE FOR THE CIVIL PENALTY IMPOSED UNDER § 13-604.1(B)(1), (2), (3),  
7 (4), (5), OR (6) OF THIS TITLE.

8                   **(3) IF A CAMPAIGN FINANCE ENTITY HAS SUBMITTED BANK**  
9 **STATEMENTS WITH AT LEAST ONE CAMPAIGN FINANCE REPORT AS REQUIRED**  
10 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE STATE BOARD MAY, AT ITS**  
11 **DISCRETION, WAIVE THE REQUIREMENT THAT A CAMPAIGN FINANCE ENTITY**  
12 **SUBMIT BANK STATEMENTS DURING THE REMAINDER OF THE PERIOD SPECIFIED**  
13 **UNDER PARAGRAPH (2) OF THIS SUBSECTION.**

14           [(c)] (D)     (1) In this subsection, “eligible contribution” means a contribution  
15 or series of contributions made by the same person for which a receipt is not required to be  
16 issued under § 13-222 of this title.

17                   (2) The requirements of this subsection prevail to the extent of any conflict  
18 with § 13-240(b) of this title.

19                   (3) Except as provided in paragraphs (4) and (5) of this subsection, a  
20 political committee shall report the following information on its campaign finance reports  
21 for each contribution the committee receives:

22                           (i) the amount of each contribution; and

23                           (ii) the name and residential address of each contributor, unless a  
24 contributor receives a confidentiality waiver from the State Board for a residential address,  
25 in which case a suitable alternative address approved by the State Board may be used.

26                   (4) A campaign finance entity of a candidate may report a maximum of a  
27 cumulative amount of \$25,000 in eligible contributions in an election cycle on its campaign  
28 finance reports without providing the information required under paragraph (3) of this  
29 subsection.

30                   (5) A political committee may report eligible contributions collected in  
31 accordance with § 13-241 or § 13-242 of this title on its campaign finance reports in the  
32 manner specified in paragraph (4) of this subsection if the following is included on the  
33 political committee’s campaign finance report:

34                           (i) a lump sum contribution of the total amount received by the  
35 political committee in the form of eligible contributions;

(ii) the number of individuals making eligible contributions; and

(iii) the average amount of the eligible contributions received by the political committee.

**[(d)] (E)** A campaign finance report prescribed by this subtitle for the campaign finance entity of a candidate is required whether or not:

(1) the candidate files a certificate of candidacy;

(2) the candidate withdraws, declines a nomination, or otherwise ceases to be a candidate;

(3) the candidate's name appears on the primary ballot; or

(4) the candidate is successful in the election.

13-604.1.

(b) The State Board may impose a civil penalty in accordance with this section for the following violations:

(1) making a disbursement in a manner not authorized in § 13-218(b)(2), (c), and (d) of this title;

(2) failure to maintain a campaign bank account as required in § 13-220(a) of this title;

(3) making a disbursement by a method not authorized in § 13-220(d) of this title;

(4) failure to maintain detailed and accurate account books and records as required in § 13-221 of this title;

(5) fund-raising during the General Assembly session in a manner not authorized in § 13-235 of this title;

(6) failure to report all contributions received and expenditures made as required in § 13-304(b) of this title;

(7) failure to include an authority line on campaign material as required in § 13-401 of this title; or

(8) failure to retain a copy of campaign material as required in § 13-403 of this title.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   January 1, 2021.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.