

HOUSE BILL 299

G1

7lr1103

By: **Delegate Luedtke**

Introduced and read first time: January 25, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Campaign Finance – Political Action Committees – Solicitation Disclosures**

3 FOR the purpose of requiring a solicitation by or for a political action committee to contain
4 a disclosure statement; requiring the disclosure statement to satisfy certain
5 requirements and contain certain information; providing that a political action
6 committee that receives a contribution as a result of a violation of this Act must
7 refund the contribution and may be assessed a civil penalty by the State Board of
8 Elections; providing for the assessment process, amount, and use of a civil penalty;
9 defining a certain term; and generally relating to disclosures on solicitations of
10 political action committees.

11 BY repealing and reenacting, without amendments,
12 Article – Election Law
13 Section 1–101(ff) and (mm)
14 Annotated Code of Maryland
15 (2010 Replacement Volume and 2016 Supplement)

16 BY adding to
17 Article – Election Law
18 Section 13–223
19 Annotated Code of Maryland
20 (2010 Replacement Volume and 2016 Supplement)

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

23 **Article – Election Law**

24 1–101.

25 (ff) “Political action committee” means a political committee that is not:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- (1) a political party;
- (2) a central committee;
- (3) a slate;
- (4) a legislative party caucus committee;
- (5) an authorized candidate campaign committee; or
- (6) a ballot issue committee.

(mm) "Responsible officers" means the chairman and treasurer of a political committee.

13-223.

(A) IN THIS SECTION, "FINANCIAL INTEREST" MEANS:

(1) OWNERSHIP OF AN INTEREST AS THE RESULT OF WHICH THE OWNER HAS RECEIVED WITHIN THE PAST 3 YEARS, IS CURRENTLY RECEIVING, OR IN THE FUTURE IS ENTITLED TO RECEIVE MORE THAN \$1,000 PER YEAR; OR

(2) (I) OWNERSHIP OF MORE THAN 3% OF A BUSINESS ENTITY; OR

(II) OWNERSHIP OF SECURITIES OF ANY KIND THAT REPRESENT, OR ARE CONVERTIBLE INTO, OWNERSHIP OF MORE THAN 3% OF A BUSINESS ENTITY.

(B) A SOLICITATION BY OR FOR A POLITICAL ACTION COMMITTEE SHALL CONTAIN A DISCLOSURE STATEMENT.

(C) THE DISCLOSURE STATEMENT SHALL:

(1) BE IN WRITING;

(2) BE DISPLAYED CONSPICUOUSLY ON A SOLICITATION REQUEST;

AND

(3) INCLUDE A SEPARATE STATEMENT OF EACH OF THE FOLLOWING:

(I) THE APPROXIMATE PERCENTAGE OF EXPENDITURES OF THE POLITICAL ACTION COMMITTEE IN THE PREVIOUS CALENDAR YEAR THAT WERE

1 PAID TO ANY INDIVIDUAL OR ORGANIZATION FOR ADMINISTRATIVE COSTS OF THE
2 POLITICAL ACTION COMMITTEE;

3 (II) THE APPROXIMATE PERCENTAGE OF EXPENDITURES OF
4 THE POLITICAL ACTION COMMITTEE IN THE PREVIOUS CALENDAR YEAR THAT WERE
5 SPENT ON CAMPAIGN MATERIAL; AND

6 (III) THE APPROXIMATE PERCENTAGE OF EXPENDITURES OF
7 THE POLITICAL ACTION COMMITTEE IN THE PREVIOUS CALENDAR YEAR THAT WERE
8 PAID TO BUSINESS ENTITIES THAT ARE OWNED OR CONTROLLED BY THE
9 RESPONSIBLE OFFICERS OF THE POLITICAL ACTION COMMITTEE OR IN WHICH THE
10 RESPONSIBLE OFFICERS HAVE A FINANCIAL INTEREST.

11 (D) FOR A POLITICAL ACTION COMMITTEE THAT WAS FORMED AFTER
12 JANUARY 1 OF THE PREVIOUS CALENDAR YEAR, THE DISCLOSURES REQUIRED
13 UNDER SUBSECTION (C)(3) OF THIS SECTION SHALL COVER THE PERIOD THE
14 POLITICAL ACTION COMMITTEE HAS BEEN IN EXISTENCE.

15 (E) (1) A POLITICAL ACTION COMMITTEE THAT RECEIVES A
16 CONTRIBUTION AS A RESULT OF A SOLICITATION THAT DOES NOT INCLUDE THE
17 DISCLOSURE STATEMENT REQUIRED BY THIS SECTION:

18 (I) SHALL REFUND THE CONTRIBUTION TO THE CONTRIBUTOR;
19 AND

20 (II) MAY BE ASSESSED A CIVIL PENALTY AS PROVIDED IN
21 PARAGRAPH (2) OF THIS SUBSECTION.

22 (2) THE STATE BOARD MAY IMPOSE A CIVIL PENALTY ON A POLITICAL
23 ACTION COMMITTEE THAT RECEIVES A CONTRIBUTION AS A RESULT OF A VIOLATION
24 OF THIS SECTION:

25 (I) IN THE MANNER SPECIFIED IN § 13-604.1 OF THIS TITLE;
26 AND

27 (II) IN AN AMOUNT NOT EXCEEDING \$10,000.

28 (3) A CIVIL PENALTY IMPOSED UNDER THIS SUBSECTION SHALL BE
29 DISTRIBUTED TO THE FAIR CAMPAIGN FINANCING FUND ESTABLISHED UNDER §
30 15-103 OF THIS ARTICLE.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
32 1, 2017.