

HOUSE BILL 721

G1
HB 576/21 – W&M

2lr1869

By: **Delegate Hornberger**

Introduced and read first time: February 3, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Election Law – Political Clubs**

3 FOR the purpose of requiring a political club to be established as a political committee and
4 to file a statement of organization and, subject to a certain exception, campaign
5 finance reports; applying to political clubs the prohibition on paying a person other
6 than a campaign finance entity to defray the costs of a campaign finance entity;
7 providing that a political club in existence before a certain date is not required to file
8 any campaign finance reports under this Act for any period before a certain date and
9 shall file a campaign finance report covering a certain period; and generally relating
10 to political clubs.

11 BY repealing and reenacting, without amendments,
12 Article – Election Law
13 Section 1–101(a), (h), and (gg)
14 Annotated Code of Maryland
15 (2017 Replacement Volume and 2021 Supplement)

16 BY adding to
17 Article – Election Law
18 Section 1–101(ff–1)
19 Annotated Code of Maryland
20 (2017 Replacement Volume and 2021 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – Election Law
23 Section 1–101(ss), 13–207, 13–208, 13–304(a)(1), 13–305, and 13–602(a)(4)
24 Annotated Code of Maryland
25 (2017 Replacement Volume and 2021 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Election Law

1–101.

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

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

(FF–1) “POLITICAL CLUB” MEANS A COMBINATION OF TWO OR MORE INDIVIDUALS WHO PAY DUES OR MAKE CONTRIBUTIONS TO AN ENTITY FOR THE PURPOSE OF PARTICIPATING IN A POLITICAL MATTER.

(gg) “Political committee” means a combination of two or more individuals that has as its major purpose promoting the success or defeat of a candidate, political party, question, or prospective question submitted to a vote at any election.

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

13–207.

(a) This section applies to a political committee [other than], **INCLUDING** a political club.

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

(c) To establish a political committee:

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

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

(ii) if the chairman and treasurer affirmatively consent to receiving notice under this title only by electronic mail, the electronic mail address of the chairman and the treasurer; and

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

(2) the form shall be filed with the State Board.

(3) The chairman or treasurer of a political committee shall notify the State Board of a change in the residence address of the chairman or treasurer no later than 21 days before the day on which the political committee's next campaign finance report is due under § 13-309 of this title.

(4) The chairman or treasurer of a political committee shall notify the State Board of a change in the electronic mail address of the chairman or treasurer by the date specified in paragraph (3) of this subsection if the chairman and treasurer of the political committee have affirmatively consented to receiving notice under this title only by electronic mail.

(d) (1) A chairman or treasurer of a political committee may resign by completing a resignation form that the State Board prescribes and filing the form with the State Board.

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

(3) A political committee may not receive or disburse money or any other thing of value if there is a vacancy in the office of chairman or the office of treasurer.

13-208.

(a) This section applies to a political committee [other than], **INCLUDING** a political club.

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

(c) The statement of purpose shall specify:

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

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

(3) whether the political committee will participate in presidential, gubernatorial, Baltimore City, or multiple elections.

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

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

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

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

13-304.

(a) (1) From the date of its organization until its termination under the provisions of this title, a campaign finance entity, **[except] INCLUDING** 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.

13-305.

(a) Instead of filing a report required under § 13-309 of this subtitle, a treasurer may file an affidavit stating that the campaign finance entity, **INCLUDING A POLITICAL CLUB**, has not raised or spent a cumulative amount of \$1,000 or more, exclusive of the filing fee, and regardless of the balance of the campaign account, since:

(1) establishing the campaign finance entity; or

(2) filing the campaign finance entity's last campaign finance report.

(b) The affidavit shall be filed on or before the date a campaign finance report is due to be filed under § 13-309 of this subtitle.

13-602.

(a) (4) (i) A person, to defray the costs of a campaign finance entity, may not directly or indirectly pay, give, or promise money or any other valuable thing to any person other than a campaign finance entity.

(ii) Subparagraph (i) of this paragraph does not apply to:

1. **[**dues regularly paid for membership in a political club if all of the money that is spent by that political club in connection with any campaign finance activity is paid through a treasurer as provided in this title;

2.] an individual volunteering the individual's time or personal vehicle in accordance with § 13-232 of this title;

[3.] 2. an employer's accumulation of employee contributions in accordance with § 13-242 of this title; or

1 [4.] 3. advertising costs or other expenses incident to the
2 expression of personal views in accordance with § 13–102 of this title.

3 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding §
4 13–304(a)(1), as enacted by Section 1 of this Act, and § 13–312(a)(1) of the Election Law
5 Article, a political club in existence before June 1, 2022:

6 (1) is not required to file any campaign finance reports under this Act for
7 any period before June 1, 2022; and

8 (2) shall file a campaign finance report covering the period beginning on
9 June 1, 2022, through the day specified in § 13–312(a)(3) of the Election Law Article.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
11 1, 2022.