

SENATE BILL 1020

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9lr3225

By: **Senators Nathan–Pulliam and Kelley**

Introduced and read first time: February 28, 2019

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Campaign Finance – Out-of-State Political Committees**

3 FOR the purpose of altering the circumstances under which an out-of-state political
4 committee is required to register with the State Board of Elections; requiring an
5 out-of-state political committee to pay a registration fee of a certain amount;
6 prohibiting an out-of-state political committee from being considered registered
7 until the registration fee has been paid; requiring an out-of-state political
8 committee to file a separate registration form for each election year in which the
9 out-of-state political committee participates; altering the contents of certain reports
10 that an out-of-state political committee must file; altering the sanctions imposed on
11 an out-of-state political committee for failure to file certain reports; requiring the
12 State Board to assess a late filing fee on an out-of-state political committee for
13 failure to file certain reports; providing for the amount of, payment of, use of, and
14 other matters concerning late filing fees; providing that the failure to provide certain
15 information shall be deemed a failure to file and renders the report overdue;
16 requiring that certain reports be considered not filed and overdue under certain
17 circumstances; prohibiting an out-of-state political committee from participating in
18 any election under certain circumstances; prohibiting an out-of-state political
19 committee from making a disbursement to an affiliated entity for certain purposes;
20 defining a certain term; making stylistic changes; and generally relating to
21 out-of-state political committees.

22 BY repealing and reenacting, with amendments,
23 Article – Election Law
24 Section 13–301
25 Annotated Code of Maryland
26 (2017 Replacement Volume and 2018 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Election Law**

2 13–301.

3 (a) **(1)** In this section[, “out-of-state] **THE FOLLOWING WORDS HAVE THE**
4 **MEANINGS INDICATED.**5 **(2)** “**OUT-OF-STATE** political committee” means a nonfederal political
6 committee organized under the law of another state.7 **(3)** “**POLITICAL DISBURSEMENT**” MEANS:8 **(I)** A TRANSFER TO A CAMPAIGN FINANCE ENTITY;9 **(II)** AN INDEPENDENT EXPENDITURE FOR CAMPAIGN MATERIAL
10 THAT IS A PUBLIC COMMUNICATION AS DEFINED IN § 13–306 OF THIS SUBTITLE;11 **(III)** A DISBURSEMENT FOR AN ELECTIONEERING
12 COMMUNICATION AS DEFINED IN § 13–307 OF THIS SUBTITLE;13 **(IV)** AN EXPENDITURE FOR PAID CANVASSERS;14 **(V)** A COORDINATED EXPENDITURE AS DEFINED IN § 13–249 OF
15 THIS TITLE;16 **(VI)** AN IN-KIND CONTRIBUTION TO A CAMPAIGN FINANCE
17 ENTITY;18 **(VII)** A DONATION, AS DEFINED IN § 13–306 OF THIS SUBTITLE, TO
19 A PERSON MAKING INDEPENDENT EXPENDITURES; OR20 **(VIII)** A DONATION TO A PERSON MAKING A DISBURSEMENT FOR
21 AN ELECTIONEERING COMMUNICATION AS DEFINED IN § 13–307 OF THIS SUBTITLE.22 (b) (1) An out-of-state political committee shall register with the State Board
23 on a form that the State Board prescribes within 48 hours after directly or indirectly
24 making [transfers] **POLITICAL DISBURSEMENTS IN THE STATE** in a cumulative amount
25 of **[\$6,000] \$5,000** or more in an election cycle [to one or more campaign finance entities
26 organized under Subtitle 2, Part II of this title].27 **(2)** **(I)** AT THE TIME OF FILING THE REGISTRATION FORM, AN
28 **OUT-OF-STATE POLITICAL COMMITTEE SHALL PAY A REGISTRATION FEE OF \$500.**29 **(II)** AN OUT-OF-STATE POLITICAL COMMITTEE MAY NOT BE

1 **CONSIDERED REGISTERED UNDER THIS SUBSECTION UNTIL THE REGISTRATION FEE**
2 **HAS BEEN PAID.**

3 ~~[(2)]~~ **(3)** The registration form the State Board prescribes shall require an
4 out-of-state political committee to designate the election year in which the
5 **OUT-OF-STATE POLITICAL** committee is participating.

6 **(4) AN OUT-OF-STATE POLITICAL COMMITTEE SHALL FILE A**
7 **SEPARATE REGISTRATION FORM FOR EACH ELECTION YEAR IN WHICH THE**
8 **OUT-OF-STATE POLITICAL COMMITTEE PARTICIPATES.**

9 (c) After registering with the State Board, an out-of-state political committee
10 shall file reports with the State Board for the election year in which the **OUT-OF-STATE**
11 **POLITICAL** committee is participating on or before each date that a campaign finance
12 entity of a candidate is required to file a campaign finance report under § 13-309 of this
13 subtitle.

14 (d) The reports under [subsection (c) of] this section shall:

15 (1) disclose all [expenditures] **POLITICAL DISBURSEMENTS** made in the
16 State by the out-of-state political committee:

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

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

21 (2) describe how to access the campaign finance reports filed by the
22 out-of-state political committee in the state where the **OUT-OF-STATE POLITICAL**
23 committee is registered and files the reports[; and

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

26 **(E) (1) THE STATE BOARD SHALL ASSESS A LATE FILING FEE FOR**
27 **FAILURE TO FILE A REPORT UNDER THIS SECTION.**

28 **(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE**
29 **FEE IS:**

30 1. **\$1,000 FOR THE FIRST DAY OR PART OF A DAY THAT A**
31 **REPORT IS OVERDUE; AND**

32 2. **\$500 FOR EACH SUBSEQUENT DAY OR PART OF A DAY**

1 THAT A REPORT IS OVERDUE.

2 (II) THE MAXIMUM FEE PAYABLE FOR EACH MONTH THAT A
3 REPORT IS OVERDUE IS \$10,000.

4 (3) LATE FILING FEES UNDER THIS SUBSECTION SHALL BE:

5 (I) DISTRIBUTED TO THE FAIR CAMPAIGN FINANCING FUND
6 ESTABLISHED UNDER § 15-103 OF THIS ARTICLE; AND

7 (II) THE JOINT AND SEVERAL LIABILITY OF:

8 1. THE OUT-OF-STATE POLITICAL COMMITTEE;

9 2. THE TREASURER OR OTHER INDIVIDUAL WHO SIGNS
10 AND FILES THE REPORTS REQUIRED UNDER THIS SECTION; AND

11 3. ANY PERSON EXERCISING DIRECTION OR CONTROL
12 OVER THE ACTIVITIES OF THE OUT-OF-STATE POLITICAL COMMITTEE.

13 (F) THE FAILURE TO PROVIDE ALL THE INFORMATION REQUIRED ON A
14 REPORT UNDER THIS SECTION SHALL BE DEEMED A FAILURE TO FILE AND RENDERS
15 THE REPORT OVERDUE.

16 (G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE STATE
17 BOARD SHALL ACCEPT AN OVERDUE REPORT REQUIRED UNDER THIS SECTION THAT
18 IS SUBMITTED WITHOUT PAYMENT OF THE LATE FILING FEE.

19 (2) A REPORT ACCEPTED UNDER PARAGRAPH (1) OF THIS
20 SUBSECTION MAY NOT BE CONSIDERED FILED UNTIL THE FEE HAS BEEN PAID.

21 (3) AFTER AN OVERDUE REPORT IS ACCEPTED UNDER PARAGRAPH
22 (1) OF THIS SUBSECTION, NO FURTHER LATE FILING FEE SHALL BE INCURRED.

23 (H) AN OUT-OF-STATE POLITICAL COMMITTEE THAT FAILS TO FILE A
24 REPORT UNDER THIS SECTION MAY SEEK RELIEF FROM A LATE FILING FEE IMPOSED
25 UNDER SUBSECTION (E) OF THIS SECTION FOR JUST CAUSE AS PROVIDED IN §
26 13-337 OF THIS SUBTITLE.

27 (I) AN OUT-OF-STATE POLITICAL COMMITTEE THAT FAILS TO FILE TWO OR
28 MORE REPORTS UNDER THIS SECTION MAY NOT PARTICIPATE IN ANY ELECTION
29 UNTIL ALL THE REQUIRED REPORTS HAVE BEEN FILED.

1 **(J) AN OUT-OF-STATE POLITICAL COMMITTEE MAY NOT MAKE A**
2 **DISBURSEMENT TO AN AFFILIATED ENTITY FOR THE PURPOSE OF CONCEALING THE**
3 **SOURCE OF ANY POLITICAL DISBURSEMENT OR THE INTENDED RECIPIENT OF ANY**
4 **POLITICAL DISBURSEMENT.**

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