

## Chapter 287

(Senate Bill 757)

AN ACT concerning

### **Election Law – Electronic Media – Electronic Contributions and Expenditures**

FOR the purpose of repealing certain requirements that a campaign finance entity make a disbursement only by check; requiring a campaign finance entity to make a disbursement by certain methods; requiring an electronic method of making a disbursement that the State Board of Elections authorizes by regulation to satisfy certain requirements; repealing a requirement that a contribution in excess of a certain amount be made only by check or credit card; requiring that a contribution be made by certain methods; requiring an electronic method of making a contribution that the State Board authorizes by regulation to satisfy certain requirements; requiring the State Board to adopt regulations governing the application of certain disclosure and retention requirements to campaign material transmitted through electronic media; requiring the regulations adopted by the State Board to satisfy certain requirements; authorizing the regulations adopted by the State Board to modify certain statutory requirements as they relate to electronic media as necessary to accommodate particular technologies; and generally relating to conforming election law to electronic methods of disseminating campaign material and electronic methods of making contributions and expenditures.

BY repealing and reenacting, without amendments,

Article – Election Law  
Section 1–101(k), 13–401, and 13–403  
Annotated Code of Maryland  
(2010 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Election Law  
Section 13–220 and 13–226(b)  
Annotated Code of Maryland  
(2010 Replacement Volume)

BY adding to

Article – Election Law  
Section 13–234 and 13–404  
Annotated Code of Maryland  
(2010 Replacement Volume)

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

**Article – Election Law**

1–101.

- (k) (1) “Campaign material” means any material that:
- (i) contains text, graphics, or other images;
  - (ii) relates to a candidate, a prospective candidate, or the approval or rejection of a question; and
  - (iii) is published or distributed.
- (2) “Campaign material” includes:
- (i) material transmitted by or appearing on the Internet or other electronic medium; and
  - (ii) an oral commercial campaign advertisement.

13–220.

- (a) (1) Each campaign finance entity shall designate one or more campaign accounts.
- (2) Each designated campaign account shall:
- (i) be in a financial institution; and
  - (ii) be registered in a manner that identifies it as the account of a campaign finance entity.
- (3) A campaign finance entity shall deposit all funds received in a designated campaign account.
- (b) (1) Subject to paragraph (2) of this subsection and subsection (c) of this section, a campaign finance entity may not directly or indirectly make a disbursement except [by check] from a campaign account designated under subsection (a) of this section.
- (2) A campaign finance entity, or a person authorized by the campaign finance entity, may pay an expense of the campaign finance entity from funds other than a campaign account if:

(i) the expense is supported by a receipt that is provided to the campaign finance entity; and

(ii) the campaign finance entity reimburses the person who paid the expense [by check] from the campaign account and reports the expense as an expenditure of the campaign finance entity in accordance with Subtitle 3 of this title.

(c) (1) A campaign finance entity may maintain a petty cash fund.

(2) The campaign finance entity shall maintain a separate account book for the petty cash fund.

(3) The petty cash fund:

(i) may not exceed \$250 at any time; and

(ii) may be replenished only by check from a campaign account designated under subsection (a) of this section.

(4) Not more than \$25 may be disbursed from the petty cash fund in a primary or general election to a single recipient.

(5) Each petty cash expenditure shall be supported by a receipt and reported by category on the appropriate campaign finance report.

(6) This subsection does not authorize an expenditure that otherwise is unlawful under this article.

**(D) (1) A CAMPAIGN FINANCE ENTITY MAY MAKE A DISBURSEMENT ONLY BY:**

**(I) CHECK; OR**

**(II) AN ELECTRONIC METHOD THAT THE STATE BOARD AUTHORIZES BY REGULATION.**

**(2) AN ELECTRONIC METHOD OF MAKING A DISBURSEMENT THAT THE STATE BOARD AUTHORIZES UNDER THIS SUBSECTION SHALL ENSURE THAT:**

**(I) THE IDENTITY OF THE PERSON MAKING THE DISBURSEMENT MAY BE VERIFIED;**

**(II) THE TRANSACTION IS SECURE; AND**

**(III) THERE IS AN ADEQUATE RECORD OF THE TRANSACTION.**

13-226.

(b) Subject to subsection (c) of this section, a person may not, either directly or indirectly, in an election cycle make[:

(1)] aggregate contributions in excess of:

[(i)](1) \$4,000 to any one campaign finance entity; or

[(ii)](2) \$10,000 to all campaign finance entities[; or

(2) a contribution of money in excess of \$100 except by check or credit card].

13-234.

**(A) A CONTRIBUTION OF MONEY MAY BE MADE ONLY BY:**

**(1) CHECK;**

**(2) CREDIT CARD;**

**(3) CASH, IF THE CONTRIBUTION DOES NOT EXCEED \$100; OR**

**(4) AN ELECTRONIC METHOD THAT THE STATE BOARD AUTHORIZES BY REGULATION.**

**(B) AN ELECTRONIC METHOD OF MAKING A CONTRIBUTION THAT THE STATE BOARD AUTHORIZES UNDER THIS SECTION SHALL ENSURE THAT:**

**(1) THE IDENTITY OF THE PERSON MAKING THE CONTRIBUTION MAY BE VERIFIED;**

**(2) THE TRANSACTION IS SECURE; AND**

**(3) THERE IS AN ADEQUATE RECORD OF THE TRANSACTION.**

13-401.

(a) (1) Except as otherwise provided in this section, each item of campaign material shall contain, set apart from any other message, an authority line that states:

(i) as to campaign material published or distributed by a campaign finance entity:

1. the name and address of the treasurer of each campaign finance entity responsible for the campaign material; and

2. as to each treasurer named under item 1 of this item, the name of each campaign finance entity for which the treasurer is acting; and

(ii) as to campaign material published or distributed by any other person, the name and address of the person responsible for the campaign material.

(2) The authority line may omit an address that is on file with the State Board or a local board.

(3) If the campaign material is too small to include all the information specified in paragraph (1) of this subsection in a legible manner, the authority line need only contain the name and title of the treasurer or other person responsible for it.

(4) The authority line for campaign material that is a commercial advertisement need only contain the information specified in paragraphs (1) and (2) of this subsection for one campaign finance entity or other person responsible for the advertisement.

(b) Campaign material that is published or distributed in support of or in opposition to a candidate, but is not authorized by the candidate, shall include the following statement:

“This message has been authorized and paid for by (name of payor or any organization affiliated with the payor), (name and title of treasurer or president). This message has not been authorized or approved by any candidate.”

13-403.

(a) (1) Subject to paragraph (2) of this subsection, each campaign finance entity responsible for, publisher of, and distributor of, an item of campaign material shall keep a sample copy of the item for at least 1 year after the general election next following the date when the item was published or distributed.

(2) For each item of campaign material disseminated through the Internet, the sample copy shall be:

- (i) a paper facsimile; or
  - (ii) a copy on an electronic medium that can be produced as a paper facsimile on request.
- (b) Subsection (a) of this section does not apply to a billboard or a sign.

**13-404.**

**(A) IN THIS SECTION, “ELECTRONIC MEDIA” MEANS ANY ELECTRONIC MEDIUM, EXCEPT TELEVISION OR RADIO, THAT MAY BE USED TO TRANSMIT CAMPAIGN MATERIAL.**

**(B) THE STATE BOARD SHALL ADOPT REGULATIONS GOVERNING THE APPLICATION OF §§ 13-401 AND 13-403 OF THIS SUBTITLE TO CAMPAIGN MATERIAL TRANSMITTED THROUGH ELECTRONIC MEDIA.**

**(C) THE REGULATIONS ADOPTED BY THE STATE BOARD UNDER THIS SECTION:**

**(1) SHALL DEFINE WHAT CONSTITUTES “PUBLICATION” OR “DISTRIBUTION” OF CAMPAIGN MATERIAL THROUGH ELECTRONIC MEDIA UNDER § 1-101(K) OF THIS ARTICLE;**

**(2) SHALL REQUIRE PUBLIC DISCLOSURE OF THE IDENTITY OF PERSONS WHO ARE RESPONSIBLE FOR TRANSMITTING CAMPAIGN MATERIAL THROUGH ELECTRONIC MEDIA; AND**

**(3) MAY MODIFY THE REQUIREMENTS OF §§ 13-401 AND 13-403 OF THIS SUBTITLE AS THEY APPLY TO ELECTRONIC MEDIA TO THE EXTENT NECESSARY TO ACCOMMODATE A PARTICULAR TECHNOLOGY.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2011.

**Approved by the Governor, May 10, 2011.**