

## Chapter 252

## (House Bill 112)

AN ACT concerning

**Election Law – Campaign Finance Entities – ~~Activity~~ Expenditures Made and the Attribution of Contributions Received and ~~Forfeiture of Salary~~**

FOR the purpose of authorizing a campaign finance entity to make a disbursement to compensate a responsible officer of the campaign finance entity only by check; requiring the treasurer of an authorized candidate campaign committee to provide certain individuals with a copy of a certain bank statement within a certain time period; requiring, under certain circumstances, a campaign finance entity to submit certain documentation to the State Board of Elections before making a disbursement for certain compensation; ~~expanding the application of certain provisions of law regarding the forfeiture of salary by an individual holding public office in the State; requiring the State Administrator of Elections or the State Administrator's designee, rather than the State Board of Elections, to take certain action regarding the forfeiture of salary by certain individuals; making conforming changes; altering the reporting requirements for certain contributions by certain business entities whose subsidiaries do not have a contract doing public business; defining a certain term;~~ and generally relating to the activity of campaign finance entities.

BY repealing and reenacting, with amendments,

Article – Election Law

Section ~~13-220(d)~~ 13-220(d), 14-101(a), and 14-105(e) and ~~13-334~~

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

BY adding to

Article – Election Law

Section ~~13-220(e) and 13-248~~, 13-248, and 14-101(l)

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

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

**Article – Election Law**

13-220.

(d) (1) **[A] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION,** 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.

**(3) A CAMPAIGN FINANCE ENTITY MAY MAKE A DISBURSEMENT TO COMPENSATE A RESPONSIBLE OFFICER OF THE CAMPAIGN FINANCE ENTITY ONLY BY CHECK.**

**(E) WITHIN 30 DAYS AFTER FILING A CAMPAIGN FINANCE REPORT AT THE STATE BOARD, THE TREASURER OF AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE SHALL PROVIDE BOTH THE CANDIDATE AND THE CHAIRMAN WITH A COPY OF THE MOST RECENT CAMPAIGN ACCOUNT BANK STATEMENT.**

13-248.

**IF A RESPONSIBLE OFFICER OF A CAMPAIGN FINANCE ENTITY HAS A COMPENSATION AGREEMENT WITH THE CAMPAIGN FINANCE ENTITY, BEFORE MAKING A DISBURSEMENT FOR THE COMPENSATION, THE CAMPAIGN FINANCE ENTITY SHALL SUBMIT TO THE STATE BOARD:**

**(1) A COPY OF THE COMPENSATION AGREEMENT; AND**

**(2) IF THE CAMPAIGN FINANCE ENTITY IS AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE, THE WRITTEN CONSENT OF THE CANDIDATE.**

~~13-334.~~

~~(a) This section applies to [each] AN individual holding public office in this State [who] IF:~~

~~(1) THE INDIVIDUAL is subject to prosecution under § 13-335(b) of this subtitle; OR~~

~~(2) (I) THE INDIVIDUAL'S AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE HAS FAILED TO FILE A CAMPAIGN FINANCE REPORT; AND~~

~~(II) THE RESPONSIBLE OFFICERS OF THE AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE RECEIVED A NOTICE ISSUED BY THE STATE BOARD UNDER § 13-335(A) OF THIS SUBTITLE.~~

~~(b) The [State Board] STATE ADMINISTRATOR, OR THE STATE ADMINISTRATOR'S DESIGNEE, shall:~~

~~(1) investigate each circumstance that causes an individual to become subject to this section;~~

~~(2) notify the individual; and~~

~~(3) provide the individual an opportunity to be heard BEFORE THE STATE BOARD.~~

~~(e) If the State Board determines, after an opportunity for a hearing, that the individual OR THE INDIVIDUAL'S AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE has failed to file a campaign finance report within the meaning of § 13-327 of this subtitle, THE INDIVIDUAL was OR THE RESPONSIBLE OFFICERS OF THE INDIVIDUAL'S AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE WERE provided notice under §13-335 of this subtitle, and THE INDIVIDUAL OR THE INDIVIDUAL'S AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE has not rectified the failure and paid any late filing fee due, the State Board shall direct the appropriate financial officer to withhold the salary of the individual as to that public office until:~~

~~(1) the failure to file is rectified and any late filing fee is paid; and~~

~~(2) any salary previously paid to the individual for the public office while the individual was in violation is restored to the State or local government involved.~~

14-101.

(a) In this title the following words have the meanings indicated.

(L) (1) "SUBSIDIARY" MEANS A BUSINESS ENTITY THAT IS 30% OR MORE OWNED OR CONTROLLED BY ANOTHER BUSINESS ENTITY.

(2) "SUBSIDIARY" DOES NOT INCLUDE A BUSINESS ENTITY THAT DOES NOT HAVE A CONTRACT DOING PUBLIC BUSINESS AND IS DIRECTLY OR INDIRECTLY OWNED OR CONTROLLED BY ANOTHER BUSINESS ENTITY;

**(I) THE SECURITIES OF WHICH ARE TRADED ON A NATIONAL EXCHANGE;**

**(II) FOR WHICH NO INDIVIDUAL OWNS OR CONTROLS MORE THAN 10% OF THE BUSINESS ENTITY; AND**

**(III) THAT IS DEFINED UNDER 12 U.S.C. § 184(A).**

14-105.

(e) (1) Business done with a governmental entity by a subsidiary of a business entity shall be attributed to the business entity [if 30% or more of the equity of the subsidiary is owned or controlled by the business entity].

(2) Applicable contributions made by or attributed to a subsidiary [described in paragraph (1) of this subsection] shall be attributed to the business entity.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

**Approved by the Governor, April 26, 2016.**