

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1162 (Delegate Washington)
Ways and Means

Campaign Finance - Collections by Membership Entities - Noncampaign Political Activity

This bill authorizes a membership entity to require a member to donate up to a specified amount to “noncampaign political activity” of the membership entity if the member chooses not to contribute to a political action committee affiliated with the membership entity. **The bill takes effect June 1, 2022.**

Fiscal Summary

State Effect: None. The bill does not directly affect State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill authorizes a membership entity to require a member – if the member exercises their right not to contribute to a political action committee affiliated with the membership entity – to donate to “noncampaign political activity” of the membership entity up to 25% of the total annual amount that the member is required to pay as dues, fees, or other assessments as a condition of membership.

“Noncampaign political activity” is defined to include legislative advocacy and lobbying. It does not include campaign finance activity or any activity (1) required to be conducted through a political committee or (2) required to be reported under provisions that require reporting of certain political spending by individual or entities other than political

committees (independent expenditures, disbursements for electioneering communications, and political disbursements by participating organizations). “Legislative advocacy” means to promote or assist in the promotion of the success or defeat of a bill, resolution, or other legislative measure or action.

The bill requires a membership entity, in soliciting a member to make a contribution to its affiliated political action committee, to inform the member, if applicable, of the member’s right to redirect the portion of the amount invoiced that is designated as a contribution to the political action committee to noncampaign political activity of the membership entity.

Current Law: A membership entity (defined as an organization that collects dues from its members) may establish a program for periodically collecting voluntary contributions from its members to an affiliated political action committee if the contributions are collected together with membership dues or contributions by members to a federal political action committee also affiliated with the membership entity. The membership entity must keep records of the name and address of the contributor, the date on which the contribution is withheld, the amount of the contribution, and the disposition of the contribution. The contribution, along with the name and address of the contributor, date on which the contribution was withheld, and the amount of the contribution, must be transmitted to the affiliated political action committee within 30 days of being received.

In soliciting a member, by joint invoice for membership dues or for a contribution to an affiliated federal political action committee, to make a contribution to its affiliated political action committee, a membership entity must inform the member of (1) the political purposes of the affiliated political action committee and (2) the member’s right to refuse to contribute to the political action committee without reprisal.

An employee membership entity or its affiliated political action committee is prohibited from receiving or using money or anything of value under the above-described provisions if it is obtained (1) by actual or threatened physical force, membership discrimination, or financial or professional reprisal or (2) as dues, fees, or other assessment required as a condition of membership.

Additional Information

Prior Introductions: HB 949 of 2021 received a hearing in the House Ways and Means Committee, but no further action was taken. HB 871 of 2020 received a hearing in the House Ways and Means Committee, but no further action was taken.

Designated Cross File: None.

Information Source(s): State Board of Elections; Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2022
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