

Title 33 State Board of Elections
Subtitle 13 Campaign Financing
Chapter 16 Contributions by Business Entities

Authority: Election Law Article, §2-102(b)(4), Annotated Code of Maryland

.01 Scope.

A. Applicability. This chapter applies to contributions made by business entities in accordance with Election Law Article, §13-226, Annotated Code of Maryland.

B. Effective Date. This chapter is effective as of January 1, 2015.

.02 Attribution.

A. In General. For purposes of applying the contribution limits provided in Election Law Article, 13-226(b), contributions by two or more business entities are considered to be made by one contributor and affiliated if:

(1) One business entity is a wholly owned subsidiary of another; or

(2) The business entities are owned or controlled by at least 80% of the same individuals or business entities.

B. Standard. For purposes of Election Law Article, §13-226(e), two or more business entities shall be considered to be owned or controlled by at least 80% of the same individuals or business entities if:

(1) 80% or more of the beneficial ownership or equity of each entity is held by the same person or group of persons; or

(2) 80% or more of the voting shares or rights, membership or partnership interests with voting or governing authority, control rights, trust control, or other form of governance or rights authority, in each entity is directly or indirectly held or controlled by the same person or group of persons.

C. Control. A person or group of persons is deemed to have direct or indirect control of one or more business entities if the person or group of persons is authorized to make decisions regarding:

(1) Direction and amount of contributions, political spending, or any other political activity on behalf of the business entities; or

(2) Responsibility for day-to-day operation of the business entities.

D. Notice Requirement. At the time a contribution is made, the contributing business entity shall determine whether an affiliated business entity has made a prior contribution to the political committee during the current election cycle and, if so, provide prompt written notice to the political committee of the prior contribution, including the name and address of the affiliated business entity.

E. Affiliation.

(1) After a determination of affiliation is made for contribution purposes, the business entities for the remainder of the election cycle will be considered as one contributor.

(2) If the business entity acquires, merges, changes ownership or control over another business entity and would be determined to be affiliated for contribution purposes,

(a) The prior contributions made by the acquired, merged, or newly-owned or -controlled business entity will not be retroactively attributed to the original business entity; and

(b) The future contributions made by the acquired, merged, or newly-owned or -controlled business entity will be attributed to the original business entity, along with the current aggregate contributions made by the original business entity.

F. Prohibition.

(1) If a business entity is prohibited from making contributions, then all business entities affiliated with it are also prohibited from making contributions during the election cycle.

(2) Ownership or control of a business entity may not be changed or altered for the purpose of circumventing the contribution limits provided in Election Law Article 13-226