

**Department of Legislative Services**  
Maryland General Assembly  
2014 Session

**FISCAL AND POLICY NOTE**

Senate Bill 1043 (Senator Getty)  
Education, Health, and Environmental Affairs

**Election Law - Campaign Finance Entities - Inactive Status**

This bill requires the campaign finance entity of a candidate appointed to, or hired to fill, specified government positions to be placed on inactive status, limiting the campaign finance entity to only making expenditures for reasonable administration expenses. Any other candidate may also elect to place the candidate's campaign finance entity on inactive status.

The bill takes effect January 1, 2015.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$10,000 in FY 2015 for software programming at the State Board of Elections (SBE). Revenues are not affected.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	10,000	0	0	0	0
Net Effect	(\$10,000)	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

**Analysis**

**Bill Summary:** The bill requires a candidate for whom a campaign finance entity has been established, or the campaign finance entity's treasurer, to file an affidavit with SBE

requesting that the campaign finance entity be placed on inactive status if the candidate is appointed to, or hired to fill, a position that (1) under specified provisions of the State Personnel and Pensions Article, is in the management service, in the executive service, or is considered to be a special appointee or (2) is appointed by the Governor pursuant to the Maryland Constitution.

A candidate who is not required to file an affidavit may elect to file an affidavit, or have the treasurer of the candidate's campaign finance entity file an affidavit, with SBE requesting that the campaign finance entity be placed on inactive status.

If an affidavit is filed for a campaign finance entity, SBE must place the campaign finance entity on inactive status.

If a campaign finance entity is placed on inactive status, it may not make contributions or expenditures with the exception of making expenditures for reasonable administration expenses. The campaign finance entity must file a campaign finance report on the third Wednesday in January of each year the campaign finance entity is on inactive status.

SBE must remove a campaign finance entity from inactive status if (1) the candidate no longer holds one of the specified government positions; (2) a candidate who elected to place the candidate's campaign finance entity on inactive status requests that the campaign finance entity be removed from inactive status; or (3) the campaign finance entity has been on inactive status for three consecutive election cycles.

**Current Law/Background:** Generally, a candidate must establish a campaign finance entity to raise and spend money or receive other things of value to promote, or assist in the promotion of, the candidate's success. A candidate must establish a campaign finance entity before filing a certificate of candidacy or declaration of intent. SBE's *Summary Guide* to Maryland candidacy and campaign finance laws indicates that in most cases the decision of when to close a campaign finance entity is left to the chairman and treasurer of the campaign finance entity, but a campaign finance entity is required to close and file a final report within eight years of the latest of (1) the end of the individual's most recent term of office; (2) the date of the last election in which the individual was a filed candidate; and (3) the payment of the final debt or other obligation of the entity that was incurred in connection with that candidacy.

The government positions covered by the bill include management and higher level positions in the Executive Branch that are in the State Personnel Management System and positions to which persons are appointed by the Governor under the Maryland Constitution.

**State Expenditures:** General fund expenditures increase by \$10,000 in fiscal 2015 for SBE to modify the online Maryland Campaign Reporting Information System.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Board of Elections, Department of Budget and Management, Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2014  
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Analysis by: Scott D. Kennedy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510