

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 299
Ways and Means

(Delegate Luedtke)

Campaign Finance - Political Action Committees - Solicitation Disclosures

This bill requires a solicitation by or for a political action committee to contain a conspicuously displayed disclosure statement that provides specified information regarding the political action committee's expenditures in the previous calendar year. A political action committee that receives a contribution as a result of a solicitation that does not include the disclosure statement must refund the contribution and is subject to a civil penalty of up to \$10,000, with penalty revenues distributed to the Fair Campaign Financing Fund (FCFF).

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: Special fund (FCFF) revenues may increase as a result of the bill's penalty provision. The extent of any increase cannot be reliably estimated.

Local Effect: Local government finances are not materially affected.

Small Business Effect: None.

Analysis

Bill Summary: The required disclosure statement must include the approximate percentages of expenditures of the political action committee in the previous calendar year that were:

- paid to any individual or organization for administrative costs of the political action committee;
- spent on campaign material; and
- paid to business entities that are owned or controlled by the responsible officers of the political action committee or in which the responsible officers have a financial interest.

For a political action committee that was formed after January 1 of the previous calendar year, the disclosures must cover the period the political action committee has been in existence.

Current Law/Background: Political action committees are political committees that are not associated with a candidate or other specific type of campaign finance activity. State law defines “political action committee” as “a political committee that is not (1) a political party; (2) a central committee; (3) a slate; (4) a legislative party caucus committee; (5) an authorized candidate campaign committee; or (6) a ballot issue committee.” A “political committee” is a combination of two or more individuals that has as its major purpose promoting the success or defeat of a candidate, political party, question, or prospective question submitted to a vote at any election.

Political action committees are subject to campaign finance reporting requirements, and those that exclusively make independent expenditures (as opposed to contributions to, or expenditures on behalf of, candidate committees or other committees) are subject to additional reporting requirements.

“Responsible officers” of a political committee are the chairman and treasurer of the committee.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mm/hlb

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