

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 567 (Delegate Reilly)  
Ways and Means

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Campaign Finance - Death of Elected Official - Transfer of Funds to Slate  
Account

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This bill authorizes the campaign committee of an elected official who dies in office to transfer a cumulative amount of up to \$6,000 from the remaining balance in the account of the authorized candidate campaign committee, after all campaign expenditures have been made, to one or more slates of which the deceased official was a member at the time of the official's death. **The bill takes effect January 1, 2021.**

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Fiscal Summary

**State Effect:** The bill does not directly affect State finances.

**Local Effect:** The bill does not directly affect local government finances.

**Small Business Effect:** None.

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Analysis

**Current Law/Background:**

*Authorized Candidate Campaign Committees*

Unless otherwise expressly authorized by law, all campaign finance activity for an election under the Election Law Article of the Annotated Code must be conducted through a campaign finance entity (defined as a political committee established under Title 13 of the Election Law Article). An individual may not file a certificate of candidacy or a declaration of intent until the individual establishes, or causes to be established, an authorized

candidate campaign committee (a campaign finance entity authorized by the candidate to promote the candidate's candidacy).

Under Chapter 491 of 2019, the authorized candidate campaign committee of a candidate who dies must, within one year after the candidate dies, (1) pay all outstanding obligations; (2) subject to consideration of any preferences expressed by the candidate, dispose of any funds remaining after the payment of all outstanding obligations in accordance with provisions governing the disposition of surplus funds from a closing campaign finance entity; and (3) terminate and file a final campaign finance report.

A generally applicable provision also requires that a campaign finance entity – before filing a final campaign finance report – pay all outstanding obligations and dispose of all of its remaining assets in accordance with the provisions governing the disposition of surplus funds from a closing campaign finance entity.

The provisions governing the disposition of surplus funds from a closing campaign finance entity generally require that surplus funds either be distributed pro rata to contributors or be distributed to any of a number of other entities, including political party central committees, legislative party caucus committees, the Fair Campaign Financing Fund, and education-related and charitable entities.

### *Slates*

A slate is defined under State election law as a political committee of two or more candidates who join together to conduct and pay for joint campaign activities. Each member of a slate must have a separate campaign finance entity. A candidate may join a slate or continue as a member of a slate only if (1) the candidate has filed a certificate of candidacy or (2) the candidate is an incumbent officeholder and the deadline for filing a certificate of candidacy for the office the candidate holds has not passed.

The authorized candidate campaign committee of a member of a slate is not limited in the amount it may transfer to a slate of which the candidate is a member. With the exception of a slate consisting only of the candidates of a gubernatorial ticket, a slate may not make transfers, directly or indirectly, to the authorized candidate campaign committee of any single member of the slate in a cumulative amount of more than \$24,000 during a four-year election cycle.

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## **Additional Information**

**Prior Introductions:** HB 208 of 2019 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 7, 2020  
mr/hlb

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