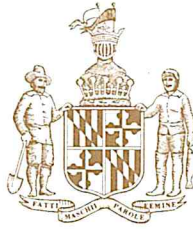


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Joint Committee on Pensions

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**HB 587—Campaign Finance Entities - Treasurers - Surety Bond Requirement**

February 11, 2020

Sponsor Testimony

Chairwoman Kaiser, and Honorable members of the House Ways and Means Committee:

Thank you for the opportunity to present HB 587—Campaign Finance Entities - Treasurers - Surety Bond Requirement. If enacted HB 587 would establish each treasurer of a campaign finance entity be covered by a surety bond that

- Runs to the campaign finance entity of the treasurer.
- Includes provisions that secure the money of the campaign finance entity.
- Is conditioned on the faithful performance of the treasurer as custodian of the money of the campaign finance entity in accordance with the requirements of State campaign finance law.

Currently, all assets received by or on behalf of a campaign finance entity must be delivered to the treasurer and maintained by the treasurer for the purposes of the campaign finance entity. Assets of a campaign finance entity may be disbursed only

- If they have passed through the hands of the treasurer.
- If they are in accordance with the purposes of the entity. Subject to certain exceptions, the treasurer must make all disbursements for the campaign finance entity.

However, as described by the National Association of Surety Bond Producers (NASBP), “a surety bond is a promise to be liable for the debt, default, or failure of another. It is a three-party contract by which one party (the surety) guarantees the performance or obligations of a second party (the principal) to a third party (the obligee).” Thus, if enacted HB 587 will set forth further boundaries to help secure the funds of a campaign entity and to reassure the confidence of Maryland voters in political candidates and their elected representatives. We respectfully request this committee’s favorable report.