



Maryland State Board of Elections

SB 15 – Senator M. Jackson

Election Law- Campaign Finance - Enforcement

Purpose:

To increase the statute of limitations on election law violations from 3 years to 4 years. To allow the Office of the State Prosecutor to issue civil citation for late filings of the contribution disclosure statement from persons doing public business. To update the criminal monetary penalties for filers of the contribution disclosure statement. To increase the State Board of Elections' enforcement authority over technical violations against filers of the contribution disclosure statement.

Comments:

The State Board of Elections supports the proposed legislation. The bill overhauls and updates the enforcement provisions for campaign finance and other electoral disclosure violations. As a result of the legislation, civil penalties and enforcement provisions will be more uniform for all disclosure filers.

The proposed legislation increases the statute of limitations on election law violations on misdemeanors and civil offenses from 3 years to 4 years. The increase of the year brings the enforcement provisions in line with an election cycle which is 4 years. The extra year allows for greater investigations and detailed audits of noncompliant campaign finance entities by the State Board and the Office of the State Prosecutor.

The proposed legislation clarifies the enforcement powers of the Office of State Prosecutor to seek civil penalties against entities in violation of the provisions in Title 14 of the Election Law Article. Title 14 mandates that business entities that have a single contract of at least \$200,000 with a governmental entity file a contribution disclosure statement with the State Board disclosing the business' applicable contributions. Title 14 encourages transparency and the avoidance of the appearance of corruption in the awarding of contracts through the procurement process.

When Title 14 was amended in 2013, late fees were to be processed by the State Board in same methods and manner as a political committee in Title 13. However, Title 13 expressly authorizes the Office of State Prosecutor with civil authority. The legislative intent of the amendment in 2013 was to expand the civil enforcement authority of Office of the State Prosecutor. The proposed legislation expressly states rather than infers the civil enforcement authority. As result, the prosecution of late filers can be charged civilly rather than criminally for late filings.

However, if a violation by a business entity rises to a criminal charge, the monetary penalty of \$1,000 is not commensurate to the criminal charges compared to political committees. The legislation changes the criminal monetary penalties to \$25,000. This change makes the criminal penalty for non-disclosure mirror the penalty for a criminal violation of Title 13 of Election Law Article.

General Provisions Article §5-716 require that if an entity provides compensation to a State lobbyist and makes \$500 or more in contributions to a State official or candidate, the entity must file a contribution statement with the State Board in the manner and method as an entity required under Title 14 of the Election Law Article. This legislation

will make all requirements, civil enforcement authority and penalties the same for all entities required to file a contribution disclosure statement. The provision grants the State Board civil enforcement authority over technical violations; similar to authority granted under Title 13 of the Election Law Article. The State Board is best equipped to deal with small technical violations rather than the Office of the State Prosecutor.

Contacts:

Jared DeMarinis, Director, Candidacy and Campaign Finance
410-269-2853 or jared.demarinis@maryland.gov

LINDA H. LAMONE, ADMINISTRATOR
STATE BOARD OF ELECTIONS

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