

(PRE-FILED)

By: Delegate Taylor and Chairman, Commerce and Government Matters Committee, and Delegates Dewberry, Hurson, Arnick, Busch, Harrison, Hixson, Kopp, Menes, Owings, Rawlings, Kagan, Brinkley, Bobo, Snodgrass, Getty, Mandel, DeCarlo, Wood, Minnick, and Vallario Vallario, Dypski, Pitkin, and Cryor

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Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: February 19, 1997

CHAPTER _____

1 AN ACT concerning

2 Election Laws - Campaign Finance Reports - Supplemental Contribution Statements

3 FOR the purpose of requiring certain candidates and political committees, under certain
4 circumstances, to notify the State Administrative Board of Election Laws or the
5 designated local board of supervisors of elections of certain contributions or
6 transfers received by the candidate or political committee since the period covered
7 by the last campaign fund report; establishing individual contribution and aggregate
8 contribution thresholds for triggering the supplemental reporting requirements;
9 providing for the inclusion of certain information regarding the additional
10 contributions in the notice to the State Board or to the local board; and generally
11 providing for notice to the State Board or to the local board by certain entities
12 regarding the receipt of campaign contributions exceeding a certain individual or
13 aggregate amount.

14 BY repealing and reenacting, with amendments,
15 Article 33 - Election Code
16 Section 26-11
17 Annotated Code of Maryland
18 (1993 Replacement Volume and 1996 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

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1 **Article 33 - Election Code**

2 26-11.

3 (a) A candidate for nomination or election to public or party office, including
4 write-in candidates, and the treasurer designated by that candidate, AND THE ENTITIES
5 DESCRIBED IN § 26-4 OF THIS ARTICLE shall file the report or statement of contributions
6 and expenditures as prescribed in accordance with § 26-12 of this article with the board
7 at which the candidate filed his certificate of candidacy. All reports or statements of
8 contributions and expenditures shall be filed in duplicate except those filed with the State
9 Administrative Board of Election Laws. Election reports as specified below are required
10 by all candidates for public or party office whether or not the candidate's name appears
11 on the primary ballot, or the candidate withdraws subsequent to filing his certificate of
12 candidacy, or the candidate is unsuccessful in the election. Each report filed shall contain
13 all contributions received and expenditures made in furtherance of the candidate's
14 nomination or election by the candidate himself or, with the knowledge of the candidate,
15 by any other person or groups of persons, which shall be complete, except as otherwise
16 provided in this section through and including the seventh day immediately preceding the
17 day by which that report is to be filed. The initial report filed shall contain all
18 contributions so received and expenditures so made since the date of the last preceding
19 election to fill the office for which he is a candidate. Each subsequent report shall contain
20 all contributions so received and expenditures so made since the end of the period for
21 which the last preceding report is filed. Even if no contributions or expenditures have
22 been made since the end of the period for which the last preceding report was filed, a
23 statement to that effect must be filed on the forms prescribed pursuant to § 26-12 of this
24 article under the circumstances and at the times specified in this section. The initial and
25 subsequent reports shall be consecutively filed as follows:

26 (1) No later than the fourth Tuesday immediately preceding any primary
27 election; and

28 (2) No later than the second Friday immediately preceding any election
29 which shall be complete through and including the preceding Sunday; and

30 (3) No later than the third Tuesday after the general election; and

31 (4) If a cash balance exists or if any unpaid bills or deficits remain to be paid
32 as of the end of the period for which the report or statement in paragraph (3) of this
33 subsection is filed, six months after the general election; and

34 (5) If a cash balance exists or if any unpaid bills or deficits remain to be paid
35 as of the end of the period for which the report or statement in paragraph (4) of this
36 subsection is filed, one year after the general election; and

37 (6) If a cash balance exists or if any unpaid bills or deficits remain to be paid
38 as of the end of the period for which the report or statement in paragraph (5) of this
39 subsection or any subsequent report or statement is filed, annually on the anniversary of
40 the general election until no cash balance, unpaid bill, or deficit remains; and

41 (7) If a cash balance or outstanding debts or deficits were reflected on the
42 last preceding report, but have all been eliminated by the date on which the next report

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1 is due, then a report clearly marked as "final" shall be filed on or before such date
2 showing all transactions since the last report; and

3 (8) If a candidate does not intend to receive contributions or make
4 expenditures of \$1,000 or more, exclusive of his filing fee, he and his treasurer may jointly
5 execute an affidavit to that effect on a form prescribed by the State Administrative Board
6 of Election Laws. If he does not in fact receive contributions or make expenditures of
7 \$1,000 or more, no further reports need be filed pursuant to this section. The affidavit
8 shall be filed not later than the date by which the first report is due. If at any time the
9 cumulative contributions to or expenditures by a candidate who has filed such an affidavit
10 equal or exceed \$1,000, he and his treasurer shall thereafter file all reports required by
11 this section and failure to do so constitutes a failure to file and the commission of a
12 misdemeanor subject to the penalties prescribed in § 26-20 of this article.

13 (A-1) (1) IN ADDITION TO THE REPORTS REQUIRED UNDER SUBSECTION (A)
14 OF THIS SECTION AND UNDER § 26-4 OF THIS ARTICLE, AN INDIVIDUAL OR ENTITY
15 DESCRIBED IN SUBPARAGRAPHS (I) THROUGH (III) OF THIS PARAGRAPH SHALL FILE
16 A WRITTEN SUPPLEMENTAL STATEMENT WITH THE APPROPRIATE LOCAL BOARD
17 OR THE STATE ADMINISTRATIVE BOARD OF ELECTIONS, AS SPECIFIED, TO REFLECT
18 CONTRIBUTIONS RECEIVED BY THE INDIVIDUAL OR ENTITY SINCE THE END OF THE
19 PERIOD COVERED BY THE IMMEDIATELY PRECEDING REPORT THAT THE
20 INDIVIDUAL OR ENTITY WAS REQUIRED TO FILE AS FOLLOWS:

21 (I) FOR A CANDIDATE FOR STATEWIDE OFFICE AND ANY
22 POLITICAL COMMITTEE ORGANIZED AND OPERATED IN COORDINATION WITH THE
23 CANDIDATE, AND FOR ANY ENTITY ORGANIZED UNDER § 26-4 OF THIS ARTICLE IN
24 SUPPORT OF OR IN OPPOSITION TO ANY CANDIDATE FOR A STATEWIDE OFFICE OR
25 CANDIDATES FOR BOTH STATEWIDE AND NONSTATEWIDE OFFICE, UPON THE
26 RECEIPT OF:

27 1. A CONTRIBUTION OF \$2,000 OR MORE FROM A SINGLE
28 CONTRIBUTOR; OR

29 2. A. AGGREGATE CONTRIBUTIONS OF \$50,000; AND

30 B. EACH SUBSEQUENT AGGREGATION OF \$50,000 IN
31 CONTRIBUTIONS;

32 (II) FOR A POLITICAL COMMITTEE ORGANIZED IN SUPPORT OF OR
33 IN OPPOSITION TO ANY BALLOT QUESTION, UPON THE RECEIPT OF:

34 1. A CONTRIBUTION OF \$2,000 OR MORE FROM A SINGLE
35 CONTRIBUTOR; OR

36 2. A. AGGREGATE CONTRIBUTIONS OF \$50,000; AND

37 B. EACH SUBSEQUENT AGGREGATION OF \$50,000 IN
38 CONTRIBUTIONS;

39 (III) FOR A CANDIDATE FOR A COUNTY OR NONSTATEWIDE
40 OFFICE, AND ANY POLITICAL COMMITTEE ORGANIZED AND OPERATED IN
41 COORDINATION WITH THE CANDIDATE AND FOR ANY ENTITY ORGANIZED UNDER §

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1 26-4 OF THIS ARTICLE IN SUPPORT OF OR IN OPPOSITION SOLELY TO ANY
2 CANDIDATE FOR A COUNTY OR NONSTATEWIDE OFFICE, UPON THE RECEIPT OF:

3 1. A CONTRIBUTION OF \$1,000 OR MORE FROM A SINGLE
4 CONTRIBUTOR; OR

5 2. A. AGGREGATE CONTRIBUTIONS OF \$10,000; AND

6 B. EACH SUBSEQUENT AGGREGATION OF \$10,000 IN
7 CONTRIBUTIONS.

8 (2) THE SUPPLEMENTAL STATEMENT REQUIRED UNDER THIS
9 SUBSECTION SHALL:

10 (I) BE FILED WITH THE APPROPRIATE LOCAL BOARD OR THE
11 STATE ADMINISTRATIVE BOARD OF ELECTION LAWS, AS SPECIFIED, NO LATER
12 THAN THE CLOSE OF BUSINESS ON THE DAY THAT IS ~~40~~ 30 DAYS FOLLOWING THE
13 DATE THAT THE THRESHOLD CONTRIBUTION AMOUNT IS RECEIVED;

14 (II) BE IN WRITING AND MAY INCLUDE A DOCUMENT
15 TRANSMITTED BY FACSIMILE MACHINE OR A SIMILAR DOCUMENT; AND

16 (III) INCLUDE THE SIGNATURE OF THE CANDIDATE, THE
17 TREASURER OF THE CANDIDATE, OR THE CHAIRMAN OR TREASURER OF THE
18 COMMITTEE.

19 (3) A CANDIDATE OR POLITICAL COMMITTEE NEED NOT FILE A
20 SUPPLEMENTAL STATEMENT UNDER THIS SUBSECTION IF THE CANDIDATE OR
21 COMMITTEE IS REQUIRED TO FILE A REGULAR FULL CAMPAIGN REPORT WITHIN ~~40~~
22 30 DAYS OF THE DATE THAT A TRIGGERING THRESHOLD CONTRIBUTION AMOUNT
23 SPECIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS RECEIVED.

24 (4) A CONTRIBUTION FOR WHICH A SUPPLEMENTAL STATEMENT IS
25 FILED WITH THE APPROPRIATE LOCAL BOARD OR THE STATE ADMINISTRATIVE
26 BOARD OF ELECTION LAWS, AS SPECIFIED, UNDER THIS SUBSECTION SHALL BE
27 INCLUDED IN THE NEXT REGULARLY SCHEDULED FULL CAMPAIGN REPORT THAT
28 THE ENTITY IS REQUIRED TO FILE UNDER THIS SECTION.

29 (b) (1) Except as provided in paragraph (2) of this subsection, the candidate
30 and treasurer, or, in the case of a political committee, the chairman and treasurer, of an
31 entity subject to the reporting requirements of this section and which is not designated as
32 a continuing committee, as that term is defined by the State Administrative Board of
33 Election Laws, also shall file an annual report of contributions and expenditures at the
34 place designated under this section on November 8 of each year.

35 (2) The annual report required under paragraph (1) of this subsection need
36 not be filed in any year in which the entity is required to file reports in accordance with
37 the schedule prescribed under subsection (a) of this section.

38 (c) It is the responsibility of the candidate and treasurer, jointly and severally, if
39 it is the statement of a candidate, and the chairman and treasurer, jointly and severally, if
40 it is the statement of a committee, to file all reports or statements in full and accurate
41 detail.

1 (d) (1) The chairman and the treasurer of any central committee and the
2 chairman and the treasurer of any political committee which continues in existence from
3 year to year, excluding the chairmen and treasurers of political clubs, shall file the report
4 or statement of contributions and expenditures as prescribed in accordance with § 26-12
5 of this article with the State Administrative Board of Election Laws at each of the times
6 and for the respective periods specified in subsection (a)(1), (2), and (3) of this section
7 and, in a year in which a general election is not held, on the anniversary of the date of the
8 last general election.

9 (2) (i) In any election year, on or before the dates specified in subsection
10 (a) of this section, in lieu of the scheduled reports required to be filed under that
11 subsection, a political committee which continues in existence from year to year may file
12 an affidavit stating that since the date covered by the last report the committee has not
13 been involved in raising or spending, and does not intend to raise or spend[, money for
14 that election] ANY MONEY OR OTHER THING OF VALUE.

15 (ii) A political committee which continues in existence from year to
16 year that files an affidavit under this paragraph shall also file an annual report on the
17 anniversary date of the last general election giving a statement of all contributions
18 received and expenditures made since the end of the period for which the last preceding
19 report is filed, as prescribed in § 26-12 of this article, with the State Administrative Board
20 of Election Laws.

21 (iii) If, subsequent to the filing of the affidavit provided in this
22 paragraph, a political committee which continues in existence from year to year receives
23 contributions or makes expenditures [in connection with the election for which it filed
24 the affidavit], the committee shall notify the State Administrative Board of Election
25 Laws in writing within 14 days after the receipt of the contributions or the making of the
26 expenditures that the committee has resumed receiving contributions or making
27 expenditures, and thereafter shall file all scheduled reports AND STATEMENTS on the
28 dates specified in [subsection (a)] SUBSECTIONS (A) AND (A-1) of this section. If the
29 committee fails to file the notice TO REPORT THE RESUMPTION OF CAMPAIGN
30 FUND-RAISING required by this subparagraph, or thereafter fails to file the scheduled
31 reports AND STATEMENTS on the dates specified in [subsection (a)] SUBSECTIONS (A)
32 AND (A-1) of this section, the candidate and the treasurer of the committee are subject to
33 the penalties prescribed in §§ 26-13 and 26-20 of this subtitle.

34 (iv) The State Administrator of Election Laws shall establish by
35 regulations the form of the affidavit to be filed under this paragraph.

36 (e) The chairmen and the treasurers of all other committees shall file the report
37 or statement of contributions and expenditures, as prescribed in accordance with § 26-12
38 of this article, at each of the times and for the respective periods specified in [subsection
39 (a)] SUBSECTIONS (A) AND (A-1) of this section. Each report OR STATEMENT, filed in
40 accordance with paragraphs (1) and (2) of this subsection, shall be filed in duplicate. This
41 report or statement shall be filed with:

42 (1) The local board of the county or Baltimore City at which a candidate
43 supported or opposed by a committee has filed his certificate of candidacy; and

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1 (2) The local board of the county or Baltimore City in which the committee
2 has promoted the success or defeat of a local principle or local proposition submitted to
3 a vote at an election only in that county or Baltimore City; and

4 (3) The State Administrative Board of Election Laws if a candidate
5 supported or opposed by a committee has filed his certificate of candidacy with the State
6 Administrative Board of Election Laws; and

7 (4) The State Administrative Board of Election Laws if the committee has
8 promoted the success or defeat of a political party, statewide principle, statewide
9 proposition, or other principle or proposition submitted to a vote at an election in a
10 county or Baltimore City and all or part of another county or counties; and

11 (5) The local board of the county or Baltimore City and the State
12 Administrative Board of Election Laws if the committee supported or opposed candidates
13 filing their certificates of candidacy with both the local board and the State
14 Administrative Board of Election Laws; and

15 (6) The local board and the State Administrative Board of Election Laws if
16 the committee has promoted the success or defeat of a local principle or local proposition
17 submitted to a vote at an election in that county or Baltimore City and has promoted the
18 success or defeat of a political party, statewide principle, statewide proposition, or other
19 principle or proposition submitted to a vote at an election in more than one county or
20 Baltimore City.

21 (f) Each candidate, the treasurer of each candidate, and the chairman and
22 treasurer of each committee shall be notified by the elections board with which that
23 person files reports under this section, by first-class mail and no more than 20 nor less
24 than 10 days prior to the applicable filing date UNDER SUBSECTION (A) OF THIS
25 SECTION, of each report that person is required to file. The notice shall include the filing
26 date, the place for filing, the penalty for failure to file a timely report, and the telephone
27 number and business hours of the office where the report is to be filed.

28 (g) Any report shall be considered timely if it is mailed on or before the filing
29 deadline, regardless of when it is actually received, if the United States Postal Service has
30 provided verification of that fact by affixing a mark so indicating on either the envelope or
31 any receipt therefor. Unless a report is mailed, the boards and the State Administrative
32 Board of Election Laws shall provide a receipt for each report received.

33 (h) The provisions of this section shall apply to all committees and treasurers for
34 candidates for public or party office located outside of the geographic boundaries of the
35 State with respect to all expenditures of funds within the State of Maryland.

36 (i) For purposes of this section, the failure to provide all of the information
37 required by the forms prescribed in accordance with § 26-12 of this article, to the extent
38 applicable, is a failure to file.

39 (j) Within ten days after the deadline for the filing of any report which is required
40 to be filed with the State Administrative Board of Election Laws, the Board shall compile
41 a list of every candidate or committee which failed to file the report and shall distribute
42 the list to the appropriate local election boards. Within ten days after the deadline for the
43 filing of any report which is required to be filed with a local election board, the local

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1 board shall compile a list of every candidate or committee which failed to file the report
2 and shall send the list to the State Administrative Board of Election Laws.

3 (k) The provisions of this section are not applicable to a candidate or candidates
4 for election or elected to a public office of the United States. This candidate or
5 candidates shall file all reports and statements according to federal laws or regulations.

6 (l) (1) A candidate and treasurer designated by that candidate, the chairman
7 and treasurer of a candidate's committee, or a slate of candidates, who are required to
8 file reports or statements under subsection (a), (A-1), (d)(1), or (e)(3) of this section with
9 the State Administrative Board of Election Laws, shall also file a single copy of all
10 reports, statements, and affidavits required under this section with the local election
11 board of the county or Baltimore City where the candidate resides. The report to the local
12 election board shall be filed according to the schedule set forth in subsections (a) and (d)
13 of this section and shall not be subject to the requirements relating to the assessment of
14 a late filing fee provided under § 26-13 of this article.

15 (2) This subsection does not apply to candidates for the offices of Governor,
16 Lieutenant Governor, Comptroller, Attorney General, or judge of an appellate court.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 1997.