
By: **Delegate Pitkin**

Introduced and read first time: February 13, 1998

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Election Laws - Continuing Political Committees - Time Limit for**
3 **Disposition of Surplus Campaign Funds**

4 FOR the purpose of providing that certain persons who are not officeholders or
5 candidates for office shall dispose of certain surplus campaign funds within a
6 certain period following an election, the conclusion of the person's term in office,
7 or the extinguishment of certain campaign debts; providing for a delayed
8 effective date; and generally relating to the disposition of certain surplus
9 campaign funds of the political committees of certain former officeholders and
10 candidates.

11 BY repealing and reenacting, without amendments,
12 Article 33 - Election Code
13 Section 13-206(d) and 13-401(a)
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 1997 Supplement)
16 (As enacted by Chapter _____ (S.B. 118/H.B. 127) of the Acts of the General
17 Assembly of 1998)

18 BY adding to
19 Article 33 - Election Code
20 Section 13-401(a-1)
21 Annotated Code of Maryland
22 (1997 Replacement Volume and 1997 Supplement)
23 (As enacted by Chapter _____ (S.B. 118/H.B. 127) of the Acts of the General
24 Assembly of 1998)

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

1

Article 33 - Election Code

2 13-206.

3 (d) Prior to the time of filing the final report required by § 13-401 of this title,
4 any surplus funds remaining after payment of all campaign expenditures shall be:

5 (1) Returned, pro rata, to the contributors by the treasurer;

6 (2) Paid to the State central committee of the party of which the
7 candidate is a member or for which the political committee is acting;

8 (3) Paid to a central committee of the party of which the candidate is a
9 member or for which the political committee is acting so long as the central committee
10 is located in a county in which the candidate resides or seeks to represent;

11 (4) Paid to the local board of education or to a recognized nonprofit
12 organization providing services or funds for the benefit of pupils or teachers;

13 (5) Paid to a charitable organization registered or exempt from
14 registration under the Maryland Charitable Solicitations Act; or

15 (6) Paid to any public or private institution of higher education in this
16 State that possesses a certificate of approval from the Maryland Higher Education
17 Commission, to be used by that institution to award scholarships, grants, or loans to
18 students attending the institution.

19 13-401.

20 (a) A candidate for nomination or election to public or party office, including
21 write-in candidates, and the treasurer designated by that candidate shall file the
22 report or statement of contributions and expenditures as prescribed in accordance
23 with § 13-402 of this subtitle with the board at which the candidate filed his
24 certificate of candidacy. All reports or statements of contributions and expenditures
25 shall be filed in duplicate except those filed with the State Board. Election reports as
26 specified below are required by all candidates for public or party office whether or not
27 the candidate's name appears on the primary ballot, or the candidate withdraws
28 subsequent to filing his certificate of candidacy, or the candidate is unsuccessful in
29 the election. Each report filed shall contain all contributions received and
30 expenditures made in furtherance of the candidate's nomination or election by the
31 candidate himself or, with the knowledge of the candidate, by any other person or
32 groups of persons, which shall be complete, except as otherwise provided in this
33 section through and including the seventh day immediately preceding the day by
34 which that report is to be filed. The initial report filed shall contain all contributions
35 so received and expenditures so made since the date of the last preceding election to
36 fill the office for which he is a candidate. Each subsequent report shall contain all
37 contributions so received and expenditures so made since the end of the period for
38 which the last preceding report is filed. Even if no contributions or expenditures have
39 been made since the end of the period for which the last preceding report was filed, a
40 statement to that effect must be filed on the forms prescribed pursuant to § 13-402 of

1 this subtitle under the circumstances and at the times specified in this section. The
2 initial and subsequent reports shall be consecutively filed as follows:

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

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

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

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

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

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

19 (7) If a cash balance or outstanding debts or deficits were reflected on
20 the last preceding report, but have all been eliminated by the date on which the next
21 report is due, then a report clearly marked as "final" shall be filed on or before such
22 date showing all transactions since the last report; and

23 (8) If a candidate does not intend to receive contributions or make
24 expenditures of \$1,000 or more, exclusive of his filing fee, he and his treasurer may
25 jointly execute an affidavit to that effect on a form prescribed by the State Board. If
26 he does not in fact receive contributions or make expenditures of \$1,000 or more, no
27 further reports need be filed pursuant to this section. The affidavit shall be filed not
28 later than the date by which the first report is due. If at any time the cumulative
29 contributions to or expenditures by a candidate who has filed such an affidavit equal
30 or exceed \$1,000, he and his treasurer shall thereafter file all reports required by this
31 section and failure to do so constitutes a failure to file and the commission of a
32 misdemeanor subject to the penalties prescribed in § 13-603 of this title.

33 (A-1) (1) THIS SUBSECTION APPLIES TO AN INDIVIDUAL WHO:

34 (I) IS NOT AN OFFICEHOLDER OR A CANDIDATE FOR ELECTION TO
35 PUBLIC OR PARTY OFFICE, AND EACH POLITICAL COMMITTEE AFFILIATED WITH
36 THAT INDIVIDUAL; AND

37 (II) AFTER PAYMENT OF ALL OUTSTANDING DEBTS OR DEFICITS IN
38 CONNECTION WITH AN ELECTION CAMPAIGN, HAS A BALANCE OF SURPLUS FUNDS
39 IN A CAMPAIGN ACCOUNT.

1 (2) AN INDIVIDUAL DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION
2 SHALL FILE A FINAL REPORT UNDER THIS SECTION TO CLOSE OUT THE CAMPAIGN
3 ACCOUNTS OF THE INDIVIDUAL, AND EACH POLITICAL COMMITTEE AFFILIATED
4 WITH THE INDIVIDUAL, BY THE EXPIRATION OF THE FOURTH YEAR FOLLOWING THE
5 LATTER OF:

6 (I) THE END OF THE INDIVIDUAL'S MOST RECENT TERM OF
7 OFFICE;

8 (II) THE DATE OF THE ELECTION IN WHICH THE INDIVIDUAL WAS A
9 CANDIDATE; OR

10 (III) 30 DAYS AFTER THE EXTINGUISHMENT OF EVERY DEBT OR THE
11 DEFICIT INCURRED IN CONNECTION WITH THE CAMPAIGN THAT IS PAYABLE FROM
12 THE ACCOUNT.

13 (3) PRIOR TO FILING THE FINAL CAMPAIGN REPORT REQUIRED UNDER
14 PARAGRAPH (1) OF THIS SUBSECTION, A PERSON SUBJECT TO PARAGRAPH (1) OF THIS
15 SUBSECTION SHALL DISPOSE OF ANY FUNDS IN ACCORDANCE WITH § 13-206(D) OF
16 THIS TITLE.

17 SECTION 2. AND BE IT FURTHER ENACTED, That, with regard to the
18 disposition of carryover funds from the 4-year election cycle that ends on December
19 31, 1998 which are, on the effective date of this Act, in the possession of a committee
20 that continues in existence from year to year that becomes subject to this Act on
21 January 1, 1999, the committee shall comply with the requirements of this Act by
22 December 31, 1999.

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 January 1, 1999.