

BY: Commerce and Government Matters Committee

AMENDMENTS TO HOUSE BILL NO. 383

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “State Officeholders -”; in the same line, strike “Requirement” and substitute “Requirements”; strike line 3 in its entirety; strike beginning with “requiring” in line 4 down through “Act;” in line 11 and substitute “altering the filing deadlines for certain campaign finance reports; eliminating the requirement that certain political committees must file certain campaign finance reports;”; in line 12, after “of” insert “certain provisions of”; in the same line, after the semicolon insert “providing for the termination of certain provisions of this Act;”; strike beginning with “the” in line 12 down through “session” in line 14 and substitute “campaign finance reporting requirements”; after line 14, insert:

“BY repealing and reenacting, with amendments,

Article 33 - Election Code

Section 13-401

Annotated Code of Maryland

(1997 Replacement Volume and 2001 Supplement)”;

and in line 17, strike “13-307” and substitute “13-305 and 13-309”.

AMENDMENT NO. 2

On pages 1 and 2, strike in their entirety the lines beginning with line 23 on page 1 through line 22 on page 2, inclusive, and substitute:

“Article 33 - Election Code

13-401.

(a) A candidate for nomination or election to public or party office, including write-in

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candidates, and the treasurer designated by that candidate shall file the report or statement of contributions and expenditures as prescribed in accordance with § 13-402 of this subtitle with the board at which the candidate filed his certificate of candidacy. All reports or statements of contributions and expenditures shall be filed in duplicate except those filed with the State Board. Election reports as specified below are required by all candidates for public or party office whether or not the candidate's name appears on the primary ballot, or the candidate withdraws subsequent to filing his certificate of candidacy, or the candidate is unsuccessful in the election. Each report filed shall contain all contributions received and expenditures made in furtherance of the candidate's nomination or election by the candidate himself or, with the knowledge of the candidate, by any other person or groups of persons, which shall be complete, except as otherwise provided in this section through and including the seventh day immediately preceding the day by which that report is to be filed. The initial report filed shall contain all contributions so received and expenditures so made since the date of the last preceding election to fill the office for which he is a candidate. Each subsequent report shall contain all contributions so received and expenditures so made since the end of the period for which the last preceding report is filed. Even if no contributions or expenditures have been made since the end of the period for which the last preceding report was filed, a statement to that effect must be filed on the forms prescribed pursuant to § 13-402 of this subtitle under the circumstances and at the times specified in this section. The initial and subsequent reports shall be consecutively filed as follows:

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

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

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

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

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

year after the general election; and

[(6)] (6) If a cash balance exists or if any unpaid bills or deficits remain to be paid as of the end of the period for which the report or statement in [paragraph (5)] PARAGRAPH (3) of this subsection or any subsequent report or statement is filed, annually on [the anniversary of the general election] THE THIRD WEDNESDAY IN JANUARY until no cash balance, unpaid bill, or deficit remains; and

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

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

(a-1) (1) This subsection applies to an individual who:

(i) Is not an officeholder or a candidate for election to public or party office, and each political committee affiliated with that individual; and

(ii) After payment of all outstanding debts or deficits in connection with an election campaign, has a balance of surplus funds in a campaign account.

(2) An individual described in paragraph (1) of this subsection shall file a final report under this section to close out the campaign accounts of the individual, and each political committee affiliated with the individual, by the expiration of the eighth year following the latter of:

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- (i) The end of the individual's most recent term of office;
- (ii) The date of the election in which the individual last was a candidate; or
- (iii) The extinguishment of every debt or the deficit incurred in connection with the campaign that is payable from the account.

(3) Prior to filing the final campaign report required under paragraph (1) of this subsection, a person subject to paragraph (1) of this subsection shall dispose of any funds in accordance with § 13-206(d) of this title.

(a-2) (1) Notwithstanding subsection (a-1) of this section, the State Board may close a campaign account upon a determination that good cause exists and that:

(i) An officer affiliated with the campaign account would be able to close the campaign account except for outstanding obligations that are more than 5 years old;

(ii) There are no current officers appointed and serving in connection with the campaign account; or

(iii) Other extenuating circumstances exist to justify closing the account.

(2) The closing of a campaign account by action of the State Board does not limit the right of:

(i) The State Board or the State Prosecutor to pursue enforcement action against former officers or the candidate affiliated with the campaign account; or

(ii) A creditor to bring an action against a former officer or the candidate affiliated with the campaign account.

(b) (1) Except as provided in paragraph (2) of this subsection, the candidate and treasurer, or, in the case of a political committee, the chairman and treasurer, of an entity subject to

the reporting requirements of this section and which is not designated as a continuing committee, as that term is defined by the State Board, also shall file an annual report of contributions and expenditures at the place designated under this section on [November 8] THE THIRD WEDNESDAY IN JANUARY of each year.

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

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

(d) (1) The chairman and the treasurer of any central committee and the chairman and the treasurer of any political committee which continues in existence from year to year, excluding the chairmen and treasurers of political clubs, shall file the report or statement of contributions and expenditures as prescribed in accordance with § 13-402 of this subtitle with the State Board at each of the times and for the respective periods specified in subsection (a)(1), (2), and (3) of this section [and, in a year in which a general election is not held, on the anniversary of the date of the last general election] ON THE THIRD WEDNESDAY IN JANUARY OF EACH YEAR THE COMMITTEE IS IN EXISTENCE.

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

(ii) [A political committee which continues in existence from year to year that files an affidavit under this paragraph shall also file an annual report on the anniversary date of the last general election giving a statement of all contributions received and expenditures made since the end of the period for which the last preceding report is filed, as prescribed in § 13-402 of this subtitle, with the State Board.

(iii)] If, subsequent to the filing of the affidavit provided in this paragraph, a political committee which continues in existence from year to year receives contributions or makes expenditures in connection with the election for which it filed the affidavit, the committee shall notify the State Board in writing within 14 days after the receipt of the contributions or the making of the expenditures that the committee has resumed receiving contributions or making expenditures, and thereafter shall file all scheduled reports on the dates specified in subsection (a) of this section. If the committee fails to file the notice required by this subparagraph, or thereafter fails to file the scheduled reports on the dates specified in subsection (a) of this section, the candidate and the treasurer of the committee are subject to the penalties prescribed in §§ 13-402 and 13-403 of this subtitle.

[(iv)] (III) The State Administrator shall establish by regulations the form of the affidavit to be filed under this paragraph.

(e) The chairmen and the treasurers of all other committees shall file the report or statement of contributions and expenditures, as prescribed in accordance with § 13-402 of this subtitle, at each of the times and for the respective periods specified in subsection (a) of this section. Each report, filed in accordance with paragraphs (1) and (2) of this subsection, shall be filed in duplicate. This report or statement shall be filed with:

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

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

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

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

(5) The local board of the county or Baltimore City and the State Board if the committee supported or opposed candidates filing their certificates of candidacy with both the local board and the State Board; and

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

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

(g) (1) Any report received after the filing deadline shall be considered timely:

(i) Regardless of when it is received, if a United States Postal Service postmark or receipt verifies that the report was mailed on or before the filing deadline; or

(ii) If it is received by the State Board or the appropriate local board within 3 days after the filing deadline and a private postal meter postmark or receipt by a private carrier verifies that the report was mailed or delivered to the private carrier on or before the filing deadline.

(2) Unless a report is mailed, the boards and the State Board shall provide a receipt for each report received.

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

(i) For purposes of this section, the failure to provide all of the information required by

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the forms prescribed in accordance with § 13-402 of this subtitle, to the extent applicable, is a failure to file.

(j) Within 10 days after the deadline for the filing of any report which is required to be filed with the State Board, the State Board shall compile a list of every candidate or committee which failed to file the report and shall distribute the list to the appropriate local election boards. Within 10 days after the deadline for the filing of any report which is required to be filed with a local election board, the local board shall compile a list of every candidate or committee which failed to file the report and shall send the list to the State Board.

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

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Election Law

13-305.

(a) (1) Subject to paragraph (2) of this subsection, a campaign finance entity that is a personal treasurer is not required to file the campaign finance reports prescribed by § 13-304 of this subtitle if the responsible officers file an affidavit:

(i) on or before the day when the first campaign finance report is due; and

(ii) stating that the personal treasurer account does not intend either to raise contributions in the cumulative amount of \$1,000 or more or, exclusive of the filing fee, make expenditures in the cumulative amount of \$1,000 or more.

(2) If the personal treasurer account receives cumulative contributions of \$1,000 or more or makes cumulative expenditures of \$1,000 or more, the personal treasurer account shall file all subsequent campaign finance reports prescribed by this subtitle.

(3) A violation of paragraph (2) of this subsection constitutes a failure to file by the campaign finance entity, and the responsible officers are guilty of a misdemeanor and on conviction are subject to the penalties prescribed under Part VII of this title.

(b) (1) Subject to paragraph (2) of this subsection, in an election year a continuing political committee is not required to file the campaign finance reports prescribed by § 13-304 of this subtitle if the responsible officers file an affidavit:

(i) on or before the day when the first campaign finance report is due; and

(ii) stating that the continuing political committee, with respect to each election to be held in that year:

1. has not received contributions or made expenditures since the closing date of its last campaign finance report; and

2. does not intend to receive contributions or make expenditures.

(2) [The continuing political committee shall file the campaign finance report required under § 13-309(a)(3) of this subtitle.

(3) If the continuing political committee receives contributions or makes expenditures in connection with an election in that year, the continuing political committee shall:

(i) notify the State Board in writing within 14 days; and

(ii) file all subsequent campaign finance reports prescribed by this subtitle.

[(4)] (3) A violation of [paragraph (3)] PARAGRAPH (2) of this subsection is a failure to file by the campaign finance entity, and the responsible officers are guilty of a misdemeanor and on conviction are subject to the penalties prescribed under Part VII of this subtitle. 13-309.

(a) Subject to other provisions of this subtitle, a campaign finance entity shall file campaign finance reports as follows:

(1) except for a ballot issue committee, on or before the fourth Tuesday immediately preceding a primary election;

(2) except for a ballot issue committee, on or before the second Friday immediately preceding an election; and

(3) on or before the third Tuesday after a general election.

(b) (1) This subsection does not apply to a continuing political committee.

(2) A campaign finance entity is subject to subsection (a) of this section and this subsection only as to the election for which the entity was formed.

(3) In addition to the campaign finance reports required under subsection (a) of this section, but subject to paragraph (4) of this subsection, a campaign finance entity shall file campaign finance reports [as follows:

(i) on or before the day that is 6 months after the general election;

(ii) on or before the day that is 1 year after the general election; and

(iii) annually on the Tuesday after the first Monday in November] ON THE THIRD WEDNESDAY IN JANUARY.

(4) If a campaign finance entity has neither a cash balance nor an outstanding obligation at the end of a reporting period, a campaign finance report for that period, clearly marked as “final”, shall be filed on or before the due date, and no further report is required.

(c) In addition to the campaign reports required under subsection (a) of this section, a continuing political committee, in a year without a statewide general election, shall file a campaign

finance report on [or before the Tuesday after the first Monday in November] THE THIRD WEDNESDAY IN JANUARY OF EACH YEAR THE COMMITTEE IS IN EXISTENCE.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect on the taking effect of Chapter ____ (S.B. 1) of the Acts of the General Assembly of 2002. If Section 2 of this Act takes effect, Section 1 of this Act shall be abrogated and of no further force and effect.”.

AMENDMENT NO. 3

On page 2, in line 23, strike “3.” and substitute “4.”; and in line 24, strike “January 1, 2003” and substitute “October 1, 2002”.