

SENATE BILL 721

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2002 Regular Session
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By: ~~Senator Collins~~ **Senators Collins, Roesser, Blount, Hollinger, Conway,
Dyson, Harris, Mooney, Schrader, and Stone**

Introduced and read first time: February 1, 2002
Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments
Senate action: Adopted with floor amendments
Read second time: March 8, 2002

CHAPTER _____

1 AN ACT concerning

2 **Elections - Reporting Requirements**

3 FOR the purpose of altering the filing deadlines for certain campaign finance reports;
4 eliminating the requirement that certain political committees must file certain
5 campaign finance reports; providing for the effective date of certain provisions of
6 this Act; providing for the termination of certain provisions of this Act; and
7 generally relating to campaign finance reporting requirements.

8 BY repealing and reenacting, with amendments,
9 Article 33 - Election Code
10 Section 13-401
11 Annotated Code of Maryland
12 (1997 Replacement Volume and 2001 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article - Election Law
15 Section 13-305 and 13-309
16 Annotated Code of Maryland
17 (As enacted by Chapter ____ (S.B. 1) of the Acts of the General Assembly of 2002)

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

1

Article 33 - Election Code

2 13-401.

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 shall file the
5 report or statement of contributions and expenditures as prescribed in accordance
6 with § 13-402 of this subtitle with the board at which the candidate filed his
7 certificate of candidacy. All reports or statements of contributions and expenditures
8 shall be filed in duplicate except those filed with the State Board. Election reports as
9 specified below are required by all candidates for public or party office whether or not
10 the candidate's name appears on the primary ballot, or the candidate withdraws
11 subsequent to filing his certificate of candidacy, or the candidate is unsuccessful in
12 the election. Each report filed shall contain all contributions received and
13 expenditures made in furtherance of the candidate's nomination or election by the
14 candidate himself or, with the knowledge of the candidate, by any other person or
15 groups of persons, which shall be complete, except as otherwise provided in this
16 section through and including the seventh day immediately preceding the day by
17 which that report is to be filed. The initial report filed shall contain all contributions
18 so received and expenditures so made since the date of the last preceding election to
19 fill the office for which he is a candidate. Each subsequent report shall contain all
20 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 § 13-402 of
24 this subtitle under the circumstances and at the times specified in this section. The
25 initial and 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
32 paid as of the end of the period for which the report or statement in paragraph (3) of
33 this 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
35 paid as of the end of the period for which the report or statement in paragraph (4) of
36 this 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
38 paid as of the end of the period for which the report or statement in [paragraph (5)]
39 PARAGRAPH (3) of this subsection or any subsequent report or statement is filed,
40 annually on [the anniversary of the general election] THE THIRD WEDNESDAY IN
41 JANUARY until no cash balance, unpaid bill, or deficit remains; and

1 [(7)] (5) If a cash balance or outstanding debts or deficits were reflected
2 on the last preceding report, but have all been eliminated by the date on which the
3 next report is due, then a report clearly marked as "final" shall be filed on or before
4 such date showing all transactions since the last report; and

5 [(8)] (6) If a candidate does not intend to receive contributions or make
6 expenditures of \$1,000 or more, exclusive of his filing fee, he and his treasurer may
7 jointly execute an affidavit to that effect on a form prescribed by the State Board. If
8 he does not in fact receive contributions or make expenditures of \$1,000 or more, no
9 further reports need be filed pursuant to this section. The affidavit shall be filed not
10 later than the date by which the first report is due. If at any time the cumulative
11 contributions to or expenditures by a candidate who has filed such an affidavit equal
12 or exceed \$1,000, he and his treasurer shall thereafter file all reports required by this
13 section and failure to do so constitutes a failure to file and the commission of a
14 misdemeanor subject to the penalties prescribed in § 13-603 of this title.

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

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

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

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

24 (i) The end of the individual's most recent term of office;

25 (ii) The date of the election in which the individual last was a
26 candidate; or

27 (iii) The extinguishment of every debt or the deficit incurred in
28 connection with the campaign that is payable from the account.

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

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

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

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

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

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

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

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

10 (b) (1) Except as provided in paragraph (2) of this subsection, the candidate
11 and treasurer, or, in the case of a political committee, the chairman and treasurer, of
12 an entity subject to the reporting requirements of this section and which is not
13 designated as a continuing committee, as that term is defined by the State Board,
14 also shall file an annual report of contributions and expenditures at the place
15 designated under this section on [November 8] THE THIRD WEDNESDAY IN JANUARY
16 of each year.

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

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

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

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

39 (ii) [A political committee which continues in existence from year
40 to year that files an affidavit under this paragraph shall also file an annual report on
41 the anniversary date of the last general election giving a statement of all

1 contributions received and expenditures made since the end of the period for which
2 the last preceding report is filed, as prescribed in § 13-402 of this subtitle, with the
3 State Board.

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

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

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

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

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

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

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

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

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

1 proposition submitted to a vote at an election in more than one county or Baltimore
2 City.

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

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

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

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

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

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

24 (i) For purposes of this section, the failure to provide all of the information
25 required by the forms prescribed in accordance with § 13-402 of this subtitle, to the
26 extent applicable, is a failure to file.

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

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

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

Article - Election Law

1 13-305.

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

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

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

10 (2) If the personal treasurer account receives cumulative contributions of
11 \$1,000 or more or makes cumulative expenditures of \$1,000 or more, the personal
12 treasurer account shall file all subsequent campaign finance reports prescribed by
13 this subtitle.

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

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

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

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

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

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

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

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

34 (i) notify the State Board in writing within 14 days; and
35

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

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

7 13-309.

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

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

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

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

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

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

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

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

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

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

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

29 (c) In addition to the campaign reports required under subsection (a) of this
30 section, a continuing political committee[, in a year without a statewide general
31 election,] shall file a campaign finance report on [or before the Tuesday after the
32 first Monday in November] THE THIRD WEDNESDAY IN JANUARY OF EACH YEAR THE
33 COMMITTEE IS IN EXISTENCE.

34 SECTION 3. AND BE IT FURTHER ENACTED, That Section ~~4~~ 2 of this Act
35 shall take effect ~~October 1, 2002~~ on the taking effect of Chapter _____ (S.B. 1) of the
36 Acts of the General Assembly of 2002. It shall remain effective until the taking effect

1 ~~of Section 2 of this Act.~~ If Section 2 of this Act takes effect, Section 1 of this Act shall
2 be abrogated and of no further force and effect.

3 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions
4 of Section 3 of this Act, this Act shall take effect ~~January 1, 2003~~ October 1, 2002.