
By: **Chair, Education, Health, and Environmental Affairs Committee (By
Request - Departmental - Elections, State Board of)**

Introduced and read first time: January 16, 2006

Rules suspended

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable

Senate action: Adopted

Read second time: February 14, 2006

CHAPTER _____

1 AN ACT concerning

2 **Campaign Finance Entities - Organization and Reporting**

3 FOR the purpose of altering the types of campaign finance entities that certain
4 individuals may establish; abolishing the personal treasurer as a type of
5 campaign finance entity and repealing certain related provisions; requiring a
6 political committee to specify, when it is established, the elections in which it
7 will participate; repealing certain provisions relating to continuing political
8 committees; establishing penalties for a campaign finance entity that
9 participates in an election for which it did not declare its intent to participate;
10 altering the location at which certain campaign finance entities are required to
11 file certain campaign finance reports; repealing the requirement that certain
12 fees be paid to a local board of elections; providing for the disposition of late fees;
13 and generally relating to the organization and reporting of campaign finance
14 entities.

15 BY repealing and reenacting, with amendments,
16 Article - Election Law
17 Section 1-101(h) and (mm), 13-202, 13-208, 13-305, 13-309, 13-316, and
18 13-340
19 Annotated Code of Maryland
20 (2003 Volume and 2005 Supplement)

21 BY repealing
22 Article - Election Law
23 Section 13-206

1 Annotated Code of Maryland
2 (2003 Volume and 2005 Supplement)

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

5 **Article - Election Law**

6 1-101.

7 (h) "Campaign finance entity" means[:

8 (1) a personal treasurer established under Title 13 of this article; or

9 (2)] a political committee established under Title 13 of this article.

10 (mm) "Responsible officers" means[:

11 (1) with respect to a personal treasurer, the candidate and treasurer; and

12 (2) with respect to a political committee,) the chairman and treasurer OF
13 A POLITICAL COMMITTEE.

14 13-202.

15 (a) Unless otherwise expressly authorized by law, all campaign finance
16 activity for an election under this article shall be conducted through a campaign
17 finance entity.

18 (b) [(1) Subject to paragraph (2) of this subsection, an] AN individual may
19 not file a certificate of candidacy until the individual establishes, or causes to be
20 established, [a campaign finance entity] AN AUTHORIZED POLITICAL COMMITTEE.

21 [(2) The campaign finance entity required by paragraph (1) of this
22 subsection may be either:

23 (i) a personal treasurer; or

24 (ii) a political committee that is an authorized candidate campaign
25 committee.]

26 [13-206.

27 (a) This section applies only to a candidate who elects to use a personal
28 treasurer to conduct campaign finance activity.

29 (b) A candidate may not receive or disburse money or any other thing of value
30 through a personal treasurer unless the candidate establishes a personal treasurer in
31 accordance with the requirements of this section.

32 (c) To establish a personal treasurer, an individual shall:

1 (1) appoint a treasurer on a form that the State Board prescribes and
2 that includes the treasurer's name and address; and

3 (2) subject to subsection (d) of this section, file the form with the board
4 where the individual is required to file a certificate of candidacy.

5 (d) An individual may not file a form appointing a treasurer, and the
6 appointee may not act as treasurer, until:

7 (1) the appointee accepts the appointment in writing on a form that the
8 State Board prescribes; and

9 (2) the acceptance form is filed with the board where the individual is
10 required to file a certificate of candidacy.

11 (e) (1) A treasurer may resign by completing a resignation form that the
12 State Board prescribes and filing the form with the board where the personal
13 treasurer was established.

14 (2) If a vacancy occurs in the office of treasurer, the candidate promptly
15 shall appoint a new treasurer in accordance with this section.]

16 13-208.

17 (a) This section applies to a political committee other than a political club.

18 (b) A political committee shall provide, with the filing required by § 13-207(c)
19 of this subtitle, a statement of organization that includes its name and a statement of
20 purpose.

21 (c) The statement of purpose shall specify:

22 (1) each candidate or ballot question, if any, that the political committee
23 was formed to promote or defeat; [and]

24 (2) the identity of each special interest, including any business or
25 occupation, that the organizers of or contributors to the political committee have in
26 common; AND

27 (3) **WHETHER THE POLITICAL COMMITTEE WILL PARTICIPATE IN**
28 **PRESIDENTIAL, GUBERNATORIAL, BALTIMORE CITY, OR MULTIPLE ELECTIONS.**

29 (d) (1) A political committee may not use a name that is intended or
30 operates to deceive people as to the political committee's true nature or character.

31 (2) A political committee established by and for a single candidate shall
32 disclose within the political committee's name the name of the candidate.

33 (3) A political committee sponsored by or affiliated with another entity or
34 group shall identify within the political committee's name the other entity or group.

1 (e) A change in the information reported under this section shall be disclosed
2 in the campaign finance report next filed by the political committee.

3 13-305.

4 (a) [(1)] Subject to [paragraph (2) of this] subsection (B) OF THIS SECTION, a
5 [campaign finance entity that is a personal treasurer] CANDIDATE'S AUTHORIZED
6 POLITICAL COMMITTEE is not required to file the campaign finance reports
7 prescribed by § 13-304 of this subtitle if the responsible officers file an affidavit:

8 [(i)] (1) on or before the day when the first campaign finance
9 report is due; and

10 [(ii)] (2) stating that the [personal treasurer] CAMPAIGN FINANCE
11 ENTITY does not intend either to raise contributions in the cumulative amount of
12 \$1,000 or more or, exclusive of the filing fee, make expenditures in the cumulative
13 amount of \$1,000 or more.

14 [(2)] (B) If the [personal treasurer] CAMPAIGN FINANCE ENTITY
15 receives cumulative contributions of \$1,000 or more or makes cumulative
16 expenditures of \$1,000 or more, the [personal treasurer] CAMPAIGN FINANCE
17 ENTITY shall file all subsequent campaign finance reports prescribed by this subtitle.

18 [(3)] (C) A violation of [paragraph (2) of this] subsection (B) OF THIS
19 SECTION constitutes a failure to file by the campaign finance entity, and the
20 responsible officers are guilty of a misdemeanor and on conviction are subject to the
21 penalties prescribed under Part VII of this title.

22 [(b)] (1) Subject to paragraph (2) of this subsection, in an election year a
23 continuing political committee is not required to file the campaign finance reports
24 required under § 13-309(a) of this subtitle if the responsible officers file an affidavit:

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

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

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

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

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

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

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

3 (3) A violation of paragraph (2) of this subsection is a failure to file by the
4 campaign finance entity, and the responsible officers are guilty of a misdemeanor and
5 on conviction are subject to the penalties prescribed under Part VII of this subtitle.]
6 13-309.

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

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

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

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

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

15 (2)] A campaign finance entity is subject to subsection (a) of this section
16 and this subsection only as to the election [for] IN which the entity [was formed]
17 DESIGNATES THAT IT WILL PARTICIPATE.

18 [(3)] (2) 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 on the third Wednesday
21 in January.

22 (3) (I) IF SUBSEQUENT TO THE FILING OF ITS DECLARATION UNDER §
23 13-208(C)(3) OF THIS TITLE, A CAMPAIGN FINANCE ENTITY PARTICIPATES IN AN
24 ELECTION IN WHICH IT WAS NOT DESIGNATED TO PARTICIPATE, THE CAMPAIGN
25 FINANCE ENTITY SHALL FILE ALL CAMPAIGN REPORTS PRESCRIBED UNDER
26 SUBSECTION (A) OF THIS SECTION FOR THAT ELECTION.

27 (II) A VIOLATION OF SUBPARAGRAPH (I) OF THIS PARAGRAPH
28 CONSTITUTES A FAILURE TO FILE BY THE CAMPAIGN FINANCE ENTITY, AND THE
29 RESPONSIBLE OFFICER IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS
30 SUBJECT TO THE PENALTIES PRESCRIBED UNDER PART VII OF THIS SUBTITLE.

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

35 (c) In addition to the campaign reports required under subsection (a) of this
36 section, a continuing political committee shall file a campaign finance report on the
37 third Wednesday in January of each year the committee is in existence.

1 13-316.

2 A campaign finance report required by § 13-304 of this subtitle shall be filed
3 with [one or more boards, as follows:

4 (1) for a personal treasurer, with the board where the certificate of
5 candidacy of the candidate is filed;

6 (2) for a continuing political committee, with the State Board; and

7 (3) for each political committee other than a continuing political
8 committee, with:

9 (i) the State Board, if the political committee has supported or
10 opposed a candidate whose certificate of candidacy is filed with the State Board;

11 (ii) the State Board, if the political committee has promoted the
12 success or defeat of a political party or any question to be submitted to a vote at an
13 election in all or part of more than one county;

14 (iii) the local board of a county, if the political committee has
15 supported or opposed a candidate whose certificate of candidacy is filed with that
16 board; and

17 (iv) the local board of a county, if the political committee has
18 promoted the success or defeat of a question to be submitted to a vote at an election
19 only in that county] THE STATE BOARD.

20 13-340.

21 [(a) All late filing fees shall be treated as a special fund and distributed as
22 provided in this section.

23 (b) (1) Fees relating to campaign finance reports [required to be filed with
24 the State Board] shall be paid to the State Board and be applied to pay the expenses
25 of collection and of any audits of campaign finance reports performed BY OR at the
26 direction of the State Administrator.

27 [(2) At the end of each fiscal year, any balance shall be transferred to the
28 General Fund of the State.

29 (c) Fees relating to campaign finance reports required to be filed only with a
30 local board shall be paid to the local board for transfer to the county.]

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
32 effect January 1, 2007.

