

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 555
Ways and Means

(Delegate Krebs, *et al.*)

Election Law - Political Committees - Campaign Finance

This bill restricts a political club from engaging in campaign finance activity except through an affiliated political action committee. The bill repeals exceptions for a political club from provisions pertaining to the establishment of a political committee and from campaign finance reporting requirements.

Fiscal Summary

State Effect: None. The bill would not directly affect State operations or finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: “Campaign finance activity” is the collection or expenditure of \$51 or more during any election cycle by the combination of two or more persons, including a collection or expenditure coordinated with a candidate or campaign finance entity, to assist or attempt to assist in promoting the success or defeat of any candidate, political party, or question submitted to a vote at any election.

“Political committee” is redefined as any combination of two or more persons who engage in campaign finance activity.

The definition of “contribution” is expanded to include expenditures by an individual in coordination with or at the request or suggestion of a candidate, campaign finance entity, or agent of a candidate or campaign finance entity.

Current Law: A political committee is a combination of two or more individuals that assists or attempts to assist in promoting the success or defeat of a candidate, political party, or question. All campaign finance activity generally must be conducted through a campaign finance entity (political committee).

A membership entity is defined as an organization that collects dues from its members. A membership entity may establish a program for periodically collecting and accumulating voluntary contributions from its members to an affiliated political action committee if the contributions are collected together with membership dues or contributions to an affiliated political action committee established under federal law.

A political action committee is a political committee that is not a political party, central committee, slate, or political committee organized and operated solely to support or oppose a single candidate or ballot issue.

A political club is exempted from establishment requirements applicable to a political committee that include filing a statement of organization and appointing a chairman and treasurer. A political club is also exempted from campaign finance reporting requirements. A chairman and treasurer are jointly and severally responsible for the filing of campaign finance reports and all other actions of a campaign finance entity.

A campaign finance entity generally must provide a campaign contribution receipt to a person who makes one or more contributions of a cumulative amount of \$51 or more.

Additional Information

Prior Introductions: None.

Cross File: SB 195 (Senator Brochin, *et al.*) – Education, Health, and Environmental Affairs.

Information Source(s): Maryland State Board of Elections, Department of Legislative Services

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ncs/jr

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