

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 296

(Delegates Stifler and Norman)

Ways and Means

Education, Health, and Environmental Affairs

Campaign Finance - Attribution, Receipt, and Deposit of Contributions

This bill specifies that a contribution to a campaign finance entity is attributable to the reporting period and election cycle in which it is received. For purposes of the existing prohibition against specified campaign finance activities during a regular session of the General Assembly, a contribution by electronic transfer or Internet transmission is deemed received and deposited when the contribution is issued by the contributor.

Fiscal Summary

State Effect: The bill would not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A contribution to a campaign finance entity is attributable to the election cycle in which it is received, with the exception of a contribution by check, which is attributable to the election cycle in which it is issued.

With the exception of contributions to ballot issue committees and transfers between campaign finance entities, a person may not make, directly or indirectly, aggregate contributions of more than \$4,000 to any one campaign finance entity or \$10,000 to all campaign finance entities in an election cycle. A person also may not make, directly or indirectly, a contribution of more than \$100 except by check or credit card.

For each election a campaign finance entity has indicated it will participate in on its statement of purpose filed with the State Board of Elections, the campaign finance entity must file campaign finance reports (or, in specified cases, an affidavit of limited contributions/expenditures) at various times prior to and after the primary and general elections. The reports must contain information required by SBE with respect to all contributions received and all expenditures made by or on behalf of the campaign finance entity during a reporting period. Annual reports generally must also be filed on the third Wednesday in January. A campaign finance entity with no cash balance or outstanding obligations at the end of a reporting period may mark a campaign finance report as “final” and not be obligated to file any further reports.

State campaign finance law prohibits specified campaign finance activity by or on behalf of the Governor, Lieutenant Governor, Attorney General, Comptroller, and members of the General Assembly (with the exception of activities solely related to the official’s election to an elective federal or local office for which the official is a filed candidate) including the receipt of a contribution or deposit or use of any contribution of money that was not deposited prior to the session. Violations can be subject to a civil penalty of \$1,000 plus the amount of the contribution, in addition to a requirement that the contribution be refunded.

Background: The bill’s change specifying that a contribution is attributable to the reporting period in which it is received is consistent with current SBE practice. However, under the bill, a contribution by check would be attributed to the election cycle in which it is received, rather than the election cycle in which it is issued, as it is attributed now. An election cycle runs from the January 1 following a gubernatorial election through the December 31 four years later.

The receipt of online contributions by a campaign finance entity may be delayed if the contribution is issued to a third-party online payment service and then deposited to the campaign’s account. For purposes of the prohibition against specified campaign finance activities during a regular session of the General Assembly, the bill would allow an online contribution to be retained by the entity, even if actually received after the start of the session, if the contribution had been issued before the session had started.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 21, 2008
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