

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1395

(Chair, Ways and Means Committee)(By Request -
Departmental - Elections, State Board of)

Ways and Means

Education, Health, and Environmental Affairs

Campaign Finance - Reports and Affidavits - Failure to File

This departmental bill makes a campaign finance entity that fails to file an affidavit of limited contributions and expenditures in lieu of a campaign finance report subject to existing sanctions for a failure to file a campaign finance report.

Fiscal Summary

State Effect: None. Costs to change campaign finance report electronic filing software are minimal and can be handled with existing resources.

Local Effect: None.

Small Business Effect: The State Board of Elections (SBE) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: For each election that a campaign finance entity has indicated it will participate in on its statement of purpose filed with SBE, the campaign finance entity generally must file campaign finance reports 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.

A campaign finance entity that has not raised or spent a cumulative amount of \$1,000 or more since the establishment of the campaign finance entity, or since the filing of its last campaign finance report, may file an affidavit stating as much in place of a report. The affidavit must be filed on or before the date a campaign finance report is due.

A campaign finance entity that fails to file a required campaign finance report is subject to specified sanctions, including late filing fees. The fee is \$10 for each day or part of a day, excluding weekend days and holidays, that a report is overdue. An additional fee of \$10 is due for each of the first six days, excluding weekend days and holidays, that a pre-election campaign finance report is overdue. The maximum fee payable for a single report is \$250. A late filing fee is the joint and several liability of the responsible officers (the chairman and treasurer) and may not be paid, directly or indirectly, by the campaign finance entity.

Background: SBE indicates that campaign finance entities currently have to file a campaign finance report if the filing deadline is missed and may not file an affidavit late. The bill would allow campaign finance entities to use this easier option, subject to late filing fees, if they have limited contributions and expenditures since the establishment of the campaign finance entity or the filing of the campaign finance entity’s last report.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 16, 2009
ncs/hlb Revised - House Third Reader - April 7, 2009

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Election Law – Campaign Finance – Campaign Finance Violations

BILL NUMBER: HB 1395

PREPARED BY: Maryland State Board of Elections

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.