

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 758 (Senators Kittleman and Raskin)
Education, Health, and Environmental Affairs

**Campaign Finance Entities - Slates - Membership and Campaign Finance
Transfers and Reporting**

This bill specifies circumstances under which a member of a slate must be removed from the slate (including when the member is deceased, has retired from elective office, or is not a candidate for the next election) and requires the treasurer of the slate to notify the State Board of Elections (SBE) that a member is required to be removed within 30 days of discovering that the member is required to be removed. The bill also specifies that a transfer made from a slate to the campaign finance entity of a member who does not intend to file a certificate of candidacy or who, once the filing deadline has passed, has not filed a certificate of candidacy for the next election, is not exempt from limits applicable to transfers between campaign finance entities. Finally, campaign finance reports filed by slates must include the name of each member that benefited from a slate expenditure or transfer and the amount of each slate expenditure or transfer from which the member benefited.

The bill takes effect January 1, 2012.

Fiscal Summary

State Effect: The bill is not expected to materially affect State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Slates

A slate is defined in the Election Law Article as a political committee of two or more candidates who join together to conduct and pay for joint campaign activities. Two or more candidates who have established separate campaign finance entities may form a slate. To join a slate, a candidate must file a written notice with SBE specifying the name of the slate and the date on which the candidate joined the slate.

Transfers between or among a slate and the campaign finance entities of its members are not subject to the \$6,000 limit per election cycle on transfers from one campaign finance entity to any one other campaign finance entity.

Campaign Finance Reports

For each election in which a campaign finance entity participates, it 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.

Background: The issue of slates and transfers between a slate and its members was recently addressed by the Maryland Attorney General's Advisory Committee on Campaign Finance, which was formed in the fall of 2010 to examine and develop recommendations regarding the State's campaign finance laws. In its January 4, 2011 report, the committee indicated that slates have considerable benefits for candidates and in general appear to mostly be used for legitimate purposes. The committee noted, however, that the misuse of slates and the exemption from the \$6,000 limit of transfers between or among a slate and its members is a potentially serious weakness of the State's campaign finance system and that large donors can use slates to circumvent campaign contribution limits. The committee made recommendations similar to those proposed by the bill, relating to when and how slate members exit or are forced to exit, limiting the transfer exemption to "active" members of the slate, and requiring reporting by slates of which candidates benefited directly from each slate expenditure and/or transfer, and by what amount.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Board of Elections, State Prosecutor's Office, Maryland Attorney General's Advisory Committee on Campaign Finance, Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2011
ncs/hlb

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