

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 1098 (Delegate Cardin)
Ways and Means

Election Law - Campaign Finance Entities - Retention of Records

This bill limits the period of time for which account books and related records of a campaign finance entity must be preserved to the earlier of 10 years after the creation of an account book entry or related record or two years after the campaign finance entity files a final campaign finance report.

The bill takes effect June 1, 2012.

Fiscal Summary

State Effect: None. The bill does not directly affect State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The treasurer of a campaign finance entity must keep a detailed and accurate account book of all assets received, expenditures made, and obligations incurred by or on behalf of the entity. With the exception of certain minimal contributions from spins or chances on a paddle wheel or wheel of fortune at a fundraising event (to which separate requirements apply), the account book must state, as to each asset received or expenditure made: (1) its amount or value; (2) the date of the receipt or expenditure; (3) the name and address of the person from whom the asset was received or to whom the expenditure was made; and (4) a description of the asset received or the purpose for which the expenditure was made. Each expenditure made from a campaign account must be supported by a receipt. The account books and related records of a campaign finance

entity must be preserved until two years after the campaign finance entity files a final campaign finance report.

Background: The bill implements a recommendation of the Commission to Study Campaign Finance Law, which was established by Joint Resolution 1 of 2011. The commission issued an initial report in January 2012. The report indicated that retaining records from the establishment of a campaign finance entity can be cumbersome, particularly for campaign finance entities that have existed for a long period of time. A related consideration noted in the report is the statute of limitations for certain criminal offenses that could involve campaign financing, directly or indirectly. A requirement that records be kept by campaign finance entities until the earlier of 10 years after the creation of the record or two years after the campaign finance entity files its final report was determined to be a reasonable balance between the need to preserve campaign finance records for a certain period of time, while at the same time not being overly burdensome.

The Commission to Study Campaign Finance Law is given relatively broad discretion to examine the State's campaign finance laws and activity in the State and other jurisdictions, but is also charged with considering or examining various specific issues ranging from contribution limits to public campaign financing to enforcement of election laws. The commission held its first two meetings in December 2011 and January 2012 and the commission's recommendations in the initial report originated from an effort to develop a list of noncomplex proposals that would offer immediate improvements to the existing campaign finance system. The commission must submit a final report by December 31, 2012.

Additional Information

Prior Introductions: None.

Cross File: SB 919 (Senators Ferguson and Kittleman) - Education, Health, and Environmental Affairs.

Information Source(s): State Board of Elections, Commission to Study Campaign Finance Law, Department of Legislative Services

Fiscal Note History: First Reader - March 7, 2012
mc/hlb

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