

Department of Legislative Services
 Maryland General Assembly
 2015 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 755 (Senator Simonaire)

Education, Health, and Environmental Affairs

Ways and Means

Election Law - Campaign Finance - Central Committee Candidates

This bill creates an exemption for a candidate for election to the central committee of a political party from the requirement that a candidate establish and conduct campaign finance activity through a campaign finance entity. The exemption applies if the candidate, during an election cycle, does not spend more than \$1,000 in personal funds or accept contributions. Such candidates, however, must file an affidavit and keep records of spending.

Fiscal Summary

State Effect: General fund expenditures decrease by \$5,000 in FY 2018 due to reduced mailing costs. Revenues are not expected to be materially affected.

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	(5,000)	0	0
Net Effect	\$0	\$0	\$5,000	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: A candidate who, under the bill, is exempt from the requirement that a candidate establish and conduct campaign finance activity through a campaign finance entity must:

- file, with the certificate of candidacy, an affidavit stating that the candidate, during the election cycle, will not spend more than \$1,000 in personal funds or accept contributions; and
- keep a detailed and accurate account book of all expenditures made and preserve the account book, for auditing purposes, until two years after the end of the election cycle.

A candidate for election to the central committee of a political party must pay a civil penalty of \$1,000 if the candidate is not exempt under the bill and fails to conduct campaign finance activity through a campaign finance entity or violates the affidavit or recordkeeping requirements. The bill establishes procedural requirements for the State Prosecutor or the State's Attorney with jurisdiction, or both, to impose the penalty, including a right to a trial in District Court. Penalties collected are distributed to the Fair Campaign Financing Fund.

Current Law/Background: Each political party must have a State central committee, which is the governing body of the political party. A State central committee may be composed of the members of the county central committees during their terms in office. The Democratic and Republican parties each have a State central committee (consisting of the members of the county central committees) and 24 county central committees. The county central committees of the Democratic and Republican parties are elected during the gubernatorial primary.

Unless otherwise expressly authorized by law, all campaign finance activity for an election under the Election Law Article of the Annotated Code must be conducted through a campaign finance entity. An individual may not file a certificate of candidacy or a declaration of intent until the individual establishes, or causes to be established, an authorized candidate campaign committee (a campaign finance entity authorized by the candidate to promote the candidate's candidacy). Campaign finance entities must have a chairman (which the candidate may be) and treasurer (which the candidate may not be) as responsible officers, must have a designated campaign account, and are subject to reporting, recordkeeping, and other requirements under the Election Law Article.

The State Board of Elections (SBE) indicates that many candidates for election to the central committee of a political party make only small expenditures, at most, for their campaigns, out of personal funds, and the requirements associated with a campaign finance entity can be a burden for those candidates.

The Fair Campaign Financing Fund holds funding for public campaign financing of gubernatorial tickets under the Public Financing Act.

State Expenditures: General fund expenditures decrease by \$5,000 in fiscal 2018 and future fiscal years in which a gubernatorial primary election occurs due to the elimination of mailings associated with campaign finance entities of central committee candidates.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Board of Elections, State Ethics Commission, Judiciary (Administrative Office of the Courts), State Prosecutor's Office, Department of Legislative Services

Fiscal Note History: First Reader - March 18, 2015
mar/hlb Revised - Enrolled Bill - May 13, 2015

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