

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 260
Ways and Means

(Delegate Carr, *et al.*)

Campaign Finance - Disclosure of Contributions and Expenditures - Preelection
Period

This bill requires political committees to file reports on single contributions and expenditures above specified minimum amounts that occur during the period between the closing date (third Sunday prior to an election) of the final campaign finance report filed before an election and the date of the election. The reports must be filed within 48 hours of the day on which the contributions or expenditures occur. **The bill takes effect January 1, 2019.**

Fiscal Summary

State Effect: The bill can be implemented with existing resources. Revenues are not materially affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary:

Applicability

The bill's reporting requirements apply to a political committee only during an election year in which the political committee is participating and only during the period beginning after the closing date (third Sunday prior to an election) for the campaign finance report

that is due under current law on the second Friday immediately preceding an election, through the date of the election. The reporting requirements do not apply to political action committees that exclusively make independent expenditures or disbursements for electioneering communications (those political committees are subject to similar, existing expenditure reporting requirements).

Required Reports

The bill requires a political committee to file a specified contribution report within 48 hours after a day on which the political committee receives a single contribution of \$1,000 or more from a contributor, a single transfer of \$1,000 or more from a political committee, or a single loan of \$1,000 or more. A political committee must also file a specified expenditure report within 48 hours after a day on which the political committee makes a single expenditure of \$10,000 or more.

Late Filing Fee for Unfiled Reports

The bill also establishes a late filing fee (and associated provisions), for failure to properly file a contribution report or an expenditure report, of \$20 per day for the first six days that a report is overdue and \$10 per day after that, up to a maximum of \$500. The late filing fees are distributed to the Fair Campaign Financing Fund (FCFF).

Current Law: A “political committee,” also often referred to as a campaign finance entity, is defined under State campaign finance law as a combination of two or more individuals that has as its major purpose promoting the success or defeat of a candidate, political party, question, or prospective question submitted to a vote at any election. “Campaign finance entity” is defined as a political committee established under State campaign finance law.

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 the State Board of Elections with respect to all contributions received and all expenditures made by or on behalf of the campaign finance entity during a reporting period. The current deadlines prior to and after elections are:

- except for a ballot issue committee (a campaign finance entity formed to promote the success or defeat of a ballot question), the fifth Tuesday immediately preceding a primary election;
- except for a ballot issue committee, the second Friday immediately preceding a primary election;
- the last Tuesday in August immediately preceding a general election;

- for a ballot issue committee only, the fourth Friday immediately preceding a general election;
- the second Friday immediately preceding a general election; and
- the second Tuesday after a general election.

The closing date (end of the period which the report must cover) for the campaign finance reports due on the second Friday immediately preceding an election is the preceding Sunday.

FCFF holds funds for public campaign financing of gubernatorial tickets under the Public Financing Act.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Board of Elections; State Prosecutor's Office; Department of Legislative Services

Fiscal Note History: First Reader - January 27, 2018
md/hlb

Analysis by: Scott D. Kennedy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510