

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 171

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

Ways and Means

Education, Health, and Environmental Affairs

**Elections - Campaign Finance Entities - Termination and Filing of Final
Campaign Finance Report**

This departmental bill modifies certain campaign finance entity termination requirements.
The bill takes effect July 1, 2019.

Fiscal Summary

State Effect: The bill does not directly affect State finances.

Local Effect: The bill does not directly affect local government finances.

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

Analysis

Bill Summary: The bill eliminates the date of payment of the final debt or other obligation of a campaign finance entity as a criteria in determining the beginning of the eight-year period within which a campaign finance entity of an individual must terminate and file a final campaign finance report. Instead, the bill simply requires a campaign finance entity of an individual to terminate and file a final campaign finance report within eight years after the later of (1) the end of the individual's most recent term of office and (2) the date of the election in which the individual last was a filed candidate. In addition, under the bill, those requirements are no longer applicable only to campaign finance entities that have funds remaining after the payment of all outstanding debts and other obligations.

The bill also requires SBE to, not later than six months before a campaign finance entity is required to terminate, notify the responsible officers of the campaign finance entity and any candidate affiliated with the campaign finance entity of the date by which the campaign finance entity must (1) pay all outstanding obligations; (2) dispose of all its remaining assets in accordance with applicable State law; and (3) terminate and file a final campaign finance report.

Current Law: State campaign finance law establishes termination requirements for the campaign finance entity of an individual if (1) the individual is not a filed candidate or the incumbent in any office filled by an election under State election law and (2) the campaign finance entity has funds remaining after the payment of all outstanding debts and obligations. Under the requirements, a campaign finance entity must terminate and file a final campaign finance report within eight years after the latest of (1) the end of the individual's most recent term of office; (2) the date of the election in which the individual last was a filed candidate; and (3) the payment of the final debt or obligation of the entity that was incurred in connection with that candidacy.

Background: SBE indicates that having the date of payment of the final debt or other obligation of a campaign finance entity as a criteria in determining the beginning of the eight-year period within which a campaign finance entity of an individual must terminate and file a final campaign finance report creates too much uncertainty for enforcement actions due to the difficulty of identifying and/or verifying that date.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 1, 2019
mag/hlb Third Reader - April 4, 2019
Revised - Amendment(s) - April 4, 2019

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Elections – Campaign Finance Entities – Termination and Filing of Final Campaign Finance Report

BILL NUMBER: HB 171

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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