

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 375
Ways and Means

(Delegate Washington, *et al.*)

Campaign Finance Entities - Officers - Repeal of Voter Registration
Requirement

This bill repeals a requirement that each chairman, treasurer, and campaign manager of a campaign finance entity be a registered voter of the State. **The bill takes effect January 1, 2021.**

Fiscal Summary

State Effect: Special fund revenues may decrease annually, beginning in FY 2021, as discussed below. Expenditures are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Each chairman, treasurer, and campaign manager of a campaign finance entity must be a registered voter of the State.

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 (defined as a political committee established under Title 13 of the Election Law Article). 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). 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, as well as an annual report. The reports must contain information required by the State Board of Elections (SBE) with respect to all contributions received and all expenditures made by or on behalf of the campaign finance entity during a reporting period.

A campaign finance entity must have a chairman and a treasurer, who are the responsible officers of a campaign finance entity. A campaign finance entity may not receive or disburse money or any other thing of value if there is a vacancy in the office of chairman or the office of treasurer. The chairman and treasurer are jointly and severally responsible for (1) filing all campaign finance reports in full and accurate detail and (2) except as otherwise provided under State campaign finance law, all other actions of the entity.

A candidate may not act (1) as the treasurer of a campaign finance entity of the candidate or (2) with respect to any other campaign finance entity, as the campaign manager or treasurer, or in any other position that exercises general overall responsibility for the conduct of the entity.

State Revenues: Special fund (Fair Campaign Financing Fund) revenues may decrease annually, beginning in fiscal 2021, as a result of reduced collection of campaign finance report late fees and civil or criminal monetary penalties from campaign finance entities to the extent out-of-state individuals serve as chairmen and treasurers of campaign finance entities pursuant to the bill. If out-of-state individuals serve as chairmen and treasurers of campaign finance entities, enforcement actions against those campaign finance entities and/or their responsible officers may not be feasible in at least some cases because of the difficulty of pursuing enforcement actions against out-of-state individuals.

For context regarding the amount of special fund revenues collected from late fees and penalties, SBE indicates that in calendar 2019, \$115,000 in campaign finance report late fees and \$20,000 in civil penalties were collected.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

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mr/hlb

Analysis by: Scott D. Kennedy

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