

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

House Bill 769

(Delegate Turner)

Ways and Means

Education, Health, and Environmental Affairs

Election Law - Persons Doing Public Business - Statements of Contributions

This bill modifies provisions of State law that require reporting of certain candidate contributions by persons doing public business with a governmental entity by (1) requiring a person who was doing public business on December 31, 2014, to file a semiannual statement; (2) altering the timing of reporting periods and filing deadlines for the semiannual statements; (3) allowing certain persons doing public business to not file an initial statement when a contract is awarded but requiring those persons to report contributions to candidates for an office of *any* governmental entity on semiannual statements; (4) allowing abbreviated statements to be filed when a person doing public business does not make cumulative contributions of \$500 or more to a candidate during a reporting period; and (5) making the law applicable to contributions or donations *for the benefit of* a candidate in addition to contributions to the candidate.

The bill takes effect June 1, 2015.

Fiscal Summary

State Effect: The bill's changes can be implemented with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary:

Persons Doing Public Business on December 31, 2014

The bill requires a person who was doing public business (making or having a single contract with a single governmental entity involving consideration of at least \$200,000) on December 31, 2014, to file a specified semiannual statement regarding candidate contributions in the same manner as a person who first begins doing public business on or after January 1, 2015 (the effective date of revisions to the law under Chapter 419 of 2013).

Reporting Periods and Filing Deadlines

The reporting periods for the semiannual statements are modified to be the six-month periods ending on April 30 or October 31 rather than the six-month periods ending on January 31 and July 31. The filing deadline for the statements is modified to be the last day of the month immediately following the day on which the reporting period ends rather than five days after the end of the applicable reporting period. In 2015 only, statements must instead be filed by August 31, 2015, to cover a six-month reporting period beginning on February 1, 2015, and ending on July 31, 2015, and by November 30, 2015, to cover a three-month reporting period beginning on August 1, 2015, and ending on October 31, 2015.

Exemption from Filing of Initial Statement

The bill allows certain persons doing public business – those who receive approval from the State Board of Elections (SBE) to omit from candidate contribution statements the name of each unit of a governmental entity with which they did public business and the nature and amount of public business done with each unit (due to it being unduly burdensome) – to only file the semiannual candidate contribution statements and not have to file an initial statement, covering the preceding 24 months, when a contract is awarded that causes the person to be doing public business. The semiannual statements of those persons doing public business, however, must include information for all contributions by the person or attributed to the person in a cumulative amount of \$500 or more to or for the benefit of a candidate for an office of *any* governmental entity.

Abbreviated Statements

The bill also allows a person doing public business that did not make cumulative contributions or donations of \$500 or more during a reporting period to or for the benefit of a candidate for an office of a governmental entity with which the person is doing public

business to only include on the statement (1) the name of each unit of a governmental entity with which the person did public business during the reporting period, unless the person has obtained approval from SBE to omit that information and (2) a stipulation that the person did not make cumulative contributions or donations of \$500 or more during the reporting period to or for the benefit of a candidate for an office of a governmental entity with which the person is doing public business.

Contributions for the Benefit of a Candidate

The bill makes candidate contribution reporting requirements applicable to contributions or donations *for the benefit of* a candidate in addition to contributions to the candidate.

Current Law/Background: Under Maryland campaign finance law, reporting requirements regarding contributions to campaign finance entities of candidates (through which all campaign finance activity generally must be conducted) largely apply to the campaign finance entities receiving the contributions as opposed to the individuals or entities contributing to the campaign finance entities. One exception is persons “doing public business” with the State or a local government who make certain political contributions.

Title 14 of the Election Law Article, which contains the political contribution reporting requirements for persons doing public business, was recently amended under Chapter 419 of 2013 (Campaign Finance Reform Act of 2013), with the changes taking effect January 1, 2015. Chapter 419, among other things, redefined “doing public business” to mean making a single contract with a single governmental entity of at least \$200,000 and also limited the disclosure requirements to only apply to contributions to a candidate for an office of a governmental entity with which the person is doing public business.

A person doing public business must file an initial statement with SBE at the time the contract is awarded, covering specified political contributions in the preceding 24 months and then must file a semiannual statement covering the 6-month reporting periods ending on January 31 and July 31 if performance remains uncompleted on the contract that caused the person to be doing public business. The statements cover contributions by a person or attributed to the person in a cumulative amount of \$500 or more to a candidate for an office of a governmental entity with which the person is doing public business.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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