

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 1380  
Ways and Means

(Delegates Mosby and Palakovich Carr)

Education, Health, and Environmental Affairs

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Campaign Finance - Contribution Through Third-Party Payment Processor -  
Transfer to Campaign Account

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This bill requires a campaign finance entity – if a contribution to the campaign finance entity is made through a third-party payment processor – to initiate the transfer of the contribution from the account of the third-party payment processor to the designated campaign account of the campaign finance entity within seven days after the contribution is deposited in the account of the third-party payment processor. “Third-party payment processor” means an online service in which payments to a person are made to the processor’s merchant account rather than to the person’s own merchant account. **The bill takes effect June 1, 2020.**

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Fiscal Summary

**State Effect:** The bill does not materially affect State finances.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** 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).

Each campaign finance entity must designate one or more campaign accounts. Each designated campaign account must (1) be in a financial institution and (2) be registered in a manner that identifies it as the account of a campaign finance entity. A campaign finance entity must deposit all funds received in a designated campaign account.

A campaign finance entity may not directly or indirectly make a disbursement except from a designated campaign account. However, a campaign finance entity, or a person authorized by the campaign finance entity, may pay an expense of the campaign finance entity from funds other than a campaign account if (1) the expense is supported by a receipt that is provided to the campaign finance entity and (2) the campaign finance entity reimburses the person who paid the expense from the campaign account and reports the expense as an expenditure of the campaign finance entity.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - February 25, 2020  
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