

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 534
Ways and Means

(Delegates Mosby and Cain)

Education, Health, and Environmental Affairs

Election Law - Campaign Finance Entities - Responsible Officers

This bill makes a candidate a “responsible officer” of the candidate’s authorized candidate campaign committee and gives the candidate the responsibility for appointment, and the authority for removal, of the chairman and treasurer of the committee. The bill also prohibits a family member or employee of a candidate from serving as the treasurer of the candidate’s authorized candidate campaign committee. Finally, the bill establishes a process for removal of a treasurer, of a campaign finance entity other than an authorized candidate campaign committee, who fails to perform the duties of the office. **The bill takes effect January 1, 2021.**

Fiscal Summary

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary:

Definition of “Responsible Officers”

The bill modifies the definition of “responsible officers” of a campaign finance entity so that for a campaign finance entity that is an authorized candidate campaign committee, the

candidate is included as a responsible officer, in addition to the existing responsible officers, the chairman and the treasurer.

Appointment and Removal of a Chairman and Treasurer

When establishing an authorized candidate campaign committee, the bill specifies that it is the candidate who must appoint a chairman and a treasurer. If a vacancy occurs in the office of chairman or treasurer of an authorized candidate campaign committee, the candidate promptly must appoint a new chairman or treasurer. A candidate may also remove the chairman or the treasurer of the candidate's authorized candidate campaign committee by filing a form with the State Board of Elections (SBE).

The bill also establishes a process for removal of a treasurer, of a campaign finance entity other than an authorized candidate campaign committee, who fails to perform the duties of the office but has not resigned. In that instance, the bill authorizes the chairman of the campaign finance entity to appoint a new treasurer by filing a form with SBE. SBE must promptly notify the incumbent treasurer in writing of the appointment of a new treasurer. The new treasurer must assume office within 30 days after the chairman files the form with SBE unless the incumbent treasurer notifies SBE in writing before the expiration of the 30-day period that the incumbent treasurer will resume performance of the duties of the office.

A treasurer who resigns or is removed must provide the account books and related records of the campaign finance entity to the chairman of the campaign finance entity within five business days after resigning or being removed.

Prohibition on Family Members or Employees Serving as Treasurer

The bill prohibits the following individuals from serving as the treasurer of a candidate's authorized candidate campaign committee: (1) a family member related by blood, marriage, or adoption to the candidate or (2) an employee of the candidate, including an employee of a business entity wholly owned by the candidate. The bill defines "business entity," "employee," and "family member."

Current Law:

Campaign Finance Entities

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 SBE with respect to all contributions received and all expenditures made by or on behalf of the campaign finance entity during a reporting period.

Responsible Officers

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.

Statute specifies that to establish a campaign finance entity, a chairman and a treasurer must be appointed on a form that SBE prescribes and that is signed by the chairman and treasurer. A chairman or treasurer may resign by filing a resignation form with SBE. If a vacancy occurs in the office of chairman or treasurer, the campaign finance entity promptly must appoint a new chairman or treasurer.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

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