



Summary Guide

Maryland Candidacy & Campaign Finance Laws

Published by:

Maryland State Board of Elections
Linda H. Lamone, Administrator

Division of Candidacy and Campaign Finance
Jared DeMarinis, Director

151 West Street, Suite 200
P.O. Box 6486
Annapolis, MD 21401-0486

Local – 410.269.2880
Toll Free – 800.222.8683 x 4
MD Relay – 800.735.2258

Revised: March 2017

TABLE OF CONTENTS

CHAPTER 1 – INTRODUCTION AND OVERVIEW..... 5

1.1 MESSAGE FROM THE DIRECTOR 5

1.2 DEFINITIONS 5

1.3 GENERAL INFORMATION 7

1.4 MUNICIPAL ELECTIONS 7

1.5 DIVISION OF CANDIDACY AND CAMPAIGN FINANCE 7

1.6 LOCAL BOARDS OF ELECTIONS 8

1.7 DECLARATORY RULINGS 9

CHAPTER 2 – CANDIDATES..... 10

2.1 QUALIFICATIONS AND FILING FEES FOR ELECTIVE OFFICES 10

2.2 FILING REQUIREMENTS – PRINCIPAL POLITICAL PARTIES 14

2.3 FILING REQUIREMENTS – WRITE-IN CANDIDATES 15

2.4 FILING REQUIREMENTS – PETITION CANDIDATES 16

2.5 FILING REQUIREMENTS – NON-PRINCIPAL POLITICAL PARTY CANDIDATES 17

2.6 FILING REQUIREMENTS – FEDERAL CANDIDATES 18

2.7 CANDIDATES FOR GOVERNOR 20

2.8 WHEN YOU BECOME A CANDIDATE; RESTRICTIONS ON CANDIDATES 21

2.9 CENTRAL COMMITTEE CANDIDATES 21

CHAPTER 3 –ESTABLISHING AND CLOSING A POLITICAL COMMITTEE 22

3.1 ESTABLISHING A POLITICAL COMMITTEE STATEMENT OF ORGANIZATION 22

3.2 WHEN DOES A POLITICAL COMMITTEE NEED TO BE ESTABLISHED 23

3.3 WHEN TO CLOSE A CAMPAIGN FINANCE ENTITY 24

3.4 HOW TO CLOSE A POLITICAL COMMITTEE 24

CHAPTER 4 – CANDIDATE COMMITTEES AND SLATES..... 27

4.1 CANDIDATE COMMITTEES..... 27

4.2. TESTING THE WATERS/EXPLORATORY COMMITTEES..... 27

4.3 SLATES 28

CHAPTER 5 – PACS, BALLOT ISSUE COMMITTEES, PARTY CENTRAL COMMITTEES, LEGISLATIVE PARTY CAUCUS COMMITTEES..... 30

5.1 POLITICAL ACTION COMMITTEES (PACs) 30

5.2 BALLOT ISSUE COMMITTEES..... 31

5.3 PARTY CENTRAL COMMITTEES 32

5.4 FORMING A POLITICAL PARTY 34

5.5 LEGISLATIVE PARTY CAUCUS COMMITTEES 34

CHAPTER 6 – OUT-OF-STATE POLITICAL COMMITTEE, FEDERAL COMMITTEES, AND PARTICIPATING ORGANIZATIONS 36

6.1. OUT-OF-STATE POLITICAL COMMITTEE..... 36

6.2 FEDERAL COMMITTEES 37

6.3 PARTICIPATING ORGANIZATIONS 37

CHAPTER 7 – COMMITTEE OFFICERS 38

7.1 WHO CAN SERVE AS AN OFFICER 38

7.2 DUTIES AND RESPONSIBILITIES OF THE TREASURER 39

7.3	DUTIES AND RESPONSIBILITIES OF THE CHAIR	39
7.4	HOW TO RESIGN.....	40
7.5	SALARY	41
	CHAPTER 8 – CONTRIBUTIONS AND TRANSFERS	42
8.1	THE DIFFERENCE BETWEEN CONTRIBUTIONS AND TRANSFERS	42
8.2	CONTRIBUTION LIMITS	42
8.3	TRANSFER LIMITS	43
8.4	IN-KIND CONTRIBUTIONS AND INDEPENDENT EXPENDITURES.....	44
8.5	TICKET PURCHASES	46
8.6	CONTRIBUTIONS BY BUSINESS ENTITIES.....	46
8.7	TRANSFERS BY AFFILIATED POLITICAL COMMITTEES.....	48
8.8	FORM OF PAYMENT (CASH, CHECK, CHARGE OR ELECTRONIC METHODS).....	48
8.9	DETERMINING WHEN A CONTRIBUTION IS RECEIVED	48
8.10	PROHIBITED CONTRIBUTIONS AND TRANSFERS	49
8.11	RECEIPTS	51
8.12	CONTRIBUTIONS BY THE CANDIDATE	51
8.13	RAFFLES AND WHEELS	52
8.14	PAYROLL DEDUCTIONS.....	53
8.15	COLLECTION BY MEMBERSHIP ENTITIES.....	54
8.16	ADMINISTRATIVE DONATIONS (PARTY CENTRAL COMMITTEES AND LEGISLATIVE PARTY CAUCUS COMMITTEES ONLY)	55
8.17	CONTRIBUTIONS BY MINORS	56
	CHAPTER 9 – EXPENDITURES.....	57
9.1	GENERALLY	57
9.2	HOW TO MAKE EXPENDITURES.....	57
9.3	PETTY CASH	58
9.4	EXPENDITURES TO FEDERAL CANDIDATES AND COMMITTEES.....	58
9.5	EXPENDITURES TO A MUNICIPAL CANDIDATE AND COMMITTEE.....	58
9.6	LEGISLATIVE NEWSLETTERS.....	58
9.7	PROHIBITED EXPENDITURES	59
9.8	CHARITIES	59
9.9	LEGAL DEFENSE	60
	CHAPTER 10 – LOANS	61
10.1	GENERALLY	61
10.2	LOAN SOURCES.....	61
10.3	INTEREST	62
	CHAPTER 11 – CAMPAIGN FINANCE REPORTS	61
11.1	WHEN REPORTS MUST BE SUBMITTED.....	63
11.2	FILING EXCEPTION - AFFIDAVIT OF LIMITED CONTRIBUTIONS AND EXPENDITURES	64
11.3	WHERE REPORTS MUST BE SUBMITTED	64
11.4	LIABILITY FOR FAILURE TO FILE.....	65
11.5	REPORTING CONTRIBUTIONS	66
11.6	REPORTING EXPENDITURES	67
11.7	REPORTING LOANS	68
11.8	REPORTING BILLS	69
11.9	REPORTING ITEMS SOLD	69
11.10	CREATING AN AMENDMENT	70

CHAPTER 12 – CAMPAIGN LITERATURE AND PARAPHERNALIA 71

12.1 AUTHORITY LINES 71

12.2 COPIES OF CAMPAIGN MATERIALS 73

12.3 PLACEMENT OF CAMPAIGN SIGNS..... 73

12.4 GIVEAWAY ITEMS 74

12.5 ROBOCALLS..... 74

12.6 CAMPAIGNING ON EARLY VOTING AND ELECTION DAYS 75

CHAPTER 13- PUBLIC CAMPAIGN FINANCING LAWS 76

13.1 GENERALLY 76

13.2 GUBERNATORIAL PUBLIC FINANCING SYSTEM 76

13.3 MONTGOMERY COUNTY PUBLIC FINANCING SYSTEM 77

CHAPTER 14- CAMPAIGN MANAGEMENT 81

14.1 ACCOUNT BOOKS..... 81

14.2 CAMPAIGN BANK ACCOUNTS 82

14.3 TAX-RELATED QUESTIONS 82

CHAPTER 15 – ENFORCEMENT 83

15.1 AUDIT 83

15.2 PENALTIES 83

CHAPTER 16 – FORMS..... 86

CONTRIBUTIONS AND TRANSFERS LIMITS CHART.....87

Chapter 1 – Introduction and Overview

1.1 Message from the Director

The Summary Guide gives you a basic understanding of candidacy and campaign finance law. Maryland campaign finance laws are complicated and require great attention to detail. Failure to comply with the law may result in substantial penalties. Perhaps the most common mistake that people make as candidates, chairmen, or treasurers is underestimating the seriousness and complexity of the task that they have undertaken. This office is dedicated to providing you with the information and resources needed to successfully comply with all of the requirements of the law. I strongly urge you to familiarize yourself with this Summary Guide and to constantly refer to it while you are acting in the capacity of a candidate, chairman, or treasurer.

Finally, my staff and I are always available by telephone or email to answer your questions.

- Jared DeMarinis

1.2 Definitions

- Campaign Finance Activity – means the raising and spending money in connection with an effort to promote or assist in the promotion of the success or defeat of a candidate, political party, or question.
- Campaign Finance Entity: see “Political Committee”
- Campaign Finance Law – refers to Title 13 of the Election Law Article of the *Annotated Code of Maryland*.
- Campaign Finance Report – means a detailed accounting of contributions, transfers, expenditures, outstanding obligations, and loans, by a political committee as required under § 13-304 of the Election Law Article.
- COMAR- refers to the Maryland Code of Regulations
- Election Cycle- means the period that begins on the January 1 that follows a gubernatorial election and continues until the December 31 that is 4 years later.
- Election Law Article – refers to the Election Law Article of the *Annotated Code of Maryland*.

- Local Board – refers to one of the 24 county boards of elections (includes the Baltimore City Board of Elections).
- MD CRIS- refers to the Maryland Campaign Reporting Information System. It is the browser-based filing program for political committees to register and file campaign finance reports. www.campaignfinance.maryland.gov
- Party Office – means an elected position with a State or local party central committee or delegate to the national convention.
- Political Committee – means a combination of two or more individuals that has a major purpose promoting the success or defeat of a candidate, political party, or question. Committees include candidate committees, ballot issue committees, slates, legislative caucus committees, party central committees, and political action committees (PACs).

The Election Law Article uses the terms “political committee” and “campaign finance entity” to refer to groups that are established to engage in campaign finance activity. Prior to 2005, campaign finance activity could be conducted through either a “personal treasurer” or a “political committee,” both of which were required to register with the State Board and referred to collectively in the Campaign Finance Law as “campaign finance entities.” However, the “personal treasurer” form is no longer recognized. Therefore the term “political committee” is for almost all purposes synonymous with the term “campaign finance entity.” Accordingly, the Summary Guide may sometimes use the more familiar term “political committee,” even where the statute makes reference to “campaign finance entities.”

- Principal Political Party – means a political party whose candidate for Governor received the highest or second highest number of votes at the last gubernatorial election.
- Public Office – means an elected office in federal, State, county, or Baltimore City government.
- Responsible Officers – means the chair and the treasurer of a political committee.
- State Candidates – means candidates for Governor, Lt. Governor, Comptroller, Attorney General, the General Assembly, Judge of the Circuit Court and Appellate Courts.
- Local Candidates – means candidates for all county offices including County Council, County Commissioner, County Executive, State’s Attorney, Register of Wills, Sheriff, Clerk of the Circuit Court, and Judge of the Orphans Court and all Baltimore City offices.
- Federal Candidates – means candidates for President, Vice-President, United States Senator, Representatives in Congress, or delegate to a national presidential party convention.
- State Board – means the State Board of Elections.

- Statement of Organization – means the document signed by the responsible officers and, if applicable, the authorizing candidate establishing a political committee with the State Board.

1.3 General Information

As a candidate, treasurer, or chair, you are required to follow Maryland campaign finance laws. These laws dictate how you collect, spend, and report money and other things of value. Accordingly, before beginning any financial activity, you should be familiar with the campaign finance laws and how they have been interpreted and implemented by the State Board.

This Summary Guide has been prepared to aid you in understanding the law. You should use the Summary Guide as a basic reference tool, not as a substitute for the law itself. Moreover, the Summary Guide will reference policies and advice given by the Office of Attorney General concerning the implementation and enforcement of the statute.

The State Board periodically mails, posts or emails pertinent updates or information on changes in the law, its impact and any new reporting requirements. Please check the campaign finance website at www.campaignfinance.maryland.gov for any updates.

Finally, the State Board issues declaratory rulings, advisory opinions and guidance on topics of campaign finance law. They are available online at http://www.elections.state.md.us/campaign_finance/index.html and www.campaignfinance.maryland.gov.

1.4 Municipal Elections

Maryland election law does not regulate the conduct of municipal elections except in Baltimore City. Accordingly, the candidacy and campaign finance provisions described in this Summary Guide do not apply to municipal campaigns or candidates.

A political committee established at the State Board may support a municipal candidate up to \$6,000 if the expenditure serves a political purpose. Prior to making the expenditure, the political committee should contact the municipality for applicable contribution limits and any reporting requirements.

-COMAR 33.13.10.03(C)

If the municipality requires candidates to file campaign finance reports, then within 10 days after the filing deadline established by the municipality, the candidate in the municipal election shall file a copy of the campaign finance report to the State Board.

- Local Government Article § 4-108.1

1.5 Division of Candidacy and Campaign Finance

Director:
Jared DeMarinis

Candidacy and Campaign Finance Unit

- Ebony Parran
- Victoria Molina
- Victorica Smith
- Erin Dennis
- Jessica Perkins

Audit and Enforcement Unit Staff

- Patricia Ramallosa- Supervisor
- Patricia Sullivan

1.6 Local Boards of Elections

County	Address	Phone	Website
Allegany	701 Kelly Road, Suite 231 Cumberland, MD 21502-3401	301-777-5931 301-777-2430 fax	http://gov.allconet.org/158/Election-Office
Anne Arundel	P.O. Box 490 Glen Burnie, MD 21060-0490	410-222-6600 410-222-6833 fax	www.aacounty.org/elections
Baltimore City	Charles L. Benton Building 417 E. Fayette Street, Room 129 Baltimore, MD 21202-3432	410-396-5550 410-962-8747 fax	http://boe.baltimorecity.gov
Baltimore Co.	11112 Gilroy Road, Suite 104 Hunt Valley, MD 21031	410-887-5700 410-887-0894 fax	http://www.baltimorecountymd.gov/Agencies/elections/index.html
Calvert	P.O. Box 798 Prince Frederick, MD 20678-0798	410-535-2214 410-535-5009 fax	http://www.co.cal.md.us/index.aspx?nid=154
Caroline	Health and Public Services Building 403 S. Seventh Street, Suite 247 Denton, MD 21629-1335	410-479-8145 410-479-5736 fax	www.carolinemdelections.org/
Carroll	300 S. Center Street, Room 212 Westminster, MD 21157-5248	410-386-2080 410-876-3925 fax	http://ccgovernment.carr.org/ccg/electionboard
Cecil	200 Chesapeake Boulevard, Suite 1900 Elkton, MD 21921-6395	410-996-5310 888-979-8183 fax	http://www.ccgov.org/government/election-board
Charles	P.O. Box 908 La Plata, MD 20646-0908	301-934-8972 301-934-6487 fax	www.CharlesCounty.org/boe/
Dorchester	P.O. Box 414 Cambridge, MD 21613-0414	410-228-2560 410-228-9635 fax	http://dorcomdelections.org/
Frederick	The Bourne Building 355 Montevue Lane, Suite 101 Frederick, MD 21702-8213	301-600-8683 301-600-2344 fax	www.FrederickCountyMD.gov/elections
Garrett	Public Service Center 2008 Maryland Highway, Suite 1 Mountain Lake Park, MD 21550	301-334-6985 301-334-6988	http://garrettcounty.org/board-of-elections
Harford	133 Industry Lane Forest Hill, MD 21050	410-638-3565 410-638-3310 fax	https://www.harfordvotes.info/
Howard	9700 Patuxent Woods Dr., Suite 200 Columbia, MD 21046	410-313-5820 410-313-5899 fax	https://www.howardcountymd.gov/BOE
Kent	135 Dixon Drive Chestertown, MD 21620-1141	410-778-0038 410-778-0265 fax	www.kentcountyelections.org
Montgomery	P.O. Box 4333 Rockville, MD 20849-4333	240-777-8500 240-777-8505 fax	www.777vote.org/
Prince George's	1100 Mercantile Lane, Suite 115A Largo, MD 20774	301-341-7300 301-341-7391 fax	https://www.princegeorgescountymd.gov/559/Board-of-Elections
Queen Anne's	110 Vincit Street, Suite 102 Centreville, MD 21617	410-758-0832 410-758-1119 fax	www.qacelections.com/
St. Mary's	P.O. Box 197 Leonardtown, MD 20650-0197	301-475-7844 301-475-4077 fax	www.co.saint-marys.md.us/supervisorofelections/
Somerset	P.O. Box 96	410-651-0767	http://www.co.somerset.md.us/elections.html

	Princess Anne, MD 21853-0096	410-651-5130 fax	
Talbot	P.O. Box 353 Easton, MD 21601-0353	410-770-8099 410-770-8078 fax	http://www.talbotcountymd.gov/index.php?page=Election_Board
Washington	35 W. Washington Street, Room 101 Hagerstown, MD 21740	240-313-2050 240-313-2051 fax	www.washco-mdelections.org
Wicomico	P.O. Box 4091 Salisbury, MD 21803-4091	410-548-4830 410-548-4849 fax	http://www.wicomicocounty.org
Worcester	100 Belt Street Snow Hill, MD 21863-1310	410-632-1320 410-632-3031 fax	http://www.co.worcester.md.us/departments/elections

1.7 Declaratory Rulings

An interested person may petition the State Board for a declaratory ruling on the manner in which the Board would apply any of the following on the facts set forth in the petition:

- A Board regulation;
- A Board order; or
- A statute that the Board enforces.

The petition must be in writing and filed with the State Administrator. The petition must contain the following information:

1. Name, address, and telephone number of the petitioner,
2. A detailed statement of the facts underlying the questioned applicability of the stated regulation, order, or statute; and
3. Pose the question of whether or in what manner the stated regulation, order, or statute applies to the facts contained in the petition.

Upon receipt of a petition, the State Administrator will mail the petitioner a notice of filing, indicating the date the petition was received. Within 60 days after the petition is submitted, the State Board shall consider the petition and issue a written declaratory ruling as requested, or notify the petitioner in writing of the reasons for not issuing a declaratory ruling.

A declaratory ruling binds the State Board, the local boards, and the petitioner on the facts set forth in the petition.

-COMAR 33.01.02

Chapter 2 – Candidates

2.1 Qualifications and Filing Fees for Elective Offices

The following are qualifications for contested elective offices. Retention election offices are not included in this list. Except for board of education and retention elections, all offices including judge of the circuit court are partisan elections in Maryland.

Federal Offices

Office	Qualifications	Filing Fee	Term of Office
President–Vice President	<ul style="list-style-type: none"> • Natural born citizen • 35 years old at the time of election • 14 years of being a resident of the United States (US Const. Article II, sec. 1) 	No fee	4 years from January 20
U.S. Senator	<ul style="list-style-type: none"> • Registered voter¹ • 30 years of age at time of the election • Citizen of United States for 9 years • Inhabitant of State at time of election (US Const. Art. I, sec. 3) 	\$290	6 years from January 3
U.S. Congress	<ul style="list-style-type: none"> • Registered voter² • 25 years of age at time of the election • Citizen of United States for 7 years • Inhabitant of State at time of the election (US Const. Art. I, sec. 2) 	\$100	2 years from January 3

State Offices

Office	Qualifications	Filing Fee	Term of Office
Governor – Lt. Governor	<ul style="list-style-type: none"> • Registered voter and resident of the State 5 years immediately preceding election • 30 years of age at the time of the election • Has not served 2 immediately preceding elective terms (Md. Const, Art. II, §§ 1 and 5) 	\$290 (each)	4 years from 3 rd Wednesday in January
Comptroller	<ul style="list-style-type: none"> • Registered voter (Md. Const., Art. I, § 12) 	\$290	4 years from 3 rd Wednesday in January
Attorney General	<ul style="list-style-type: none"> • Registered voter • Citizen of the State • Resided and practiced law in the State for 10 years (Md. Const., Art. V, § 4) 	\$290	4 years

¹ The voter registration requirement only applies to candidates seeking nomination by political party. Candidates for federal office seeking the nomination by petition are not required to be a registered voter, but must still meet the other listed criteria. *See § 5-203 of the Election Law Article.*

² See footnote 1

State Senator	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I, § 12) 25 years of age at the time of the election Citizen of Maryland Resident of Maryland at least 1 year preceding the day of the election Resident of legislative district for at least 6 months (Md. Const., Art. III, § 9) 	\$50	4 years from 2 nd Wednesday in January
House of Delegates	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I, § 12) 21 years of age at the time of the election Citizen of Maryland Resident of Maryland at least 1 year preceding the day of the election Resident of legislative district or sub district for at least 6 months (Md. Const., Art. III, § 9) 	\$50	4 years from 2 nd Wednesday in January

County Offices

Offices	Qualifications	Filing Fee	Term of Office
County Executive	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I, § 12) Qualifications specified in local charters. 	\$25	4 years
County Council	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I § 12) Qualifications specified in local charters 	\$25	4 years
County Commissioners	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I § 12) Qualifications specified in public local laws 	\$25	4 years
County Treasurer	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I § 12) Qualifications specified in public local laws 	\$25	4 years
State's Attorney	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I, § 12) Resident of the county for at least 2 years Member of Maryland Bar (Md. Const., Art. V, §10) 	\$25 - Counties \$150 - Baltimore City	4 years from the 1 st Monday in January
Clerk of the Circuit Court	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I, § 12) 	\$25 - Counties \$150 - Baltimore City	4 years
Register of Wills	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I, § 12) 	\$25 - Counties \$150 - Baltimore City	4 years
Sheriff	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I, § 12) 25 years of age Citizen of the State for at least 5 years preceding the election Resident of the County (Md. Const., Art. IV, § 44) 	\$25 - Counties \$150 - Baltimore City	4 years
Judge of the Orphans Court	<ul style="list-style-type: none"> Registered voter (Md. Const., Art. I, § 12) Citizen of Maryland Resident of the County for at least 1 year at the time of the election (Md. Const., Art. IV, § 40) 	\$25 - Counties \$150 - Baltimore City	4 years

Judicial Offices

Office	Qualifications	Filing Fee	Term of Office
Judge of the Circuit Court	<ul style="list-style-type: none"> Registered voter 30 years of age at the time of the election Resident of the State at least 5 years Resident of the judicial circuit for which he/she is seeking election at least 6 months prior to election Member of Maryland Bar (Md. Const., Art. IV, § 2) 	Circuits 1-7: \$50 Circuit 8: \$300 (Fees based on candidates cross-filing)	15 years (or until the age of 70)

Baltimore City Offices

Office	Qualifications	Filing Fee	Term of Office
Mayor	<ul style="list-style-type: none"> Registered voter 25 years of age Citizen of the US A resident of Baltimore City for at least 1 year preceding the election 	\$150	4 years
Comptroller	<ul style="list-style-type: none"> Registered voter 25 years of age Citizen of the US A resident of Baltimore City for at least 1 year preceding the election 	\$150	4 years
City Council President	<ul style="list-style-type: none"> Registered voter 25 years of age Citizen of the US A resident of Baltimore City for at least 1 year preceding the election 	\$150	4 years
City Council	<ul style="list-style-type: none"> Registered voter 21 years of age Citizen of the US A resident of Baltimore City for at least 1 year preceding the election 	\$50	4 years

Boards of Education³

County	Qualifications⁴	Term of Office
Allegany	Registered voter and resident of Allegany County for at least 1 year (§ 3-201(c)).	4 years beginning January 2
Calvert	Registered voter of Calvert County and district (if a district seat) 2 years before the beginning term (§ 3-301(c)). Has not served 2 immediately preceding elective terms.	4 years beginning January 1
Carroll	Resident and registered voter of Carroll County (§ 3-401(b)).	4 years beginning 1st Monday in December
Cecil	Registered voter of Cecil County and resident of district for at least 3 years (§ 3-4A-01).	4 years beginning 1 st Monday in December
Charles	Resident and registered voter of Charles County (§ 3-501(b)).	4 years beginning 3 rd Monday in December
Dorchester	Registered voter of Dorchester County and resident of district.	4 years beginning 1st Monday in December
Frederick	Resident and registered voter of Frederick County (§ 3-5A-01(b)).	4 years beginning 1 st Tuesday in December
Garrett	Registered voter of Garrett County Resident of County or district (if a district seat) (§ 3- 601(c)).	4 years beginning January 1
Howard	Resident and registered voter of Howard County (§ 3-701(b)).	4 years beginning 1 st Monday in December
Kent	Resident and registered voter of Kent County (§ 3- 801(b)).	6 years beginning January 1 st
Montgomery	Registered voter of Montgomery County (§ 3-901(c)).	4 years beginning December 1 st
St. Mary's	Registered voter and resident of county and district (if a district seat) (§ 3- 1101(d)).	4 years beginning 1 st Monday in December
Somerset	Registered voter of Somerset County. Resident of county and district (if a district seat) (§ 3-1201(b)).	4 years beginning January 1 st
Washington	Registered voter of Washington County (§ 3-1301(b)).	4 years beginning 1 st Tuesday in December
Wicomico	Resident and registered voter of county, resident of district. (§§ 3-13A-01, 3-13A-02)	4 years beginning first Monday in December
Worcester	Registered voter of Worcester County. Resident of district (§ 3-1401).	4 years beginning January 1 st

Counties with a combination of elected and appointed Boards of Education

County	Qualifications⁵	Term of Office
Baltimore City	Resident of city. (§ 3-108.1)	4 years
Baltimore County	21 years old, resident of district for 2 years, registered voter of county. (§ 3-2A-01)	4 years beginning 1st Monday in December

³ All filing fees for the Boards of Education are \$25

⁴ All references are to the Education Article, *Annotated Code of Maryland*

⁵ All references are to the Education Article, *Annotated Code of Maryland*

Caroline	21 years old, registered voter of county, resident of county for 3 years, resident of district. (§ 3-3A-02)	4 years beginning first Monday in December
Harford	Resident of district, registered voter of county for 3 years. (§ 3-6A-01)	4 years beginning July 1
Prince George's	Registered voter of county, resident of district. (§ 3-1002)	4 years beginning first Monday in December.

Party Offices

Office	Qualifications	Filing Fee	Term of Office
Democratic Central Committee Member	<ul style="list-style-type: none"> Registered voter Resident of county, Other qualifications specified by the party's bylaws. 	\$10	4 years
Republican Central Committee Member	<ul style="list-style-type: none"> Registered voter Resident of county, Other qualifications specified by the party's bylaws. 	\$10	4 years
Delegate to the National Convention	<ul style="list-style-type: none"> Registered party voter Resident of congressional district Other qualifications specified by the party's bylaws. 	\$0	

2.2 Filing Requirements – Principal political parties

For a candidate to appear on the ballot, the following requirements must be met:

1. Certificate of Candidacy - A Certificate of Candidacy must be filed in person at:
 - The State Board for federal and State candidates; or
 - A local board for local candidates.
- § 5-302 of the Election Law Article
 - Deadlines⁶:
 - In Gubernatorial Election Years: 9:00 p.m. on the last Tuesday in February before the Primary Election
 - In Presidential and Baltimore City Election Years: 9:00 p.m. on the 83rd day before the Primary Election
2. Authorized Candidate Campaign Committee - Before filing a Certificate of Candidacy, each candidate must establish an authorized candidate campaign committee by filing a **Statement of Organization** with the State Board. There is no fee for filing this form and the form does not have to be filed in person. The Statement of Organization must be signed by the candidate, treasurer and chair. This may be done via the Internet at www.campaignfinance.maryland.gov and electronically signed. This is not a requirement for federal and central committee only candidates. (See Section 2.9 of the Summary Guide for Central Committee candidate requirements)
- § 13-202 of the Election Law Article

⁶ The earliest a candidate may file a Certificate of Candidacy for office is one year before the deadline.

3. Filing Fee - Filing fees must be paid at the time of filing the Certificate of Candidacy. The amount of the filing fee depends on the office sought and can be found in Section 2.1 of this Summary Guide.

- § 5-401 of the Election Law Article

4. Financial Disclosure–

A financial disclosure statement must be filed prior to or at the time of filing the Certificate of Candidacy. The type of financial disclosure and governing authority varies for the office sought.

- A. Candidates for State offices and the following Constitutional offices: Registrar of Wills, State’s Attorney, Sheriff, Treasurer and Clerk of the Court: Contact the State Ethics Commission at (410) 260-7770.

- **Please note**, if the candidate files a Certificate of Candidacy and a financial disclosure statement in the year prior to the election year, the candidate must file a new financial disclosure statement no later than the last day for withdrawal as a candidate on the ballot. If the financial disclosure statement is overdue and not filed within 20 days* after the candidate receives written notice of the failure to file, the candidate is deemed to have withdrawn the candidacy and will not appear on the ballot.

-General Provisions § 5-605

-* Legislation is pending at the time of the printing of the Summary Guide to alter the number of days. Please consult the statute.

- B. Candidates for local offices excluding Board of Education and the local constitutional offices: Contact the county or Baltimore City ethics agency.

- C. Judicial candidates: Contact the Administrative Office of the Courts.

- D. Board of Education candidates: Financial disclosure statements are prescribed by each county’s Board of Education.

– § 5-304(d) of the Election Law Article

5. Identification - A candidate will be asked to provide photo identification at the time of filing the Certificate of Candidacy. A driver’s license, military identification, passport, or other government issued identification is acceptable. This is for administrative purposes only; not a legal requirement.

6. Registered voter – All candidates except for President, Vice President, and federal petition candidates, must be registered voters. We strongly recommend that you check with your local board or the State Board website at <https://voterservices.elections.maryland.gov/VoterSearch> to make sure that your voter registration is current.

- § 5-203 of the Election Law Article

7. Party Affiliation- An individual may not be a candidate seeking the nomination from a recognized political party unless the individual is a registered voter of that political party. The requirements of party affiliation do not apply to judicial and Board of Education candidates.

- § 5-203 of the Election Law Article

2.3 Filing Requirements – Write-In Candidates

Write-in candidates are not required to pay a filing fee or file in person, but are required to:

- File a Certificate of Candidacy by the earlier of:

- Seven days after a total of \$51 is spent to promote the candidacy, or
- 5:00 PM on the 7th day preceding the start of early voting for an election.
- § 5-303(c) of the Election Law Article
- File a Financial Disclosure Statement; and
- Establish an authorized candidate campaign committee.

A write-in candidate must file a Certificate of Candidacy for any votes to be counted in the election. Failure to file a Certificate of Candidacy will result in the Board of Canvassers not recognizing that vote cast.

2.4 Filing Requirements – Petition Candidates

1. Generally

An individual who is not affiliated with a recognized political party must be nominated by petition to become a general election candidate. To qualify, the candidate must file the following with the appropriate election board by the statutory established deadlines:

- Deadline #1– Filing of the Declaration of Intent to seek nomination by petition
 - When to file*:
 - First Monday in July of the year of the election
 - What needs to be filed:
 - In person, at the appropriate board of elections, the Declaration of Intent
 - Statement of Organization to form an authorized candidate campaign committee (except federal candidates)
- Deadline #2 – Petition Filing
 - When to file:
 - First Monday in August of the year of the election
 - What needs to be filed:
 - Petition signed by not less than 1% of the total number of registered voters in the district for the office for which the nomination is sought;
 - Certificate of Candidacy and filing fee; and
 - Financial Disclosure Statement (except federal candidates).

- § 5-703 of the Election Law Article

--* *Legislation is pending at the time of the printing of the Summary Guide to alter the filing deadline. Please consult the statute.*

The Declaration of Intent must be filed in person. For petition candidates, the Statement of Organization, financial disclosure statement, petition, Certificate of Candidacy and filing fee are not required to be filed in person. However, they must be received by the appropriate election office by the deadline. Postmarks will not be accepted as proof of timely filing.

The number of registered voters for the petition requirement is determined on January 1 in the year of the election.

2. Nominating Petition Format

The petition form prescribed by the State Board must be used. Each signature page of the petition must contain a statement, to which each signer subscribes, that:

- The signer supports the purpose of the petition; and

- Based on the signer's information and belief, the signer is a registered voter in Maryland and is eligible to have his/her signature counted.

Each registered voter signing the petition must provide the following information on the signature page (all information except the signature must be printed or typed in the appropriate space on the form):

- Signature (as name appears on voter registration list, or surname of registration and at least one full given name and the initial of any other names);
- Date of signing;
- Signer's printed name;
- Signer's current voter registration residence address (a business address or post office box is insufficient); and
- Date of birth. Each registered voter is asked to include his/her date of birth on the petition. The date of birth greatly assists the local board to identify a voter and validates the voter's name. If the voter refuses to provide a date of birth, the circulator should request the month and day at a minimum. A name will not be invalidated merely because the date of birth is omitted.

-§ 6-203 of the Election Law Article

Each signature page of the petition must include an affidavit, completed by an individual circulator (not a business or organization), stating that:

- All identifying information provided by the circulator is true and correct;
- The circulator personally observed each signer signing the page; and
- Based on the circulator's best knowledge and belief, each signature on the page is genuine and each signer is a registered voter at the address listed.

The circulator must sign and date the affidavit. Any signature on the page by a petition signer that is dated after the circulator's signature on the affidavit is invalid.

A petition circulator must be at least 18 years old. Maryland law does not require the petition circulator to be a registered voter or a Maryland resident.

-§ 6-204 of the Election Law Article

Upon written request, a candidate may seek an advance determination of the sufficiency regarding the format of the nominating petition form from the State Board or the appropriate county board of elections. The appropriate elections board will make a determination of sufficiency within 5 business days after receiving the request. The petition candidate will be notified of the Board's decision within 2 business days after the determination is made.

- § 6-210 of the Election Law Article

2.5 Filing Requirements – Non-Principal Political Party Candidates

1. Generally

An individual who is affiliated with a recognized political party other than the two principal parties must be nominated by that political party to become a general election candidate. To qualify, the candidate must file the following with the appropriate election board by the statutory established deadlines:

- Deadline #1- Declaration of Intent filing

- When to file*:
 - First Monday in July of the year of the election
 - What to file:
 - In person, at the appropriate board of elections, the Declaration of Intent
 - Statement of Organization to form an authorized candidate campaign committee (except federal candidates)

 - Deadline #2- Nomination Filing
 - When to file:
 - First Monday in August of the year of the election
 - What to file:
 - Certificate of Nomination (signed by the officers of the political party);
 - Certificate of Candidacy and filing fee; and
 - Financial Disclosure Statement (except federal candidates).
- § 5-703.1 of the Election Law Article*
-- Legislation is pending at the time of the printing of the Summary Guide to alter the filing deadline. Please consult the statute.*

The Declaration of Intent must be filed in person. The Statement of Organization, financial disclosure statement, Certificate of Nomination, Certificate of Candidacy and filing fee are not required to be filed in person. However, they must be received by the appropriate election office by the deadline. Postmarks will not be accepted as proof of timely filing.

2. Nomination

A recognized political party other than the two principal parties shall nominate its candidate in accordance with its constitution and by-laws adopted by the political party.

-§ 4-102(f) of the Election Law Article

The chairman and secretary of the political party central committee shall sign the Certificate of Nomination.

-§ 5-703.1 of the Election Law Article

2.6 Filing Requirements – Federal Candidates

1. Presidential Candidates - Primary Election - Democratic and Republican only

There are two ways that a candidate for the President of the United States may be placed on the primary ballot:

- Selection by Secretary of State: Automatic ballot access is provided if the Secretary of State certifies the Presidential candidate to the State Board as a result of the Secretary's determination no later than 90 days before the Primary election. The standard used for selection is if the candidate's candidacy is generally advocated or recognized in the news media throughout the United States or in Maryland; or
- Primary Election Presidential Petition Candidate: Democratic or Republican candidates not certified by the Secretary of State may gain ballot access by filing the following with the State Board by the 83rd day before the day of election:
 - A Certificate of Candidacy;
 - A Petition Information Page; and

- Petition Signature Pages containing 400 registered voters from each of Maryland's eight congressional districts
-§ 8-502 of the *Election Law Article*

2. Presidential Candidates - General Election – Unaffiliated Candidates- Petition⁷

A presidential candidate/ticket that is not registered with a political party must file the following with the State Board:

- Certificate of Candidacy;
- Petition Information Page; and
- Petition Signature Pages containing the valid signatures of at least 1%⁸ of the registered voters of the State.

3. Presidential Candidates- General Election- Recognized Non-Principal Political Party⁹

A presidential candidate ticket nominated by a recognized non-principal political party must file the following with the State Board:

- Certificate of Candidacy (if not nominated by a national party convention); and
- Certificate of Nomination

If a petition effort to form a political party is on-going in the year of the election, the new political party may nominate its Presidential and Vice Presidential candidates in accordance with its constitution and by-laws.

4. Presidential Candidates - General Election- National Party Nominating Convention

The presiding officers of the national party nominating convention must certify the candidates' names and addresses to the State Board. The candidates are not required to file a certificate of candidacy

§ 5-301(g) of the Election Law Article

5. Presidential Electors

- Recognized Political Parties: The names and addresses of 10 individuals nominated as candidates for presidential electors shall be certified to the State Board by the presiding officers of each political party.
- Petition Candidates: The names and addresses of 10 individuals nominated as candidates for presidential electors shall be certified to the State Board by the candidate for President.
- Deadline: Electors shall be certified to the State Board not later than 30 days before the general election.

-§ 8-503(c) of the Election Law Article

⁷ For further information see Section 2.4 of the Summary Guide – Petition Candidates.

⁸ Legislation is pending at the time of the printing of the Summary Guide to alter the petition signature requirement. Please consult the statute.

⁹ In order to be recognized by the State Board as a political party, the party must: 1) meet the 10,000 petition signature requirement; 2) hold an organized meeting; and 3) file an approved constitution and bylaws with the State Board.

6. All other federal offices-

- U.S. Senate and U.S. Representative
 - Candidates for U.S. Senate and U.S. House of Representative must follow the filing requirements as mentioned in Section 2.2 –2.5 depending on the type of candidacy sought.

- National Party Convention Delegates¹⁰
 - Democratic Delegates
To become a candidate as a delegate, you must file by the candidate filing deadline at the State Board:
 1. A Certificate of Candidacy; and
 2. Sign a pledge of support for the Presidential candidate or uncommitted

The Democratic State Party will provide the list of potential delegate candidates to the Presidential candidate campaign. The Presidential candidate campaign will approve who will represent them on the ballot as delegates. If not selected by the Presidential candidate, according to the delegate selection plan of the party, the delegates except uncommitted delegates will be removed and not appear on the ballot.

The percentage of vote received by the Presidential candidate will determine the allocation of the delegates.

- Republican Delegates
To become a candidate as a delegate or alternate delegate, you must file a Certificate of Candidacy by the candidate filing deadline at the State Board.

The Presidential candidate will provide the State written authorization to have the Presidential candidate's name appear adjacent to the delegate or alternate delegate candidate's name on the ballot.

Since Maryland campaign finance laws do not apply to federal candidates, those candidates are not required to establish a candidate campaign committee with the State Board or submit State campaign finance reports. However, federal law does impose campaign finance obligations. Federal candidates should contact the Federal Election Commission (FEC) for compliance information. *FEC - (800) 424-9530*

2.7 Candidates for Governor

At the time of filing of a Certificate of Candidacy, a candidate for Governor must designate a candidate for Lieutenant Governor.

The candidates will be listed jointly on the ballot and a vote cast for Governor will also be a vote for the Lieutenant Governor.

However, for some purposes of the election law, each member of the gubernatorial ticket is considered a separate candidate. Each must pay a filing fee, file a financial disclosure statement, and have an authorized candidate campaign committee.

-§§ 5-205, 5-401(b) and 13-202 of the Election Law Article

¹⁰ These requirements are subject to change based on the political party's delegate selection plans.

2.8 When you become a Candidate; Restrictions on Candidates

In order to be a candidate appearing on the ballot for a particular office, the individual must file a Certificate of Candidacy. However, under the Campaign Finance Law, an individual is a candidate once an authorized candidate campaign committee has been established with the State Board. An individual does not have to file a Certificate of Candidacy in order to be a recognized candidate for campaign finance purposes. Under Maryland law, the authorized candidate campaign committee is linked to the candidate and not the office sought. A candidate may use the same authorized candidate campaign committee for different elective offices in different election years. Once the individual establishes an authorized candidate campaign committee, the individual is precluded from establishing an exploratory committee for a different elective office.

A candidate may not be:

- A candidate for more than one public office;
-§ 5-204 of the *Election Law Article*
- A treasurer for any political committee including his or her own; or
- § 13-215(b)(1)(i) of the *Election Law Article*
- Permitted to file a Certificate of Candidacy or take office until all campaign finance reports have been filed and all late fees have been paid.
- §§ 13-332 and 13-333 of the *Election Law Article*

2.9 Central Committee Candidates

A candidate for central committee is not required to establish an authorized candidate committee at the time of filing a Certificate of Candidacy if the candidate signs an affidavit attesting that he or she will not:

1. Spend more than \$1,000 of personal funds in the election cycle; or
2. Accept contributions.

-§ 13-305.1 of the *Election Law Article*

The central committee candidate still must keep a detailed and accurate account book of all expenditures made by the candidate for the election.

Chapter 3 –Establishing and Closing a Political Committee

3.1 Establishing a Political Committee Statement of Organization

1. Generally

A Statement of Organization must be filed to establish a political committee. There is no fee charged for establishing a political committee. The Statement of Organization can be used to form every type of political committee, including a(n):

- Authorized Candidate Campaign Committee;
- Slate;
- Political Action Committee (PAC);
- State Ballot Issue Committee;
- Local Ballot Issue Committee;
- Legislative Party Caucus Committee; and
- Party Central Committee

Political fundraising and spending is unlawful unless a Statement of Organization establishing a political committee has been filed with the State Board.

-§§ 13-202, 13-207, 13-208 of the Election Law Article

2. Responsible Officers

All political committees require a chair and treasurer. For more information regarding who may serve and the responsibilities of being an officer of a committee see Chapter 7.

- § 13-207(c) of the Election Law Article

3. Where to file

The Statement of Organization is filed at the State Board. A Statement of Organization may be filed electronically using MD CRIS. The electronic submission is the fastest and more efficient method than a paper submission.

4. Name of the Political Committee

The name of the political committee must abide by the following rules:

Type of Entity	Rule	Example
Candidate Committee	The committee must disclose the name of the candidate within the name of the committee.	Friends of Susan N. Wolfe
Slate	The committee name should include the word “slate” in the title.	Victory 2018 Slate
Political Action Committee (PAC)	Committees sponsored by or affiliated with an entity or group must include the identity of the entity or group in the committee name. “Political Action Committee” must be used in the committee’s name.	Speech Therapists PAC Insurance Company PAC
Ballot Issue Committee	A ballot issue committee name must indicate what position is being taken on the issue.	Committee in Support of Proposition 22

-§ 13-208(d) of the Election Law Article

5. Election Designation

When a political committee is formed, it must designate the election or elections in which it will participate: either the Gubernatorial or Presidential/Baltimore City (Mayoral). If the committee spends or receives any money in connection with an election, then the committee is participating in that election. For any candidate committee, the designation must include the election year for the office sought. The designation will be effective for the duration of the committee. Once the committee indicates that it is participating in one of the elections, the committee will be required to file all of the reports related to that election.

Election designation does not restrict political committees from receiving contributions and making expenditures in years not designated. The designation only restricts the committee's support of *other* candidates or ballot issues during non-designated election years.

If the committee begins participating in an election which it did not designate, the responsible officers of the committee *must* notify the State Board immediately and begin to file all campaign finance reports in accordance with the reporting schedule, beginning with the first report due following the date of the committee's first financial transaction relating to the relevant election. ***See Section 11.1 of the Summary Guide for reporting dates.***

For example: Committee A designates the Gubernatorial Elections. This designation allows the committee to only file Annual reports during the other election years. However, on September 5, 2016, Committee A made a transfer of \$250.00 to a Baltimore City mayoral candidate. As a result of the transfer, Committee A is now considered to be participating in the Baltimore City election. As a result of the participation, Committee A is required to notify the State Board of its participation in the election and file the 2016 Baltimore City Pre-General and Post-General campaign finance reports.

Regardless of a committee's designation, the political committee is required to file an annual campaign finance report every third Wednesday in January.

Important: The State Board sends Pre-Report Notices to all political committees that owe a campaign finance report. If the committee receives a Pre-Report Notice, you must either file the report or immediately contact the State Board if you believe the notice was sent in error.

- § 13-309(b) of the Election Law Article

3.2 When a Political Committee Need to be Established

1. Generally

A political committee needs to be established when two or more individuals want to promote the success or defeat of a candidate, political party, or ballot question by raising and spending money.

2. Candidates

Candidates are required to open an authorized candidate campaign committee prior to engaging in any campaign finance activity (i.e. receiving contributions or making expenditures) but not later than filing a Certificate of Candidacy or Declaration of Intent.

3.3 When to Close a Campaign Finance Entity

In most cases, the decision on when to close a political committee is left to the chair and treasurer of the committee. Losing an election does not mean that the campaign committee automatically closes. It will remain active until a final report is filed. However, there are instances when a political committee *must* be closed.

An authorized candidate campaign committee must close and file a final report within 8 years after the latest of:

- The end of the individual's most recent term of office;
- The date of the last election in which the individual was a filed candidate; or
- The payment of the final debt or other obligation of the entity that was incurred in connection with that candidacy.

-§ 13-310 of the Election Law Article

A slate must close and file a final report if it does not have two eligible candidates as members because it does not meet the statutory definition of a slate.

-§ 13-101(oo) of the Election Law Article

3.4 How to Close a Political Committee

1. Generally

A political committee must have:

- Zero bank balance and cash on hand;
- No outstanding obligations or debts (including any loans from the candidate); and
- Disposed of all property or assets of the committee.

-§ 13-311 of the Election Law Article

Note: When a political committee closes, items purchased by the committee, such as equipment and furniture, must be sold, and the money from the sale must be disposed of in the same manner as other surplus funds. These items cannot be retained by the candidate or a committee officer unless purchased.

If the above conditions are satisfied, the political committee may file a final or closeout campaign finance report.

2. Surplus Funds

If a political committee wishes to close and file a final report and has paid off all outstanding obligations, any money remaining is considered surplus funds. Surplus funds must be disposed of in one or more of the following ways:

- Returned, pro rata, to the contributors; or
- Paid to a state or local party central committee, provided:
 - The candidate is a member of that party and, if the funds are paid to a local central committee, the central committee is located in the same county in which the candidate resides or seeks to represent; and
 - In the case of a non-candidate committee, the committee is acting for the party.

- Paid to the local board of education of the county in which the candidate resides or seeks to represent;
 - Paid to a recognized non-profit organization that provides services or funds for the benefit of pupils and teachers;
 - Paid to a charitable organization registered or exempt from registration under the Maryland Charitable Solicitations Act¹¹;
 - Paid to the Fair Campaign Financing Fund; or
 - Paid to any public or private institution of higher education in this State provided:
 - The institution possesses a certificate of approval from the Maryland Higher Education Commission; and
 - The funds are designated for use by the institution solely to award scholarships, grants, or loans to students attending the institution¹².
- § 13-247 of the Election Law Article*

3. Process

Committee Actions Required:

- The campaign finance report must be marked “Final” in order to close, otherwise the committee will remain open and active regardless of its financial activity or cash balance.
- In MD CRIS, simply select the “File a Closeout Report” when filing the report to indicate that the report is a final report.

State Board Approval Required:

- The committee is not officially closed until the responsible officers receive confirmation from the State Board. A political committee may not be officially closed if, according to the State Board records:
 - A. There is an outstanding campaign finance report due (including State Board amendments required);
 - B. The committee owes late fees; or
 - C. The reports filed are not in compliance or are incomplete; such as a negative cash on hand balance.

4. Negative Balance

A committee may not close with a negative cash on hand balance. A negative balance usually results from the failure to report all income including money loaned or contributed by the candidate. If a report reflects a negative balance, the committee will need to review and audit its past reports and account books and file an amended report(s).

¹¹ To determine which charitable organizations are registered or exempt from registration under the Maryland Charitable Solicitations Act, please call the Secretary of State’s Office at (410) 974-5521. *Also see www.sos.state.md.us.*

¹² To determine which public or private institutions of higher education have received certificates of approval from the Maryland Higher Education Commission, please call (800) 974-0203. *Also see www.mhec.state.md.us.*

5. Outstanding Obligations

A. Candidate Loans

In the case of an outstanding loan to the campaign from the candidate or the candidate's spouse, the candidate has the option of forgiving the loan and converting it into a contribution (contributions or monies from a candidate or the candidate's spouse to the candidate's campaign account are unlimited). In order to file a final report, the campaign finance report must reflect the conversion of the loan to a contribution and must include a letter of forgiveness from the candidate.

B. Other Loans

Outstanding loans from persons other than the candidate or the candidate's spouse may be forgiven only up to the contribution limit and must be documented in the same manner described above. If the converted loan plus other contributions from the same individual or person exceeds the \$6,000 contribution limit to the committee, a violation may have occurred.

C. Bills

The political committee must make every effort to repay the debt. However, if the political committee, due to extenuating circumstances, is unable to pay the debt, the political committee may close only after producing documentation satisfactory to the State Board of the political committee's inability to pay. The State Board's action to close a political committee does not limit the right of a creditor to bring an action against the responsible officers or candidate of the political committee. Additionally, failure to pay may be considered an in-kind contribution subject to the contribution limits. The failure to pay the bill may result in an over-contribution and possible enforcement actions.

Chapter 4 – Candidate Committees and Slates

4.1 Candidate Committees

1. Generally

- An authorized candidate campaign committee is any combination of two or more individuals authorized by the candidate to assist or attempt to assist in promoting the success or defeat of the candidate.
- A candidate may serve as the chair for his/her candidate committee. However, the candidate may not serve as the treasurer.
- In order to establish an authorized candidate campaign committee, a Statement of Organization must be filed at the State Board before:
 - Engaging in campaign financial activity; or
 - Filing a Certificate of Candidacy or Declaration of Intent.
- §§ 1-101(c) and 13-207 of the Election Law Article

2. Authorized versus Unauthorized

All candidate campaign committees must be authorized by the candidate. If the committee is unauthorized or formed to oppose particular candidates, the committee should be formed as a political action committee or PAC.

3. Closing a Candidate Committee

A candidate campaign committee does not automatically close after the election in which the candidate appeared on the ballot regardless of the outcome of the election. The candidate committee will remain open and active until a final report is filed with the State Board.

4. Candidate Contribution Limits

A candidate or candidate's spouse may make an unlimited contribution from personal funds to his/her own campaign. A candidate's business, even if wholly owned by the candidate, is not considered the personal funds of the candidate.

-§ 13-231 of the Election Law Article

4.2. Testing the Waters/Exploratory Committees

1. Generally

There are no statutory provisions that expressly authorize exploratory committees. However, the Office of the Attorney General has advised that some exploratory or “testing the waters” activities are permissible, but only for non-candidates. Exploratory Committees may not file a Statement of Organization with the State Board and may not engage in campaign finance activities. Monies raised exclusively for exploratory activities, and before the individual becomes a candidate are not considered contributions for this limited purpose.

After an authorized candidate campaign committee is established, the exploratory committee must cease all its activities. The exploratory committee may contribute up to \$6,000 to the

authorized candidate campaign committee. No other surplus funds from the exploratory committee may be used or expended on behalf of the candidate.

2. Scope

Exploratory committees are limited in their scope and purpose to raising and spending funds for conducting surveys, polls, mailings, or other activities in an effort to determine if the individual is a viable candidate. Once the exploratory committee exceeds these limitations and engages in campaign finance activity, registration of an authorized candidate campaign committee is required, i.e. by filing the Statement of Organization with the State Board. While the establishment of an authorized candidate campaign committee does make the individual a candidate under Maryland law, the individual considering a run is not required to file a Certificate of Candidacy at that time. Instead, the potential candidate may raise funds and make expenditures out of the authorized candidate campaign committee until he or she finally makes the decision whether to run for office. If the candidate decides to run and files a Certificate of Candidacy, the candidate may continue to use the authorized candidate campaign committee throughout the campaign. If not, the political committee should close by filing a final report. But note, so long as the political committee continues to exist, the individual remains a candidate under Maryland law.

3. Draft Committees

An exploratory committee that is organized to encourage a potential candidate to run for office but is not authorized by the potential candidate, i.e. Draft Candidate X for office is subject to restrictions that are similar to those applicable to an exploratory committee authorized by a potential candidate. Both would be limited to only exploratory activities. If the individuals involved in the exploratory draft committee later intend to engage in campaign finance activity, a political committee must be established with the State Board. Additionally, if coordination exists between the draft committee and the candidate, the candidate must treat any campaign expenditures made by the draft committee as an in-kind contribution subject to the contribution limits.

4. Authority Line Requirements

It is important to note that any material published or distributed by the exploratory committee would be considered as campaign material because it features a potential candidate and must include an authority line. The authority line must the name and address of person/individual responsible for the publication or distribution of the material. For example, if a potential candidate sends out letters from personal funds that indicate an interest in running for office, the authority line on the letter must include the potential candidate's name and address. ***See Section 12.1 of the Summary Guide on authority line requirements.***

4.3 **Slates**

1. Generally

- A slate is a political committee of two or more candidates who join together to conduct and pay for joint campaign activities.
- Slate campaign funds can support any member of a slate and do not have to be equally divided.

- In order to form a slate the following must be filed at the State Board:
 - Statement of Organization before any financial activity occurs; and
 - Slate Designation Form for a candidate to join a slate.¹³
- § 1-101 of the Election Law Article; § 13-209 of the Election Law Article*

2. Requirements

- A slate is required to have at least two candidate members at all times.
 - The slate candidate member must have filed a Certificate of Candidacy for the election in which the slate is participating; or be an incumbent office holder and the deadline for filing a Certificate of Candidacy has not passed.
 - If there are less than two members, the slate is required to close the committee and file a final report.
 - Prior to joining a slate, the candidate must establish a separate individual candidate committee.
- § 13-209 of the Election Law Article*

Note: A candidate will remain a member of the slate until the slate closes or the candidate resigns from the slate (using the Slate Designation/Resignation Form prescribed by the State Board or electronically using MD CRIS). If a candidate closes out his/her own candidate committee, then the candidate has effectively resigned from the slate. Additionally, if the candidate no longer meets the qualifications to remain a member of the slate, SBE will remove the candidate as a member on the slate.

3. Special Campaign Finance Limits

Unlimited transfers can occur from a member's authorized candidate campaign committee to the slate.

A slate may only transfer up to \$24,000 in an election cycle to a member's authorized candidate campaign committee.

Please note, that member to member transfers are limited to \$6,000 in an election cycle.

-§ 13-227 of the Election Law Article

¹³ If filed electronically, MD CRIS will send out an email to the candidate for authorization to join the slate.

Chapter 5 – PACs, Ballot Issue Committees, Party Central Committees, Legislative Party Caucus Committees

5.1 Political Action Committees (PACs)

1. Generally

- A PAC is a political committee that seeks to advance its political interests or purposes through the promotion of candidates, political parties, or questions.
- § 1-101(ff) of the Election Law Article
- Any political committee whose purpose is to support or oppose a single ballot issue cannot be a PAC.
- In order to form a PAC, a Statement of Organization must be filed with the State Board. The PAC must identify its purpose on the Statement of Organization.

2. Naming a PAC

The law requires that the name of the PAC include the name of any entity that sponsors or affiliates with the PAC. For example, if a company, Environment Group, Inc., sponsors a PAC, then the name of the company, the Environment Group, Inc., must be used in the name of the PAC (Environment Group PAC). PACs that are not affiliated with or sponsored by a group or entity have more flexibility when choosing a name, but must choose a name that does not deceive people as to the true nature or character of the PAC.

-§ 13-208(d)(3) of the Election Law Article

Additionally every Maryland PAC must include its official name and “Maryland registered political action committee” or “MD registered PAC” on its checks.

- § 13-228 of the Election Law Article

3. Campaign Finance Limits

PACs may give up to \$6,000 to other political committees in an election cycle. There is no aggregate limit for a PAC in an election cycle. (*See Section 8.3 of the Summary Guide.*)

4. PAC or Independent Expenditure entity?

A PAC is required to register when two or more persons raise or spend money to support or oppose candidates, political party, or ballot questions for a State election. If the entity’s major purpose is to engage in electoral matters, i.e. promoting the success or defeat of a candidate or political party, then it must register as a PAC. For most organizations—including unions and corporations—the advantages of a PAC include the ability to receive contributions from members or employees and to direct campaign expenditures on their behalf.

Without a PAC, an organization may make “independent expenditures” in support of or opposition to a candidate, political party, or ballot question. The funding for the independent expenditure can come directly from the organization’s general operation funds. If the

organization conducts campaign finance activity to support the independent expenditure, it will need preform an internal analysis to see if the major purpose threshold applies.

5. Super PACs

What is a Super PAC?

A PAC that **makes independent expenditures only** is commonly referred to as a Super PAC. It may not coordinate or make any direct transfers to candidates. In order to establish a Super PAC, you must file a Statement of Organization, designate at the time of registration that the PAC will make only independent expenditures, and identify which candidate(s) it tends to support or oppose.

Consistent with the legal authority on this issue, the State Board does not interpret the contribution limits of Election Law Article § 13-226(b) to apply to contributions or donations to Super PACs or political groups or PACs that make only independent expenditures or electioneering communications. However, candidate committees, slates, political parties, and legislative party caucus committees may not make a contribution or transfer to a Super PAC or any entity that makes only independent expenditures or electioneering contributions because, in that event, the contribution or transfer would amount to “coordination.” Once coordination exists, the contribution limits would apply to all contributions or donations received by the Super PAC and any amounts exceeding the legal limits would be subject to civil penalties.

Special Reporting Requirements

A Super PAC must file a disclosure report within 48 hours after making aggregate expenditures of \$10,000 on campaign material. This does not relieve the Super PAC from the regular scheduled campaign finance reports due for all political committees.

5.2 **Ballot Issue Committees**

1. Generally

- A ballot issue committee is a political committee formed to promote the success or defeat of one or more questions or potential questions to be submitted to a vote at an election.
–§ 1-101(f) of the Election Law Article
- In order to form a ballot issue committee, a Statement of Organization must be filed with the State Board.
- The ballot issue committee must identify the ballot issue and whether the committee is being formed to support or oppose the issue.

2. When a ballot issue committee needs to be formed

A ballot issue committee must be established at the State Board before collecting signatures for a petition effort seeking to place a question or referendum on the ballot.

–§ 13-202 of the Election Law Article

If the question is automatically placed on the ballot by legislation, then a ballot issue committee must be formed before engaging in campaign finance activities, i.e., money is collected or spent to promote its success or defeat.

3. Where to File

A ballot issue committee must file its campaign finance reports with the State Board.

4. Campaign Finance Activity

The major purpose of a ballot issue committee is to promote the success or defeat of one or more questions or potential questions appearing on the ballot.

A ballot issue committee can receive unlimited contributions from an individual, business entity, or any other organization. In addition, there is no restriction on the amount that a political committee may transfer to a ballot issue committee.

-§§ 13-226(a) and 13-227(b) of the Election Law Article

5. Reporting Responsibilities

A ballot issue committee must file campaign finance reports like any other political committee. However, its first report is due at the time the petition is submitted to the appropriate local board or Secretary of State. If there was opposition to the petition effort, the ballot issue committee in opposition must file first report 10 days later. Any subsequent petition submission by the ballot issue committee must include filing a campaign finance report. After the petition process is complete, then all ballot issue committees file reports on the last Tuesday in August and the fourth and second Friday immediately preceding the general election. A ballot issue committee does not have to file pre-primary related campaign finance reports.

-§ 13-309 of the Election Law Article

Note: If the ballot issue committee is established a year or more before the election, it is required to file an Annual Report each year until the year of the election. The committee will remain open and liable for filing reports until it files a final (closeout) report with the State Board.

6. Petition Effort

Please consult the Petition Manual on the State Board website or contact the appropriate local board for more information including the number of signatures required and deadlines to file the petition.

5.3 **Party Central Committees**

1. Generally

A State central committee is the governing body of the political party and may be composed of members of the central committees of the counties.

-§ 4-201 of the Election Law Article

Every recognized political party must establish and maintain a State central committee. The political party has the option to establish one in each county. For example, the Republican and Democratic Parties each have a State central committee and 24 county central committees, all of which have Statements of Organization on file with the State Board. The central committee must maintain a chair and treasurer with the State Board.

2. Reporting and Disclosure Responsibilities

A central committee must report like any other type of political committee.

In addition to campaign finance reporting, each State and local central committee is required to file and maintain a current version of its constitution and by-laws with the State Board.

-§ 4-204(d) of the *Election Law Article*

Common reporting problems

Central committees often forget to inform the State Board when officers change. For example, if John Doe loses the election and therefore stops serving as treasurer and Jane Smith takes over, this must be reported to the State Board. John Doe must file a resignation form and Jane Smith files an appointment form for a new officer. Failure to do so will cause John Doe to remain as treasurer for liability purposes with the State Board.

3. Campaign Finance Activity

- Contributions to a Central Committee

Campaign contributions to a central committee are subject to the \$6,000 contribution limits discussed in Chapter 7 of this Summary Guide.

However, donations to a central committee for strictly administrative purposes (such as maintaining the party's normal headquarters and staff) do not count against the contribution limit and must be identified on the campaign finance reports filed by the central committee. Additionally, the donor must earmark the donation for administrative purposes; otherwise it would be considered an electoral contribution subject to the limits.

The central committee is required to segregate the administrative funds from its other funds and accounts.

- Contributions and Transfers by a Central Committee

Central committees may make *coordinated campaign contributions*¹⁴ to party candidates during an election cycle in the following amounts:

- For a State central committee, not more than \$1 for every two registered voters in the State (regardless of party affiliation) as of first day of the election cycle.
- For a local central committee, not more than \$1 for every two registered voters in the county (regardless of party affiliation) as of first day of the election cycle.

-§ 13-226(c) of the *Election Law Article*

In addition to these coordinated campaign contributions, a central committee may also transfer up to \$6,000 to other political committees. (*See Section 8.3 of the Summary Guide.*)

4. Control over Campaign Funds

Unlike other political committees, a treasurer of a central committee may not make any disbursements or incur any liability on the committee's behalf, without authority and direction

¹⁴ A coordinated campaign contribution is an expenditure made by the party central committee or legislative party caucus committee for the purpose of supporting one or more candidates and done with direct approval, knowledge, and cooperation of the candidate(s). For example, a coordinated campaign contribution could be a television ad campaign that is paid for by the party but that was coordinated with the candidates benefiting from the campaign. It is considered an in-kind contribution to that candidate and must be reported on the candidate's campaign finance report as well.

from the chair. However, the chair may not make any disbursements; only the treasurer has that authority.

-§ 13-218(c) of the Election Law Article

5.4 Forming a Political Party

1. Generally

A partisan organization is a combination of two or more individuals joining together to form a new political party. Any group of registered voters may form a new political party by filing with the State Board a petition stating:

- The intent to organize a State political party;
- The name of the partisan organization;
- The name and signature of the State Chairman of the partisan organization;
- The names and addresses of 25 registered voters, including the State Chairman, who shall be designated as constituting the initial governing body of the partisan organization; and
- Signatures of 10,000 registered voters.

The petition to form a new political party may be filed at any time except after the first Monday in August until voter registration opens after the general election. Additionally, in a presidential election year, a petition cannot be filed during the period when voter registration is closed prior to and after the primary election.

-§ 4-102 of the Election Law Article

The political party must file the Statement of Organization creating the central committee with the State Board at the time the new party petition process is successfully completed and the constitution and by-laws are approved.

2. Retention of Political Party Status

A new political party retains its status as a political party until December 31 in the year of the second statewide general election after the party first qualified. Thereafter, a political party may retain its status in either one of two ways:

- a. If the party nominated candidate for the highest office on the ballot (President or Governor) in a statewide general election receives 1% of the vote for that office, then the political party retains its status through the end of the year of the following general election; or
- b. If the party achieves 1% of the registered voters of the State as of December 31, then it retains its status through the end of the next year.

Once political party status is lost, the central committee of the political party can no longer exist and will need to re-register with the State Board as a PAC.

5.5 Legislative Party Caucus Committees

A legislative party caucus committee means a political committee established to promote the election of candidates of a single political party to one of the two Houses of the General Assembly.

Special Campaign Finance Limits

Unlimited transfers can occur from a member's authorized candidate campaign committee to the legislative party caucus committee.

A legislative party caucus committee may only transfer up to \$24,000 in an election cycle to a member's authorized candidate campaign committee. However, the legislative party caucus committee may make a *coordinated in-kind contribution* to a candidate that it seeks to elect up to \$1 per two registered voters in the State.

Please note that member to member transfers are limited to \$6,000 in an election cycle.

A person may make an unlimited donation to the administrative account of the legislative party caucus committee. This does not count against the \$6,000 contribution limit. The donation must be earmarked by the donor for the exclusive use in the administrative account. Failure to earmark the donation will result in the donation being considered a contribution subject to the limits.

Chapter 6 – Out-of-State Political Committee, Federal Committees, and Participating Organizations

6.1. Out-of-State Political Committee

1. Generally

- An out-of-state political committee is a nonfederal political committee that is lawfully registered with another state’s election authority.
- The term “out-of-state political committee” does not include a Maryland registered PAC or other political committee/entity that is registered with the Federal Election Commission.

2. Transfer Limitations

An out-of-state political committee may transfer up to \$6,000 to a Maryland campaign finance entity (*See Section 8.3 of the Summary Guide*).

3. Affiliation

If an out-of-state political committee is affiliated with a Maryland registered political committee or with other political committees in different states, all affiliated entities are treated as a single contributor.

Campaign finance entities are deemed to be affiliated if they:

- Are organized and operated in coordination and cooperation with each other; or
- Conduct their operations and make their decisions relating to transfers and other contributions under the control of the same individual or entity.

–§ 13-227(d)(2) of the Election Law Article

Example

Sunshine Corporation is interested in supporting a Maryland gubernatorial candidate. Sunshine Corporation has a Maryland PAC and a West Virginia PAC. Since the PACs are affiliated, they can only transfer a combined total of \$6,000 to the gubernatorial candidate.

4. Reporting Requirements

An out-of-state political committee shall register with the State Board within 48 hours after making transfers in a cumulative amount of \$6,000 to one or more campaign finance entities.

After registering, the out-of-state political committee shall electronically file campaign finance reports for all campaign related expenditures made within the State for the election in which it is participating.

–§ 13-301 of the Election Law Article

5. Enforcement

Out-of-state political committees are subject to late fee penalties.

6.2 Federal Committees

A federal committee is any political committee registered with the Federal Election Commission (FEC). Like other entities or associations, a federal committee is considered a person under the Campaign Finance Law and allowed to make contributions, not transfers, to Maryland political committees.

Depending on its campaign finance activity in the State, a federal committee may need to register and file disclosure reports with the State Board. A federal committee may be subject to the independent expenditure reporting requirements and could be a participating organization.

Campaign finance information for federal committees is available to the public on the FEC website (www.fec.gov). The State Board provides a public computer at its office in Annapolis for the purpose of allowing citizens access to federal campaign finance data via the Internet.

6.3 Participating Organizations¹⁵

A participating organization means any entity that is organized under §501(c)(4) or (6) or §527 of the Internal Revenue code and makes:

- A contribution to a campaign finance entity;
- A donation to a person making independent expenditures or electioneer communications;
or
- A donation to an out-of-state political committee for the purposes of making an expenditure in Maryland.

Reporting Requirements

A participating organization shall register with the State Board within 48 hours after making contributions donations or disbursements in a cumulative amount of \$6,000 in an election cycle.

After registering, the participating organization shall file campaign finance reports for all campaign related expenditures made within the State for the election in which it is participating.

-§ 13-309.2 of the Election Law Article

¹⁵ *Legislation is pending at the time of the printing of the Summary Guide altering the reporting requirements. Please consult the statute.*

Chapter 7 – Committee Officers

7.1 Who can serve as an officer

1. Generally

To serve as a chair or treasurer, an individual must be a registered voter of the State of Maryland and be in good standing with the State Board. The officers are not required to live in the same district as the candidate or to have the same party affiliation as the candidate.

- §§ 13-215 and 13-332 of the Election Law Article

2. Multiple Appointments

An individual may serve as chair or treasurer for more than one committee.

3. Current Addresses

The chair and treasurer must keep their mailing address, email address and phone number current to ensure receipt of periodic notices and compliance materials.

A chair or treasurer may receive notices via email only if the chair or treasurer affirmatively consents.

The chair or treasurer must notify the State Board of a change in the residential address no later than 21 days before a campaign finance report is due. Failure to keep the address current will not relieve the political committee of any fines or penalties.

- §§ 13-207(c)(3) and 13-214(c) of the Election Law Article

4. Candidate as Officer

- A candidate **may not** serve as the **treasurer** for the candidate's own political committee or any other Maryland political committee. The one exception to this prohibition is that a candidate for an office of a party central committee may serve as treasurer for the central committee.
- A candidate **may** serve as **chair** of his or her own committee.
- Candidates are prohibited from exercising general overall responsibility for the conduct of a political committee that is not the authorized candidate campaign committee or slate.

- § 13-215 of the Election Law Article

5. Lobbyists

Under § 5-715 of the General Provisions Article of the Code, lobbyists are prohibited from:

- Serving on a fundraising committee or a political committee;
- Organizing or establishing a political committee for the purpose of soliciting or transmitting contributions from any person;
- Forwarding tickets for fund-raising events, or other solicitations for political contributions, to a potential contributor;
- Being a treasurer or chairman of a political committee; or
- Soliciting or transmitting contributions from any person, including a political committee.

6. Members of the Board of Regents

Pursuant to Education Article §12-115, a member of the Board of Regents is prohibited from:

- Serving on a fundraising committee or a political committee;
- Organizing or establishing a political committee for the purpose of soliciting or transmitting contributions from any person;
- Forwarding tickets for fund-raising events, or other solicitations for political contributions, to a potential contributor;
- Being a treasurer or chairman of a political committee; or
- Soliciting or transmitting contributions from any person, including a political committee.

7.2 Duties and Responsibilities of the Treasurer

1. General Duties

The treasurer is responsible for the financial activity of the committee. All assets received by or on behalf of the campaign finance entity must be received and maintained by the treasurer. Additionally, only the treasurer can disburse or expend campaign funds. The only exception of the rule is when temporarily unable to perform the duties of the office (*see Section 7.3 of the Summary Guide*).

The treasurer must verify and sign all campaign finance reports. Maryland law requires that the treasurer keep a detailed and accurate account book on behalf of the political committee. The account books must be preserved for two (2) years after the political committee files a final (closeout) campaign finance report.

The ultimate responsibility for compliance with the campaign finance law rests with the Treasurer. A Treasurer may not serve “in name only” and may not delegate any statutory responsibility to another person, including the candidate, except as provided by law.

Additionally, a treasurer of a candidate committee must provide a copy of the bank statement to the chair and candidate within 30 days of filing a campaign finance report.

2. Delegation of Duties

The treasurer may use campaign staff, with appropriate supervision, to perform ministerial functions like filling out deposit tickets, writing out (but not signing) checks, data entry for the campaign finance reports, or making bank deposits. Except in the limited circumstances where a chair may act as a temporary treasurer of the committee, the treasurer may **not** permit anyone to perform the duties that the law has entrusted to the treasurer. This includes signing checks, making proper expenditures, receiving contributions, ensuring complete and accurate account books and records, and the filing of complete and accurate campaign finance reports.

§ 13-218 of the Election Law Article

All assets received by or on behalf of a campaign finance entity shall be:

- Delivered to the treasurer; and
- Maintained by the treasurer for the purposes of the campaign finance entity.

Assets of a campaign finance entity may be disbursed only:

- If they have passed through the hands of the treasurer; and
- In accordance with the purposes of the entity.

7.3 Duties and Responsibilities of the Chair

1. Generally

The chair is not assigned any specific duties under the law. However, the chair does share responsibility with the treasurer for submitting timely campaign finance reports.

Since the chair shares responsibility for the activity of the committee and may be required to submit a report if the treasurer has resigned or is absent, it is recommended that the chair have access to the committee's books, records, and bank account.

The chair does exercise control over campaign funds for a central committee. The treasurer of a State or county central committee may not make any disbursements or incur any liability without the authority or direction from the chair.

2. Chair as Temporary Treasurer

The chair may make a disbursement only when the treasurer is temporarily unable to perform the duties of the office. After the chair makes a disbursement, the chair must submit within 7 days a detailed report to the treasurer including:

1. A statement of the expenditures;
2. The name and address of the person to whom the expenditure was made;
3. The purpose of the expenditure; and
4. A copy of the receipt.

A candidate who is a chair may not make any disbursement and may not temporarily assume the duties of the treasurer under any circumstances.

Examples of when a treasurer is unable to perform the duties of the office are:

1. Medical emergency or disability
2. Death in the family
3. Extended travel out-of-state.

7.4 How to Resign

1. Written and Signed Resignation Required

- A chair or treasurer must resign by submitting a written and signed resignation to the State Board.
- § 13-207(d) of the Election Law Article
- A resignation will not be accepted if it will leave the political committee with no officers. By practice, when both the Chair and Treasurer resign together without any new appointments, the State Board will accept the resignation of the Chair and deny the resignation of Treasurer until another officer is appointed.
- A resignation should be filed on the form prescribed by the State Board.
- Resignation may be completed using MD CRIS.

CAUTION

Many officers make the mistake of giving their resignations to the candidate or to another committee officer. While the candidate or officer should certainly be informed of the officer's decision to resign, the resignation will not be effective, and the officer will remain active until the resignation is received by the State Board.

As previously noted, central committee officers must still inform the State Board that they are no longer acting officers. Chairs and Treasurers constantly change with elections, and it is the responsibility of both old and newly elected officers to inform the State Board. If no notice was ever sent to the State Board, then the names of the previous responsible officers will remain and will be responsible for the reporting requirements.

2. When Resignation is Effective

The resignation is effective as of the date the form is received by the State Board. The State Board will acknowledge receipt of a resignation in writing. If the person resigns using MD CRIS, the acknowledgement will be automatic and via email.

3. Remaining Liability

A responsible officer who resigns may be still liable for any outstanding late fees during the time he or she was an active officer if the committee does not have funds to cover the fine.

4. Vacancies

When a vacancy occurs in the position of chair or treasurer, all financial activity of the political committee must cease and cannot resume until a new appointment is filed. It is the responsibility of the other officer to promptly appoint a new officer.

- § 13-207 of the Election Law Article

Note: A vacancy for chair or treasurer **does not** relieve the political committee from filing timely campaign finance reports.

5. Transfer of Information

When a treasurer resigns, he or she is required to transfer to the new treasurer, or the chair or candidate if a new treasurer has not been appointed, the following:

- The account books and records (see Section 14.1 of the Summary Guide for details); and
- The bank account information.

7.5 Salary

A chair or treasurer may receive compensation or a salary in that position from the political committee. Payment for the compensation must be only by check.

Prior to any payments, the compensation agreement between the chair or treasurer with the political committee must be submitted to the State Board and, if applicable, signed by the candidate.

- § 13-248 of the Election Law Article

Chapter 8 – Contributions and Transfers

8.1 The Difference Between Contributions and Transfers

Maryland law makes a distinction between *contributions* and *transfers*. It is important to understand the difference, since contributions and transfers are reported differently on your campaign finance report.

A *contribution* is money or anything of value given to a political committee to promote or assist in promoting the success or defeat of a candidate, political party, or question. A contribution can be made by any individual, a business entity, a political club, a federal committee, or a labor union.

-§ 1- 101 of the Election Law Article

A *transfer* is a monetary contribution made by one political committee to another. *For example:* a PAC may transfer money to a candidate committee. In addition, the law allows an out-of-state political committee to transfer money to a Maryland political committee if the out-of-state committee is properly registered with its own state's election authority. Federal committees are not considered out-of-state political committees and therefore cannot make transfers but can make contributions.

-§ 1-101 and § 13-227 of the Election Law Article

8.2 Contribution Limits

1. Generally

A person may contribute directly or indirectly no more than \$6,000 to one political committee during the election cycle.¹⁶

-§ 13-226 of the Election Law Article

Election Cycle
2014 Cycle – 1/1/2011 through 12/31/2014
2018 Cycle – 1/1/2015 through 12/31/2018
2022 Cycle – 1/1/2019 through 12/31/2022

For example: Sidney Giver contributes \$6,000 to the Committee to Elect Bob D. Candidate on April 3, 2017. Sidney Giver cannot make any more contributions to the Committee to Elect Bob D. Candidate until the next four-year cycle begins (in this case January 1, 2019).

2. Contributions to a Candidate

The \$6,000 limit on contributions to the political committee of a candidate applies regardless of the number of offices sought by the candidate in separate elections during the election cycle or the number of authorized candidate committees formed to support the candidate, including slates.

-§ 13-226(d) of the Election Law Article

3. Exceptions

- *Cash* – A person may make cash contributions in the aggregate up to \$100 in an election cycle to a political committee.

-§ 13-234 of the Election Law Article

¹⁶ The Office of Attorney General has advised that based on the holding of *McCutcheon v. Federal Election Commission*, the aggregate contribution limit in Election Law Article §13-226(b)(2) is unconstitutional and may not be enforced. Therefore, a person may make an unlimited aggregate amount of contributions, but may not give more than \$6,000 to any one political committee.

- *Ballot Issue Committee* - There is no limit on how much an individual may contribute to a ballot issue committee.

Administrative donations- An administrative donation, earmarked as such, is not subject to the \$6,000 limit and does not count toward the contributor's contribution limit. (*See Section 8.17 of the Summary Guide*).

-§ 13-220.1 of the Election Law Article

4. Duty of the Committee

Every political committee has a duty to assist contributors to ensure compliance with Maryland law. The political committee must issue a receipt upon receiving one or more contributions in the cumulative amount of \$51.00 or more from a contributor; or upon request by the contributor regardless of the amount given.

It is unlawful for a committee to knowingly accept a contribution over the legal contribution limits.

5. Employer and Occupation

If an individual makes aggregate contributions of \$500 or more to a political committee, the individual must provide employer and occupation information to the committee for disclosure on the campaign finance report.

The committee is required to make the best efforts to collect the required employer and occupation information. See COMAR 33.13.02.02E for more information on the requirements.

8.3 Transfer Limits

1. Generally

A political committee may transfer no more than \$6,000 to another political committee during the election cycle.

- § 13-227 of the Election Law Article

For example: the ABC PAC transfers \$4,000 to the Committee to Elect Bob D. Candidate on February 16, 2017. ABC PAC then transfers another \$2,000 to the Committee to Elect Bob D. Candidate on January 31, 2018. The ABC PAC cannot make any more transfers to the Committee to Elect Bob D. Candidate until the next four-year cycle begins (in this case January 1, 2019). However, the ABC PAC can still make transfers to any other political committee not associated with Bob D. Candidate.

2. Exceptions

The transfer limit is unlimited for the following:

1. Between or among:

- State and local party central committees of the same political party;
- A slate consisting only of a gubernatorial unit; and
- A candidate's authorized campaign committees.

2. By the authorized candidate campaign committee to:

- A slate of which the candidate is a member
- A legislative party caucus committee that seeks to elect the candidate

The transfer limit is \$24,000 for an election cycle to an authorized candidate campaign committee from the following:

- A slate of which the candidate is a member
- A legislative party caucus committee that seeks to elect the candidate

3. Ballot Issue Committees

- Transfers from political committees to a ballot issue committee are not subject to transfer limits.
- Transfers from a ballot issue committee to a political committee, excluding a ballot issue committee, are limited to no more than \$6,000.

-§ 13-227 of the Election Law Article

8.4 In-Kind Contributions and Independent Expenditures

1. In-Kind Contributions

A. Generally

An in-kind contribution is a contribution given to a political committee in a form other than money. Normally, there are two types of transaction that may be considered an in-kind contribution: (1) a contribution given to a political committee in non-monetary form (e.g. services or property); or (2) a coordinated expenditure made on behalf of the candidate where the candidate knows of and consents to the expenditures.

In-kind contributions include items, services, goods, and anything of value provided to the political committee. The amount of an in-kind contribution is the fair market value of the good or service provided (at the time of the contribution).

Example: A person may contribute bumper stickers to a candidate's committee. The amount of the contribution equals the fair market value of the bumper stickers or, in this case, what the individual paid for the bumper stickers. It is important to remember that an in-kind contribution counts toward the donor's contribution limits.

B. Exceptions- Volunteer Activities

Services provided to a campaign for free or at a reduced cost will also be considered an in-kind contribution unless permitted as an individual's volunteer activity for a campaign. The contribution limits do not apply when an individual volunteers his or her own time to a campaign, or uses the individual's personal vehicle to provide transportation incident to an election.

-§ 13-233(1) of the Election Law Article

An individual is not considered a volunteer when a business or other person compensates the individual, directly or indirectly, for working on behalf of the campaign.

Example

- Sheets of Color, a commercial business, designs a logo for John D. Candidate, free of charge. Since Sheets of Color would normally charge \$1,000 for designing logos, the business has made an in-kind contribution of \$1,000 to John D. Candidate's committee. This \$1,000 counts toward Sheets of Color's contribution limits discussed in Section 8.2 of this Summary Guide.

2. Independent Expenditures

A. Generally

Independent expenditures occur when a person or organization makes a disbursement expressly advocating the success or defeat of a candidate without coordinating with, or acting at the request or suggestion of the candidate, a political committee of the candidate, or an agent of the candidate. If cooperation or coordination exists between the person and the candidate, then the expenditure would be an in-kind contribution subject to the contribution limits.

Factors to be considered by the State Board in determining whether a candidate and a person making independent expenditures are acting, organizing, or operating in coordination and cooperation with each other for an expenditure, include evidence of :

- Sharing campaign material, strategies, or information that is not generally available to the public, such as information about advertising, messaging, strategy, polling, research, or allocation of resources.
- Publishing or distributing campaign material prepared by the candidate.
- An agreement with another candidate or person on the payment of expenses or receipt of contributions, for example designs or schemes to evade Election Law disclosure requirements or contribution limits.
- Whether the candidate is substantially involved in, or had more than incidental discussions with respect to, decisions regarding the content, targeted or intended audience, means or mode of a public communication, specific media outlet used, the timing or frequency or size or prominence of a communication or fundraising event for another candidate or organization participating in the election.
- Sharing operations, responsible officers, staff, consultants and other third party vendors with another candidate or person.

B. Registration and Reporting

Any person who makes aggregate independent expenditures of \$5,000 or more in an election cycle on campaign material shall register with the State Board within 48 hours of meeting the threshold. Within 48 hours of making cumulative disbursements of \$10,000 or more in an election cycle, the person must file an independent expenditure report.

The report shall include the name of the candidate or ballot issue to which the independent expenditure relates and whether it supports or opposes that candidate or ballot issue. Additionally, the report shall include the names and addresses of any donors who made cumulative donations of \$6,000 or more to the person making the independent expenditure.

- § 13-306 of the Election Law Article

3. Expenditures by an Individual

Expenditures by an individual acting alone with personal funds, incurred to express purely personal political views, are not subject to registering as a political committee, but still may be subject to disclosure requirements for independent expenditures and authority line. The State Board has interpreted the phrase “acts independently of any other person” to mean the individual acted by him or herself without the use of paid consultants or vendors or in coordination with or at the request or suggestion of the candidate, a political committee of the candidate or an agent of the candidate.

- § 13-102 of the Election Law Article

8.5 Ticket Purchases

Purchasing a ticket to attend a campaign fundraiser is considered a contribution or a transfer to the political committee selling the tickets. It is a transfer if the ticket is purchased by another political committee or by an out-of-state political committee. It is a contribution if it is purchased by a person.

8.6 Contributions by Business Entities

Contributions made by business entities are subject to the \$6,000 contribution limit. Contributions by different business entities are considered made by one contributor if:

- The business entities are owned or controlled by at least 80% of the same individuals or business entities; or
- One of the business entities wholly owns the other.

Please see COMAR 33.13.16 for the ownership and control standards.
--

-§ 13-226(e) of the Election Law Article

If a contribution is from a business entity, the name and address of the entity (not the name of the person who signed the check on behalf of the business) should be entered in the account records, as well as in the campaign finance reports.

At the time a contribution is made, the contributing business entity shall determine whether an affiliated business entity has made a prior contribution to the political committee during the current election cycle and if so, provide prompt written notice to the political committee of the prior contribution, including the name and address of the affiliated business entity.

-COMAR 33.13.16.02D

Disclosure by Business Entities

Like all other contributors, a business entity that contributes to a political committee does not have to file a separate report of the contribution. The political committee reports the contribution. The exception to this rule is for a business entity that:

- Does public business involving consideration of \$200,000 or more for a single contract (see Title 14 of the Election Law Article); **or**
- Employs a registered lobbyist for compensation in excess of \$500 during the reporting period (see § 5-716 of the General Provisions Article) **and** makes contributions or donations to or on behalf of a State candidate in the cumulative amount of \$500 or more during a reporting period.

For the limited purpose of the Contribution Disclosure Statement, certain contributions and donations to political committees affiliated with candidates and independent expenditures entities that support or oppose candidates are attributed to the business entity. Contributions or donation made by the following are attributed to the business entity and must be disclosed on the statement:

- A. Officers, directors, and partners of the business entity;
- B. Subsidiaries of the business entity
- C. Officers, directors, and partners of the subsidiary of the business entity
- D. Employees or agents of the business entity if the contributions or donations were made at the direction or suggestion of the business entity or its officers;
- E. Affiliated political action committees of the business entity.

The Contribution Disclosure Statement is due semi-annually on the last day of May and November. Furthermore, the initial statement for persons doing public business is due at the time when the relevant contract is awarded, with a 24-month look-back period.

Failure to file the contribution disclosure statement will result in a late filing fee up to \$500.

The definition of “candidates” varies by registration criteria:

For Doing Public Business: “Candidate” means any candidate for State, county, local or municipal office including any incumbent officeholder.

For Employing a Lobbyist: “Candidate” means a candidate for, or an official holding, the office of Governor; Lieutenant Governor, Attorney General, Comptroller, or member of the General Assembly.

The registration of the business entities and filings are available at <https://www.businessdisclosure.elections.maryland.gov>

See COMAR Title 33 subtitle 20 and 22 for further requirements. Additional information may be obtained by calling the State Board or visiting the State Board’s website.

8.7 Transfers by Affiliated Political Committees

Transfers by political committees that are affiliated with one another are treated as if they were made by one contributor. Committees are “affiliated” if they are organized and operated in coordination and cooperation with each other or otherwise conduct their operations and make their transfer or disbursement decisions under the control of the same individual or entity.

-§ 13-227(d) of the Election Law Article

8.8 Form of Payment (cash, check, charge or electronic methods)

1. Contributions

A person may not make a monetary contribution in excess of \$100 except by check, credit card or electronic method approved by the State Board.

-§ 13-234 of the Election Law Article

A person can make cash contributions up to \$100 for an election cycle. Once the threshold is reached, the person is prohibited from making further cash contributions for the remainder of the election cycle to any political committee.

Text contributions to a political committee are permissible if the contribution amount is not greater than \$10 per text transaction.

-COMAR 33.13.11.03

2. Transfers

A transfer must be in monetary form and be made by check or electronic method authorized by the State Board. A political committee may not use a credit card. However, there are instances when a political committee may want to give something of value (other than money) to another political committee. This is permissible, but it is *not* a transfer. A non-monetary donation would be an in-kind contribution, and subject to the *contribution limits, not the transfer limits*.

8.9 Determining When a Contribution is Received

Generally, a contribution or transfer should be considered received as of the date the political committee takes possession of it. However, if the date that a contribution or transfer by check is received is in a different election cycle than the date the check was issued, the date the check was issued is considered the received date. For example: Mr. X issues a check on December 30, 2018. Committee Y does not receive it until January 3, 2019. Since the check was issued in a different election cycle, Committee Y should treat the contribution as if it had been received on December 30th.

-§ 13-232 of the Election Law Article

Election Cycle
2014 Cycle – 1/1/2011 through 12/31/2014
2018 Cycle – 1/1/2015 through 12/31/2018
2022 Cycle - 1/1/2019 through 12/31/2022

8.10 Prohibited Contributions and Transfers

1. No Joint Contributions

Maryland law does not recognize joint contributions. A contribution made to a political committee must be attributed to a single person. If a political party receives a contribution with two names on the check, the contribution should be reported as a contribution by the signer of the check.

If the campaign has knowledge that the check is meant to be from both named individuals on the check, then the contribution should be split equally between the contributors and reported as separate contributions. For example: if you receive a \$100 check from George and Martha Washington, and the political committee has knowledge that both George and Martha Washington intended to make a contribution to the political committee, the \$100 check may be evenly split between both of them and reported on the committee's campaign finance report as (1) A contribution of \$50 from George Washington; and (2) a contribution of \$50 from Martha Washington.

If it is unclear whether or not a contribution is from both individuals, it is the duty of the campaign to contact the contributors to confirm their intention. The political committee must have a corresponding document as evidence of its knowledge in its account books for compliance and auditing purposes.

2. Anonymous Contributions

Anonymous contributions are strictly prohibited. Accordingly, the campaign treasurer may not accept money or things of value unless the identity of the contributor is known. If an anonymous contribution is received, it must be paid over to the Fair Campaign Financing Fund. When reporting the expenditure on the campaign finance report, please include a remark that states, "*This money is from an anonymous source and is being turned over to the Fair Campaign Financing Fund in accordance with § 13-239 of the Election Law Article, Annotated Code of Maryland.*"

Remit the payment of anonymous contributions to the State Board for processing.

-§ 13-239 of the Election Law Article

3. Pass-Through Contributions

A contribution may not be accepted in the name of any other person or entity but the name of the person making the contribution. A person may not use another person as a conduit to conceal the source of the contribution. For example, Johnny gives \$6,000 to Sally, a family member, so she can make a contribution to the Committee to Elect John Adams. Because the actual source of the contribution is Johnny and not Sally, this would be considered a pass-through contribution. Johnny is using Sally as a conduit for the contribution to conceal the fact he is the actual source of the funds.

- § 13-602(a)(5) of the Election Law Article

4. Contributions During the Legislative Session

Generally

Contributions may not be solicited, accepted, or deposited by the Governor, Lieutenant Governor, Attorney General, Comptroller, a member of the General Assembly, or a person acting on behalf of

any of these individuals, during the Legislative Session, which begins on the second Wednesday in January of each year and continues for 90 days.

- § 13-235 of the Election Law Article

The prohibition applies to any political committee attached to the Governor, Lieutenant Governor, Attorney General, Comptroller, and members of the General Assembly. For example, a slate with a member of the General Assembly on it is prohibited from receiving a contribution even if all other members of the slate are not in the General Assembly.

Be aware that a “Save the Date” notice for a fundraising event held after legislative session but distributed during session is prohibited.

Fundraising for other political committees

The covered official may not solicit contributions for other candidates or political committees affiliated with candidates in different elections during legislative session. The use of a covered official’s name on a fundraising invitation gives the impression that the official is actively engaging in the solicitation for the fundraising event. Therefore, the name of the official may not be placed on fundraising invitations during legislative session.

Moreover, the covered official may not forward a solicitation email or post information regarding a fundraising event on their website or social media account.

Extended or Special Legislative Session

The restriction only applies to the regular 90 day legislative session and not to an extended or special session.

Exceptions

A covered official may fundraise during legislative session if the covered official is a filed candidate for a federal or local office. In order to be considered a filed candidate for federal office, the covered official must have on record with the Federal Election Commission a *Statement of Candidacy* prior to the commencement of fundraising activities. A courtesy copy of the *Statement of Candidacy* should be provided to the State Board.

In order to be considered a filed candidate for local office, the covered official must file a *Certificate of Candidacy* with the appropriate local board of elections. Again, the covered official may not engage in fundraising activities until the *Certificate of Candidacy* is on record.

A covered official running for Governor who participates in a public financing program may accept only eligible private contributions or a public contribution during session if the member has filed a *Certificate of Candidacy* and a *Notice of Intent to Qualify for Public Contribution* with the State Board.

Finally, a covered official may fundraise for out-of-State nonfederal candidates, ballot issue committees or charitable organizations during legislative session.

5. State Funded Entities

An entity that at any time during the election cycle derives the majority of its operating funds from the State may not make a contribution to a political committee during the election cycle.

- § 13-236 of the *Election Law Article*

6. Concealment of Source

Regardless of a political committee's compliance with applicable transfer limits, a political committee or contributor may be in violation of the campaign finance laws if a transfer is made for the purpose of concealing the source of the funds or the intended recipient.

- § 13-229 of the *Election Law Article*

A contributor may not make contributions to a political committee in excess of the limits by using another political committee as a conduit for the contribution.

7. Gambling Sources

A person may not make contributions to a political committee if the person holds or controls at least 5% interest that is an applicant for a video lottery operation license or holds a video lottery operation license.

8. Foreign Nationals

The Federal Election Campaign Act (FECA) prohibits any foreign national from contributing, donating or spending funds in connection with any federal, state, or local election in the United States, either directly or indirectly.

8.11 Receipts

Campaign contribution receipts must be issued for cumulative contributions of \$51 or more by a contributor.

- § 13-222 of the *Election Law Article*

If you are using MD CRIS, the system can generate receipts for you.

Reminder:

All information recorded on a receipt must be included on the campaign finance report. While receipts are not always required, the name, address, and amount of every contributor, including those persons purchasing tickets or small items, regardless of the purchase amount, must be recorded in the treasurer's account books.

8.12 Contributions by the Candidate

The candidate or the candidate's spouse may make unlimited contributions to the candidate's campaign committee. The money contributed must be given directly to the campaign treasurer to be deposited in the campaign bank account. Money contributed by the candidate cannot be repaid to the candidate. If the candidate gives money to the campaign with the expectation of possibly being repaid, the money must be reported as a loan to the campaign. Money loaned can be repaid, or if funds do not become available, converted into a contribution.

- § 13-231 of the *Election Law Article*

A candidate's business, even if wholly owned by the candidate, is not considered the personal funds of the candidate and is subject to the contribution limits.

8.13 Raffles and Wheels

1. Raffles

A political committee, or a candidate for public office, may conduct a raffle in which prizes in the form of cash or merchandise are awarded. The cost of a raffle ticket may not exceed \$5 and an individual may not purchase more than \$50 worth of tickets.

—§ 12-106 (b) of the Criminal Law Article

Please note, only an individual may purchase raffle tickets.

This section does not relieve the candidate or political committee from the reporting and record keeping requirements of the Election Law Article. Accordingly, the name and address of the purchaser and the amount of each purchase of raffle tickets (regardless of the number of tickets purchased) must be kept as part of the political committee's account books and records. (*See Chapter 14 of the Summary Guide.*)

2. Paddle Wheels and Wheels of Fortune

A paddle wheel or wheel of fortune may be used by a political committee at a political fundraiser only in:

- Anne Arundel County;
- Baltimore City; or
- Baltimore County.

The licenses and permits departments within these jurisdictions regulate the use of wheels at political fundraising events and should therefore be consulted before a wheel is used.
--

A treasurer is not required to identify in the account book of the committee each contribution given by each individual who purchases a spin on the wheel, provided:

- The cost to purchase each spin or chance on the wheel does not exceed \$2;
- Total receipts from wheels do not exceed \$2,500 per election;
- The net income from a wheel does not exceed \$1,500 in a 24-hour period at a single fundraising event; and
- The account book includes the total net amount received at the fundraising event at which the wheel is used and a listing of the names and addresses of the individuals who attended.

If a political committee raises or receives funds from a wheel in excess of any of the limitations, the political committee must either:

- Donate the excess funds to the charity of its choice; or
- Identify in the account book the amount received from each individual who purchased a spin or chance on the wheel.

-§ 13-240 of the Election Law Article

8.14 Payroll Deductions

1. Employer

An employer may accumulate in a separate, segregated escrow account the combined, voluntary, and periodic campaign contributions of employees made by payroll deduction.

The employer is required to keep detailed and accurate records of all payroll deductions, including:

- The name and address of the individual contributors;
- The date on which each contribution is withheld;
- The amount of each contribution withheld from an employee's paycheck; and
- The disposition of the contribution.

Within 3 months after withholding a contribution, the employer must transfer the contribution (along with the information listed above) to a treasurer of the appropriate political committee, which may be a political action committee (PAC) affiliated with the employer. The political committee is required to treat and report the contributions as if they came directly from the employees.

—§ 13-241 of the Election Law Article

An employer who solicits its employees to make political contributions by payroll deduction must inform each employee of the political purposes of the political committee to which the money will be transferred. The employee must also be informed of his or her right to refuse to contribute without reprisal. Finally, the employer may not receive or use money or anything of value if it is obtained:

- By physical force;
- By job discrimination;
- By financial reprisals;
- By threat of force, job discrimination, or financial reprisals;
- As a result of a commercial transaction; or
- As dues, fees, or other assessment required as a condition of membership in a labor organization or employment.

—§ 13-241(e) and (f) of the Election Law Article

2. Employee Membership Entities

If an employer withholds by payroll deduction an employee's dues to an employee membership entity (i.e. a union) the employee may also contribute by payroll deduction to one or more PACs affiliated with the membership entity. The employer is required to collect the contributions and transmit them to the employee membership entity designated by the employee.

The money accumulated by an employer under such a program must be deposited in a segregated escrow account maintained solely for that purpose and then within 30 days transfer the funds along with the detailed contributor information to the employee membership entity.

Within 30 days after receiving the money from the employer, the employee membership entity must transmit the employee contributions portion of the payroll deduction:

- To its affiliated PAC; or
- To a State or local chapter of the membership entity, if the contribution was designated for a PAC affiliated with the State or local chapter. The State or local chapter must transmit the funds to its affiliated PAC within 5 days after receipt.

The affiliated PAC, in conjunction with its employee membership entity and the employer, must keep detailed and accurate records of each contribution, including:

- The name and address of the individual contributors;
- The date on which the payroll deduction was made;
- The amount of the contribution to the PAC;
- The name of the affiliated PAC designated by the employee to receive the contribution; and
- The date on which the contribution was received by the employee membership entity and the affiliated PAC.

The PAC is required to treat and report the contributions as if they came directly from the employees.

—§ 13-242 of the Election Law Article

The rules for soliciting, receiving, and using contributions by an employer payroll deduction to a political committee apply to an employee membership entity and the affiliated PAC.

—§ 13-242(f) of the Election Law Article

3. Reporting Payroll Deductions

Payroll deductions may be reported on campaign finance reports as a lump sum. The committee must report:

- the total amount received via the payroll deduction;
- the number of individuals making eligible contributions; and
- the average amount of the eligible contributions

However, once an individual has contributed \$51.00 or more in the election cycle, the individual must be reported separately and receive a receipt. Additionally, lump sum reporting is limited to \$25,000 per election cycle and does not relieve the political action committee of any requirements for the account books.

—§§ 13-222(a)(2) and 13-304(c)(5) of the Election Law Article

8.15 Collection by Membership Entities

1. Generally

A membership entity (an organization that collects dues from its members) may establish a program for periodically collecting voluntary contributions from its members for the membership entity's affiliated PAC. The contributions must be collected along with:

- Membership dues invoiced and collected by the affiliated entity on a periodic basis; or
- Voluntary contributions made to a federal PAC, if the federal PAC is also affiliated with the membership entity.

The membership entity is required to transfer the contributions to the affiliated PAC within 30 days of receiving the contributions.

The membership entity is required to maintain a detailed and accurate record of all contributions collected. The records must include:

- The name and address of the individual contributors;
- The date on which each contribution was received;
- The amount of each contribution; and
- The disposition of the contributions.

Example

The State Jugglers Association collects monthly dues from its members. The Association may collect a voluntary PAC contribution from each member along with the dues. Members will be able to write one check to the Association with the understanding that a portion of the money will be sent to the PAC by the Association within 30 days after receipt.

The PAC is required to treat and report the contributions as if they came directly from the individual members of the membership entity.

2. Rules Regarding Solicitation of Members

In soliciting a member to contribute to its affiliated PAC, a membership entity must inform the member of the political purposes of the PAC and that the member has the right to refuse to contribute to the PAC without reprisal. A contribution may not be secured, received, or used by the membership entity or its affiliated PAC if it is obtained as dues, fees or other assessment required as a condition of membership or by actual or threatened:

- Physical force;
- Membership discrimination; or
- Financial or professional reprisals.

- § 13-243 of the Election Law Article

8.16 Administrative Donations (Party Central Committees and Legislative Party Caucus Committees only)

Administrative donations are for non-campaign or non-electoral expenditures by a central committee or legislative party caucus committee.

1. Who can receive Administrative Donations?

Only a political party central committee and a legislative party caucus committee may receive administrative donations.

2. Who can make Administrative Donations and what are the limits?

A person may make unlimited administrative donations. The donation will not count against the person's \$6,000 contribution limit. The donation must be expressly earmarked as administrative; otherwise it will be considered a normal campaign contribution subject to the limits.

Political committees are prohibited from making an administrative donation.

3. Receipt and Use of an Administrative Donation

A central committee or legislative party caucus committee may not commingle administrative donations with campaign funds. Administrative donations must be maintained in a separate account and may not be directed for any other use.

Administrative funds can only be used for non-campaign related expenses such as:

- Salary for permanent staff positions as defined in the by-laws;
- Office equipment and supplies;
- Cell phones, pagers and blackberries for permanent staff;
- Maintenance of a voter file;
- Voter registration activity;
- Generic issue polling prior to 60 days before an election;
- Rent, utilities and building maintenance for a permanent office;
- Bank charges and accounting fees for preparing taxes, or filing campaign finance reports; and similar routine accounting tasks;
- Legal fees.

Prohibited uses of administrative funds include paying for:

- Walk around services;
- Get out the vote activities;
- State or local candidate specific polling;
- Producing campaign material or political advertising;
- All other activities not expressly permitted in COMAR 33.13.13.06.

Please contact the State Board for further information.

4. Reporting Requirements

Administrative donations and disbursements are reported on the campaign finance report and must be identified as administrative.

8.17 Contributions by Minors

Contributions by minors are permissible. However, the financial independence of the minor should be established. For example, a parent cannot contribute \$6,000 to a political committee and then give \$6,000 to his 2-year-old child so the child may also make a contribution. This scenario would be considered a pass-through contribution and an attempt to circumvent the contribution limitations.

Chapter 9 – Expenditures

9.1 Generally

An expenditure is defined as a gift, transfer, disbursement, or promise of money or valuable thing by or on behalf of a political committee to promote or assist in promoting the success or defeat of a candidate, political party, or question at an election.

- § 1-101(aa) of the *Election Law Article*

- Expenditures must have an electoral purpose; that is, they must enhance the candidate's election chances, such that they would not have been incurred if there had been no candidacy.
- Expenditures may not be for the personal use of the candidate or any other individual.
- Except as expressly authorized by law, expenditures must be made by the treasurer.¹⁷
- Expenditures must be supported by receipts, statements, bills or vouchers, which are required to be kept with the account books and records.

9.2 How to Make Expenditures

1. Direct Expenditures

Expenditures made by the campaign finance entity must be made by check, debit card issued by the financial institution, or other authorized electronic methods. The only authorized signatory for checks or use of the debit card on the account is the treasurer. If the treasurer is unable to perform duties of the position, the chair during that limited time period. Wire transfers or electronic fund transfers are permitted methods for making an expenditure.

The political committee cannot use a credit card or money order to make an expenditure.

- §§ 13-218 and 13-220 of the *Election Law Article*, *COMAR 33.13.06.04*

Additionally, certain expenditures must be made with a check; no other method is permissible. This includes payment for walk around services on election day and compensation to a responsible officer.

2. Reimbursement

The candidate, treasurer, or an authorized campaign worker may pay an expense of the campaign from personal funds and seek a reimbursement, provided:

- The expense is supported by a receipt that is retained by the treasurer of the political committee;
- The treasurer reimburses the person who paid the expense from the campaign bank account;
- The reimbursement is made within the same reporting period as the initial transaction; and
- The reimbursement is reported on the campaign finance report as specified in Chapter 11 of this Summary Guide.

- § 13-220(b) of the *Election Law Article*

¹⁷ The exception to the rule is referenced in Section 7.3 of the Summary Guide.

Important: Reimbursements cannot be used in lieu of loans. Accordingly, if a campaign does not have sufficient funds to make a reimbursement, the expenditure should not be made. Instead, the candidate, treasurer, or authorized campaign worker should make a loan to the campaign. This will allow the campaign to make the purchase directly, and the lender can be repaid as funds become available. Further, this approach will allow the campaign to accurately and timely disclose the transaction.

9.3 Petty Cash

A petty cash fund of up to \$250 may be maintained by the treasurer in a separate account book. The fund can be **replenished only by check**. All expenditures from the petty cash fund must be supported by receipts and kept as part of the account book and records of the political committee. No more than \$25 in the aggregate may be disbursed from the petty cash fund to any single recipient in connection with any primary or general election.

– § 13-220(c) of the Election Law Article

Recommendation

Even though the law permits the use of petty cash, it is recommended that, whenever possible, campaign expenditures be made by check or debit card associated with the campaign bank account.

9.4 Expenditures to Federal Candidates and Committees

A political committee may make an expenditure to a federal candidate or federal PAC only if the expenditure serves an electoral purpose. The political committee should contact the Federal Election Commission regarding permissible limits and registration requirement in connection with a federal election. As of 2016, federal law requires registration with the FEC as a federal political committee if over \$1,000 in cumulative expenditures are made in a calendar year to influence a federal election.

9.5 Expenditures to a Municipal Candidate and Committee

Generally, contributions may be used only in State and county elections. If the expenditure made to a municipal candidate serves an electoral purpose for the political committee, the expenditure is permissible. Consult municipal codes and laws for any applicable municipal campaign finance limits.

Remember, Baltimore City is not considered a municipality for this purpose. Baltimore City elections are subject to State campaign finance regulations.

9.6 Legislative Newsletters

It is permissible for a candidate committee of an incumbent member of the General Assembly to use campaign funds to pay for the publication expense of a legislative newsletter. A legislative newsletter is a document used by an incumbent to disseminate information to a constituent, voter, or potential voter about an issue of public interest or the incumbent's performance in legislative office.

Instead of using campaign funds, an incumbent may pay for the publication of a legislative newsletter from the personal funds of the incumbent or the incumbent's spouse if:

- The incumbent has not filed a Certificate of Candidacy;
- The legislative newsletter contains a notice that it is disseminated at the personal expense of the incumbent; and
- Within 10 days after the first mailing or distribution of the issue, the incumbent files a campaign finance report with the State Board that includes a detailed list of publication expenses and an affidavit that no funds for the newsletter have been solicited or received from any source to supplement personal funds.

—§§ 13-406 through 13-409 of the Election Law Article

Please remember to include an authority line on the legislative newsletter.

9.7 Prohibited Expenditures

Prohibited expenditures of campaign funds include:

- For personal use or benefit of the candidate, candidate's family or any other individual
- The mortgage, rent, or utilities for the personal residence of the candidate or the candidate's family
- Paying for a political endorsement
- Making loans to other political committees
- Expenses related to the necessary and ordinary course of holding office
- Expenses relating to travel outside the country
- Tuition and any other associated costs for educational programs or schooling
- Administrative accounts

- COMAR 33.13.10.03

For example, a candidate may not use campaign funds to pay a mortgage payment or an oil change on a personal vehicle. These types of expenditures would have occurred regardless of the individual being a candidate. Additionally the nexus between the expenditure and the promotion of the candidacy is too tenuous.

This is not a comprehensive list. If you have any questions regarding permissible expenditures, please contact the State Board or review the regulations.

9.8 Charities

Generally, campaign funds may not be used solely for charitable purposes. Maryland law requires campaign funds to be used for the purpose of supporting or opposing a candidate, question, or political committee. Furthermore, it is important to keep in mind that contributors give to campaign committees for one important reason – they want to support the candidate, question, or political party in an election. When campaign funds are spent for a non-campaign related purpose, it frustrates the intent of the contributor.

However, there are instances when a charitable donation is permissible because it is for a campaign purpose. For example, a candidate may permissibly use campaign funds to attend a charitable event since attending the event increases the candidate's visibility and allows the candidate to network with potential voters and donors.

Additionally, if the political committee is in the process of submitting a final report, the political committee may make a direct contribution to a charity.

9.9 Legal Defense

1. Permissible Expenditures

Contesting or Maintaining Election Results

A candidate or political committee may use campaign funds to pay reasonable legal expenses incurred to contest or maintain the results of the candidate's election. A person may donate or volunteer legal services for this purpose and the value of the donation will not be considered a campaign contribution.

—§ 13-233 of the Election Law Article

Campaign-Related Legal Defense

Campaign funds may be used to pay for legal costs associated with an investigation or criminal proceeding that has a direct connection with the individual's candidacy.

-See 78 Opinions of the Attorney General 155 (1993)

2. Impermissible Use

Non-Campaign-Related Legal Expenses

It is prohibited for any candidate or political committee to use campaign funds for legal or other expenses related to investigations or court proceedings that do not have a direct connection with the candidacy. For example, investigations or charges involving misconduct in an individual's employment or public office are not campaign-related, even if the charges first come to light as a result of the individual's decision to run for elected office. Non-campaign-related legal costs are considered "personal" expenses for purposes of the campaign finance laws.

3. Separate Legal Defense Funds

A candidate may establish a legal defense fund separate from the campaign committee and accept donations from others. A separate legal defense fund may be used to defend against any type of charge, whether campaign-related or not. Donations to a segregated legal defense fund are not considered campaign contributions.

Candidates defending against a prosecution for campaign-related improprieties who wish to use campaign funds or donations from others to defray legal defense costs are urged to contact the State Board for further guidance. Funds collected and used for legal expenses must be kept in a segregated account and may not be converted to campaign use after the legal expenses have been paid.

Please note, while a candidate may raise funds for legal defense that will not be subject to campaign finance contribution limits, if the candidate is an officeholder, ethics rules on gifts and disclosures may apply.

Chapter 10 – Loans

10.1 Generally

Loans are a permissible way for a campaign to receive funds. There is no limit on the amount of money that can be loaned to the campaign. However, unless the loan is executed properly and paid off in a timely manner, the loan will be converted into a contribution. This could have serious legal consequences for the political committee, the candidate and the lender if the loan exceeds applicable contribution limits.

10.2 Loan Sources

1. Non-Candidate Committees

Non-candidate committees may receive a loan only from a financial institution or an entity in the business of making loans. It may not receive a personal loan from an individual or any other business entity.

Example

Entity Name	Bank of Maryland
Date Loan Accepted	10/26/2016
Loan Amount	\$1,000
Interest Rate Charge	8% per annum
Prime Interest	8% per annum
Balance	\$1,080
In-Kind Interest Amount	0
Repayment Terms	1 year

The loan source, date the debt was incurred, amount, interest rate charged and prime rate, and outstanding balance must be reported on the campaign finance report.

2. Candidate Committees

A. Outside Sources

A candidate committee or slate may receive a loan from anyone or entity only if the loan is:

- In writing with a copy of the agreement at the State Board;
- Personally guaranteed by the candidate; and
- Repaid by the end of the next election cycle immediately following the election cycle in which the loan was received.

Example

Candidate Committee – General Loan

Entity Name	Soft Shell Crab Sandwich Eating Society
Date Loan Accepted	10/26/2016
Loan Amount	\$10,000
Interest Rate Charge	4% per annum

Prime Interest	6% per annum
Interest Paid	\$400
Interest Rate (prime)	\$600
In-Kind Interest Amount	\$200
Repayment Terms	5 years

The loan was given on 10/20/16, thus incurred within the 2018 election cycle (1/1/15 through 12/31/18) and therefore must be repaid before the end of the next election cycle or the 2022 election cycle (1/1/2019 through 12/31/2022). If the loan is not repaid by the end of the next election cycle, the outstanding balance of the loan becomes a contribution by the lender and would exceed the \$6,000 contribution limit. The lender may be in violation of the contribution limit subject to criminal and civil penalties. While the committee may not have sufficient fund for repayment, the lender still has an obligation to make an effort to collect the outstanding balance from the candidate personally.

Additionally, in this example the interest rate charged on the loan is 4%, whereas the prime rate is 6%. The 2% difference must be accounted for as an in-kind contribution of \$200.

B. Candidate or Spouse

A candidate or the candidate’s spouse may make an “informal” loan to the candidate’s committee. To do so, the candidate (or the candidate’s spouse) simply loans money to his or her own campaign. The candidate or spouse is not require to file the loan consent form or charge interest. Remember that the treasurer must receive the loan to deposit it into the campaign bank account. All assets of the political committee including candidate loans must pass through the treasurer. The treasurer reports the loan on the next scheduled campaign finance report and retains all other documents relating to the loan. Also, the repayment period (by the end of the next election cycle) is not applicable.

However, if the candidate does want to charge interest, the loan would be treated as if it were from an outside source. The candidate or spouse would file with the campaign finance report a loan consent form and personally guarantee repayment by the end of the next election cycle.

- § 13-230 of the Election Law Article

10.3 Interest

Interest must be calculated and charged on all loans, based on the prime rate on the day that the loan is made.

- If the lender agrees not to be paid interest, the interest amount that should have been paid must be treated as an in-kind contribution from the lender.

Interest Rate

It is the responsibility of the candidate and political committee to document, using a commercially reasonable standard, the prime rate on the day the loan was made. For example: the Wall Street Journal publishes the prime rate every day. The definition of prime rate in the Journal is "The base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks." The Wall Street Journal is considered the official source for prime rate.

- If the lender agrees to an interest rate that is less than the prime rate, the difference between interest at the agreed rate and interest at the prime rate must be treated as an in-kind contribution from the lender.

Chapter 11 – Campaign Finance Reports

11.1 When Reports Must Be Submitted

1. Election Years

During each election cycle, there are two different “election years” for purposes of campaign finance reporting:

- A. Presidential/Baltimore City; and
- B. Gubernatorial.

The political committee must designate one or more election years in which it will participate. This designation will affect the reporting schedule of the political committee.

An authorized candidate campaign committee must designate the election year in which the office sought by the candidate appears on the ballot. For example, House of Delegate candidates must designate the Gubernatorial election year.

2. Reporting Periods

All political committees must submit an annual campaign finance report due the third Wednesday in January.

For Gubernatorial designated committees only, if a newly established political committee did not file an annual report in January, it must file a campaign finance report on the third Tuesday in April.

Additionally, a political committee, except for a ballot issue committee, is required to file the following campaign finance reports in the election year which it has designated for participation.

- First Pre-Primary Report – due on the 5th Tuesday before the primary election
- Second Pre-Primary Report – due on the 2nd Friday before the primary election
- First Pre-General Report – due on the last Tuesday in August
- Second Pre-General Report – due on the 2nd Friday before the general election
- Post-General Report – due on the 2nd Tuesday after the general election

Ballot issue committees must file the following campaign finance report schedule:

- If applicable, at the time or 10 days after the submission of the petition
- First Pre-General Report – due on the last Tuesday in August
- Ballot Issue Report – due on the 4th Friday before the general election
- Second Pre-General Report – due on the 2nd Friday before the general election
- Post-General Report – due on the 2nd Tuesday after the general election

3. Participating in non-designated elections

If the political committee participates, i.e. makes a contribution or an expenditure, for an election it did not designate, the responsible officers must notify the State Board immediately and begin to file all campaign finance reports in accordance with the reporting schedule for that election year, beginning with the first report due following the date of the committee’s first financial

transaction relating to the relevant election. This will not affect the designation of the committee for future years and reports.

For example: Committee A designates Gubernatorial Elections *only*. However, on September 5, 2016, Committee A made a transfer of \$6,000 to a Baltimore City mayoral candidate. Committee A is required to notify the State Board of its participation in the Presidential/Baltimore City election year and file the remaining Presidential/Baltimore City Pre-General and Post-General reports.

4. Pre-Report Notices

Pre-report notice postcards or letters are mailed 10 to 20 days before each report due date. Additionally, an email notice is provided to the committee. If the committee receives a pre-report notice, then the committee must file a campaign finance report. To make sure that the notice is received, the mailing and email addresses of the chair, treasurer, and candidate must be kept current.

11.2 Filing Exception- Affidavit of Limited Contributions and Expenditures

In lieu of filing a detailed campaign finance report, a political committee may file the *Affidavit of Limited Contributions and Expenditures* if the committee did not spend or receive more than \$1,000 in the aggregate, exclusive of the filing fee, within a campaign finance reporting period. Please note, the Affidavit does not relieve the committee of any future reporting requirements and must be renewed every reporting period.

Once the political committee does exceed the \$1,000 threshold, a detailed campaign finance report must be filed at the subsequent filing period. This report must also include any and all transactions that occurred during the period covered by the Affidavit.

-§§ 13-305 and 13-312(b) of the Election Law Article

11.3 Where Reports Must Be Submitted

1. Location and Method

All political committees including persons making independent expenditures and electioneering communications must electronically file their campaign finance reports or affidavits with the State Board on State Board approved software.

The reports are under the penalties of perjury and an e-signature is required at the time of submission.

2. Waiver of the Requirement to File Electronically

A political committee that has minimal financial transactions may request a waiver of the electronic filing requirements from the State Board. To obtain a waiver, a political committee must maintain a cash balance of less than \$3,000, minus any outstanding obligations, and/or have less than 20 transactions during a reporting period. The waiver must be requested, in writing, on the form supplied by the State Board, before the report due date.

-COMAR 33.13.03.01B

3. Resources for Filers

Treasurers who do not have access to computer equipment can use the public computers at the State Board to file their campaign finance reports. Please contact the State Board to reserve a time.

11.4 Liability for Failure to File

1. Fees for late reports

- A late filing fee is assessed for each campaign finance report that is not filed on or before the due date. The fee is \$10 per day. There is an additional fee of \$10 for each of the first 6 days that a pre-election report is overdue. The maximum fee chargeable per report is \$500.

Please note that Maryland law does not authorize an extension of the campaign finance report filing deadlines under any circumstance.

- § 13-331 of the Election Law Article

- Late fees are computed from the day after the due date through and including the day the report is received by the State Board.
- The late fee must be paid with campaign funds.
- A committee is not in compliance until all late fees have been paid.
- Failure to file a requested amended campaign finance report within 30 days after receipt of a written notice of deficiency from the State Board will result in the assessment of a daily late fee up to \$500.

Late fees may be the personal responsibility of the chair and treasurer if the committee has insufficient funds to pay the fine.
--

2. Consequences of unpaid late fees and missing reports

A. Filing for Office

The responsible officers of a committee may not become a candidate for a public or party office in this State, or become a treasurer for a political committee if:

- There exists a failure to file a campaign finance report; or
- A late filing fee is owed.

- § 13-332 of the Election Law Article

B. Taking Office

The responsible officers of a committee or the candidate may not be sworn into office or receive any salary for that office until the failure to file has been corrected. An official of the State or any of its political subdivisions may not issue a commission or administer an oath of office to an individual until that official has received a certification from the State Board declaring the responsible officer is in compliance.

- § 13-333 of the Election Law Article

11.5 Reporting Contributions

1. Required Elements

For contributions received, the campaign finance report filed by a political committee shall include:

- The date that the contribution was received;
- The amount of money or fair market value of the contribution;
The name of the contributor;
- The address of the contributor, provided that:
 - If the contributor is an individual, the address where the individual resides or receives residential mail; or
 - If the contributor is a business entity, including a union, or other legal entity, the address where that business entity is registered or does business;
- The contribution transaction method;
- The source of the contribution;
 - Whether the contribution is from:
 - An individual or corporation;
 - A ticket purchased by an individual or corporation including the amount per ticket;
 - A federal committee;
 - A political club;
 - The campaign finance entity of a Maryland candidate committee;
 - The campaign finance entity of a Maryland party central committee;
 - The campaign finance entity of a Maryland political action committee; or
 - A non-federal, out-of-state political committee;
- The aggregate amount of contributions received to date from the contributor for the election cycle;
- For a political party central committee or a legislative party caucus committee, detailed information on administrative donations received; and
- If an in-kind contribution, a description of the in-kind contribution.

See COMAR 33.13.02.02A for more detail on the required elements.

2. Lump Sum Reporting

Lump sum record keeping and reporting of campaign contributions on the campaign finance report is permitted only in very narrow circumstances. Recording contributions in a political committee's account books as a "lump sum" is prohibited, except for certain qualified gaming receipts.

For lump sum contributions, the following information is required on the campaign finance report:

- If from a raffle, spin or chance:
 - The net amount received;
 - Total number of individual purchasing tickets or spins or chances; and
 - Price of the raffle ticket, spin or chance.
- If from payroll deduction:
 - The total amount received by the committee;
 - Total number of individual making payroll deduction contribution; and

- The average amount of the contribution by an individual.

Again, reporting lump sum contributions on a campaign finance report does not relieve the treasurer of the responsibility for maintaining all required information in the account book of the political committee. The treasurer must identify all contributors by name, address, date of contribution, amount (regardless of the amount), and form of the contribution (i.e. check, credit card). Failure to include the requisite information shall be considered non-compliance and subject to penalties.

It is recommended that you not lump sum report contributions. The committee still has a legal obligation to give a receipt to a contributor if the contributor makes aggregate contributions of \$51.00 or more. Lump sum reporting will not keep individual records of past contributions in the MD CRIS database.

3. Aggregate to Date

It is important for a committee to know the correct aggregate to date. If a person exceeds the contribution limit, the person is subject to prosecution and the committee must return the excessive amount.

MD CRIS will generate the aggregate-to-date for each contributor entered into the system. Please note, that variance of the name will affect the calculation in the system. You may need to periodically merge records if there are multiple entries for a single contributor.

4. Credit Card Contributions

Generally, for every credit card contribution, a fee is assessed for the transaction. The political committee must report the entire amount of the contribution and report separately the expenditure made for the transaction.

For example: A person makes a credit card contribution of \$100 to a candidate committee. The candidate committee hired a service to process the transaction. The hired service charges 1% of the amount per transaction. The candidate committee reports receiving a contribution of \$100 from the person and also reports making an expenditure of \$1 to the hired service.

11.6 Reporting Expenditures

1. Generally

Expenditures are all disbursement made by the political committee and shall be informatively coded. (*For example:* a payment for a radio commercial would be identified as purpose as media.)

2. Reimbursements

When reporting an expenditure that was made from personal funds and then reimbursed, the treasurer must report the name and address of:

- The person who ultimately received the campaign funds (payee); and
- The person who received the campaign check as a reimbursement for the expenditure.

For example: Bob Jones has been authorized by the Treasurer to purchase items on behalf of the campaign. Bob goes to Office Mart and buys \$50 worth of paper and office supplies with his personal credit card. Then Bob went to Office Warehouse and Office Emporium and spent \$60 at each for more campaign supplies. The treasurer promptly reimburses Bob back with a campaign check. The treasurer could write one check for \$170 to Bob to reimburse him for all three expenditures. However, when it comes time to report this information, the treasurer must make three separate entries in the system.

Date	Transaction Method.	Name and Address of Payee	Name and Address of Reimbursee	Amount
1/5/17	Check	Office Mart 123 Main St. Annapolis, MD 21401	Bob Jones 234 Bay Blvd. Annapolis, MD 21401	\$50
1/5/17	Check	Office Warehouse 523 Defense Hwy Annapolis, MD 21401	Bob Jones 234 Bay Blvd. Annapolis, MD 21401	\$60
1/5/17	Check	Office Emporium 135 West Street Annapolis, MD 21401	Bob Jones 234 Bay Blvd. Annapolis, MD 21401	\$60

3. Returned Contributions

Occasionally, a political committee needs to return a contribution to the contributor. Report this transaction as an expenditure made to the contributor. Do not report a returned contribution as a negative contribution.

4. Funding an In-Kind Contribution

If the expenditure funded an in-kind contribution to another political committee, the campaign finance report must also disclose the name of the political committee receiving the in-kind contribution.

-COMAR 33.13.02.02C(7)

5. Online Media Activity

If the expenditure was to a person to engage in online advocacy for a political committee, the name and internet address of any social media identifier, website, blog or microblog must be disclosed on the campaign finance report.

-COMAR 33.13.02.02C(8)

11.7 Reporting Loans

1. Reporting the Receipt of a Loan

The political committee needs to report the name and address of the creditor, the date the loan was accepted, the total amount of the loan, interest rate charged and the prime rate as of that date.

When the loan is first received, the loan consent form must be filled out completely and filed with the State Board at the time the campaign finance report is due. A loan cannot be made to the authorized candidate campaign committee without the express written consent of the candidate. If a non-candidate political committee accepts a loan, the treasurer shall acknowledge receipt of

the loan by signing the Loan Consent Form. Additionally, the consent form must specify the terms of the loan, the schedule for repayment, the interest rate charged, and the prime rate on the day the loan was accepted.

If a candidate (or spouse) makes loans to the political committee, a loan consent form will not be required. Candidate loans still need to report the date the loan occurred, the amount and outstanding balance.

If the actual interest amount charged (which can be zero) is less than the prime rate on the date the loan was received, the difference of the interest charged is an in-kind contribution and must be reported as a contribution received. The in-kind contribution does count against the creditor's contribution limits to the campaign and may not exceed \$6,000 in an election cycle. The prime rate is published daily in the Wall Street Journal.

2. Reporting the Repayment of a Loan

When loans are repaid, the amount repaid is entered as an expenditure and coded accordingly.

In MD CRIS, all non-candidate loan repayment must be entered in "Loan payments" and not "expenditures." Failure to enter the loan payments correctly will result in the loan balance not properly being updated.

3. Reporting Unpaid Loans

Even if no payment was made on a loan during the reporting period, you must still report the loan and the outstanding balance (and continue to do so until the loan is paid off).

If a loan to a candidate or slate committee remains unpaid at the end of the subsequent election cycle after the loan was initially made, it becomes automatically a contribution and subject to the contribution limits.

If a loan is forgiven by a lender, the date on which the loan was forgiven must be entered. It will automatically zero out the remaining balance and convert the remaining balance to an in-kind contribution subject to the contribution limits.

11.8 Reporting Bills

A bill is any expenditure that is unpaid at the end of a reporting period.

Bills must be recorded on a campaign finance report whenever the campaign receives goods or services that will not be paid in full during the current reporting period. When the bill is paid, the amount paid is entered as an expenditure, and coded accordingly with what best represents the purpose of the payment. The bill is reported on each report (and the outstanding balance is updated accordingly) until it is completely paid off.

11.9 Reporting Items Sold

If the campaign sells items for the purpose of fundraising, the money from the sale should be treated as a campaign contribution and reported. This means identifying the purchaser of the item on the campaign finance report as the contributor. Furthermore, if the item sold was

donated to the political committee, the person who donated the item must be reported as making an in-kind contribution for the fair market value of the item.

11.10 Creating an Amendment

When you need to correct deficiencies, i.e. add or change information in a previously filed report, you must file an amendment.

To file an amendment in MD CRIS:

- Select “Amend Transactions” from the menu bar
- Select the filing period (ex. 2017 Annual)
- Click Search (Blue box)
- Select the transaction that you want to change by clicking edit (blue box)
- Make any necessary changes to the transaction & click Save if editing a contribution or Update expense if you edit an expense
- When you return to the Amend screen, select the (red box) “File Amendment to State” or if you want to file a 'final' report select “File Close-out”
- Enter the bank balances for the current report and each succeeding report
- Certify & Submit

Chapter 12 – Campaign Literature and Paraphernalia

12.1 Authority Lines

1. Generally

Each item of campaign material must include an authority line, set apart from the other printing or content of the campaign material. The authority line must state the name and address (unless the address is on file with the State Board) of the person who is responsible for the production and distribution of the campaign material.

Campaign material includes signs, buttons, letters, tickets, solicitations, radio and television advertisements, websites, social media accounts, bumper stickers, and paraphernalia such as pencils, hats, and t-shirts.

-§ 1-101 and § 13-401 of the Election Law Article

2. Campaign Materials Produced by a Political Committee

If the campaign material is produced by a political committee, the authority line must contain:

- The name of the treasurer; and
- The name of the campaign finance entity.

Example of authority line for a committee.
Committee to Elect Mary Smith, John Jones, Treasurer

If the material is too small to permit the inclusion of all required information in a legible manner, the material need only contain the name and title of the treasurer.

Example: John Jones, Treas.

The Office of the Attorney General has stated that almost no material is too small to permit inclusion of the complete authority line. Accordingly, every effort should be made to include the entire authority line.

3. Mailings

If there is more than one piece or item bearing the candidate's name in a mailing (*for example*, a brochure, a cover letter, a bumper sticker, a reproduction of a newspaper article), each piece must bear the authority line. An envelope that does not include the name of a candidate, the name of a campaign finance entity, or a campaign slogan is not required to contain an authority line.

4. Campaign Materials Produced by a Person

Campaign materials paid for by a person other than the candidate or political committee mentioned in the campaign materials are either an *in-kind contribution* to the political committee or an *independent expenditure*. This distinction dictates the contents of the authority line.

- ***In-Kind Contribution:*** If an individual or an entity pays for campaign material with the candidate’s cooperation, knowledge and coordination, the campaign material in question should have the authority line of the candidate’s campaign finance entity.
- ***Independent Expenditure:*** If an individual or an entity pays for campaign material without the candidate’s cooperation, knowledge or coordination, the authority line should include the following statement.

“This message has been authorized and paid for by (insert). This message has not been authorized or approved by any candidate.”

- The name and address of the person or entity; and
- The name and title of the president, treasurer, or person responsible for the campaign material.

Exception: According to the Attorney General of Maryland, an individual acting alone, i.e. without the use of vendors, consultants or other paid services, may create campaign materials without including an authority line but only in very limited circumstances.¹⁸

- §§ 13-102 and 13-401 of the Election Law Article

5. Campaign Material Produced by Multiple Political Committees

If campaign materials are produced jointly by more than one political committee (Committee A and Committee B), the authority line on the campaign materials is as follows:

- If the committees each wrote a check to purchase the materials, the authority line of both Committee A and B must be included; or
- If Committee A paid for the materials, only Committee A’s authority line is required. It should be noted that Committee A must show on its campaign finance report that an in-kind contribution was made to Committee B (and Committee B must report receiving an in-kind contribution).

NOTE: A political committee may not reimburse another political committee. Any monies received by a political committee from another political committee will be considered a transfer. Therefore, it is important when sharing an expense either to establish a slate or to write separate checks to the vendor.

6. Campaign Materials on Electronic Media

Webpages and Social Media accounts:

Candidates and political committees that have a web page or social media account must place an authority line on the home or landing page of the website or social media account. An authority line is not required after each post or tweet. However, since each post or tweet is considered

¹⁸ In 80 *Opinions of the Attorney General* 110 (1995), the Attorney General applied *McIntyre v. Ohio Elections Commission* to Maryland’s election law. In *McIntyre*, the Supreme Court ruled that Ohio’s law prohibiting anonymous campaign literature, as that law applied to an individual acting independently, was unconstitutional. Accordingly, the Attorney General concluded that the Court’s decision does not invalidate prohibitions on anonymous campaign materials (or the requirement that disclosures be made on campaign materials) except as applied to an individual acting independently.

campaign material, the political committee is required to retain a copy of posts and tweets for at least 1 year.

Electronic Media Advertisement:

Electronic media advertisement by a political committee is required to have an authority line. If the electronic media advertisement is too small for an authority line then:

1. The ad must allow the viewer to click on the ad and take the viewer to a home or landing page that displays the authority line; or
2. Register the ad with the State Board.

Examples of electronic advertisement ads deemed too small:

- A paid text advertisement that is 200 characters or less in length;
- A micro-bar; or
- A button ad.

12.2 Copies of Campaign Materials

Each political committee responsible for publishing and distributing an item of campaign material is required to keep a sample copy of the item for at least 1 year after the general election next following the date when the item was published or distributed. For each item of campaign material disseminated through the Internet, the sample copy may be either a paper facsimile copy or an electronic copy that can be produced as a paper facsimile on request. These requirements do not apply to a billboard or a sign distributed by a political committee.

- § 13-403 of the Election Law Article

12.3 Placement of Campaign Signs

The State Board does not have regulatory authority over the placement or location of campaign signs. However, there are State and local laws that regulate where and when you can put up campaign signs.

Placement of signs on State roads and highways is regulated by the State Highway Administration.

<i>County</i>	<i>SHA District Offices</i>
Dorchester Somerset Wicomico Worcester	P.O. Box 2679 660 West Road – Salisbury, MD 21802 410-677-4000 or 800-825-4742
Caroline Cecil Queen Anne’s Talbot Kent	MD Route 291, 615 Morgnec Road P.O. Box 299 – Chestertown, MD 21620 410-778-3061 or 800-637-9740
Montgomery Prince George's	P.O. Box 327 9300 Kenilworth Avenue Greenbelt, MD 20770 301-513-7300 or 800-749-0737
Baltimore Harford	320 West Warren Road Hunt Valley, MD 21030

	410-229-2300 or 1-866-998-0367
Anne Arundel Charles Calvert St. Mary's	138 Defense Highway Annapolis, MD 21401 410-841-1000, 410-841-5450, or 800-331-5603
Allegany Garrett Washington	1251 Vocke Road LaVale, MD 21502 301-729-8400 or 800-760-7138
Carroll Frederick Howard	5111 Buckeystown Pike Frederick, MD 21704 301-624-8100 or 800-635-5119

Placement of signs on city and county roads and on public property in the cities and counties is regulated by local ordinances. In addition, many cities and counties regulate when signs can be put up and when they must be taken down. You can call the local election board for assistance in obtaining information on the laws in your county or municipality.

Campaign sign may be placed at polling locations 7:00pm the day before voting starts at that location. The campaign signs may remain at the polling location until 8:00am the day after the voting has ended at the polling location.

- § 10-101(a)(3)(iii) of the Election Law Article

12.4 Giveaway Items

Campaigns often give out small items, such as buttons, stickers, refrigerator magnets, and emery boards, to help advertise their campaign. While such traditional campaign memorabilia are not prohibited, it should be noted that certain non-traditional giveaway items (regardless of their cost) may cross the line from mere advertising to being a gift to induce a vote, which is prohibited. Furthermore, a giveaway may never be cash or a gift card with a cash value.

The State Board advises against the use of non-traditional campaign giveaway items. If you are not sure if an item is acceptable, please call the State Board for clarification.

12.5 RoboCalls

The Election Law Article does not specifically addresses the use of automated or “RoboCalls” in political campaigns. However, the federal Telephone Consumer Protection Act (TCPA) requires that all automated calls using pre-recorded messages comply with the technical and procedural requirements set forth under 47 U.S.C §227(d). Additionally, any violation of the federal Telephone Consumer Protection Act is also a violation under State law. Consult the Criminal Law Article for further requirements.

Federal law requires that all artificial or prerecorded telephone messages must include:

1. At the beginning of the message, the identity of the business, individual, or other entity initiating the call; and
2. During or after the message, the telephone number or address of the business, individual, or other entity initiating the call.

-47 U.S.C. § 227(d)(3)(A)

Federal regulations bar RoboCalls after 9pm.

Robocalls may be considered campaign material and require an authority line.

12.6 Campaigning on Early Voting and Election Days

1. Electioneering

Maryland law prohibits electioneering within 100 feet of the entrance or exit to a polling place except in Montgomery County on early voting and election days. In Montgomery County, the no electioneering zone is 25 feet from the polling place.

The “No Electioneering” zone is measured from the entrance to the building closest to the room in which voting actually takes place.

No electioneering means that no canvassing, campaigning, or posting of any campaign material is permitted within the zone. "Posting of any campaign material" includes wearing clothing, shirt, hat, sticker, or button that indicates support of or opposition to any candidate, question, or political party. However, electioneering does not apply to a voter going to vote in his or her polling place. A person on his or her way to vote may wear campaign paraphernalia or carry campaign literature if the voter leaves the zone promptly after voting.

The chief election judges at each polling place will post signs designating the "No Electioneering" zone. Election judges are instructed to strictly enforce the “No Electioneering” prohibition, including calling the police, if necessary.

A person who violates the electioneering boundaries is guilty of a misdemeanor and subject to a fine of not less than \$50 nor more than \$500, or imprisonment for not more than 60 days, or both.

- § 16-206 of the Election Law Article

2. Walk-Around Services

Walk-around services means the following activities while the polls are open:

1. Distributing campaign material;
2. Stationing a person at the polling location
3. Electioneering or canvassing
4. Communicating in any manner a voting preference; or
5. Performing any other service as a poll worker or distributor of sample ballots.

Payment for "walk-around services" on Election Day is permitted. All payments must be made by check from the political committee.

- § 13-245 of the Election Law Article

Chapter 13- Public Campaign Financing Laws

13.1 Generally

Maryland has a public financing system for candidates for Governor and Lieutenant Governor. It is a voluntary program where if the candidate chooses to accept public funds, the gubernatorial ticket must abide by strict expenditure limits.

Additionally, State law has enabled each county and Baltimore City to establish a public financing system for county or Baltimore City elective offices. To date, only Montgomery County has established a public financing system.

13.2 Gubernatorial Public Financing System

A. Initial Requirements

To be eligible to receive public funds for the Primary Election, the following documentation must be filed at the State Board no later than the deadline to file a Certificate of Candidacy:

- A Certificate of Candidacy for Governor and Lt. Governor;
- A notice of intent to qualify for public contributions; and
- Not be a member of any slate committee besides the gubernatorial ticket

B. Seed money

In order to qualify to receive public funds, the gubernatorial ticket must raise seed money. The amount of seed money to be raised is equal to 10% of the maximum campaign expenditure limit.

Seed money consists of eligible private contributions only and received by the gubernatorial ticket after March 1 of the year preceding the election. An eligible private contribution is a contribution or part of a contribution of \$250 or less made by an individual. Accordingly, money from business entities, political action committees, and other organizations or associations may not be counted as seed money. An in-kind contribution from an individual may be counted as seed money and counts against the expenditure limit as well.

A certification, signed by the candidate's treasurer, that the required seed money was raised and received after March 1 of the preceding year of the election year must be filed with the State Board no later than the 3rd Tuesday in May in the year of the election in order to qualify.

A candidate who did not receive public funds in the Primary Election may become eligible to receive public funds in the General Election if:

- The candidate's expenditures in the Primary Election did not exceed the maximum campaign expenditure limit; and
- The candidate files the notice of intent and the certification of seed money with the State Board not later than 5 days after the State Board declares the candidates for Governor and Lieutenant Governor in the general election.

C. Requesting Public Funds

The campaign shall submit requests for public funds with any regularly scheduled campaign finance report requesting public funds. Optional request dates for the Primary Election are the first and third Tuesdays in January, February, March, April, May and June.

The last request for the Primary Election will be the second Tuesday after the Primary Election.

General Election public funds will be distributed no later than 5 days after candidates for Governor and Lieutenant Governor have been declared.

D. Expenditure Limit

A gubernatorial ticket committee may not exceed the expenditure limit. The expenditure limit is calculated as follows:

$$30\text{¢ (adjusted for inflation)} \times \text{State Population} = \text{Expenditure Limit}$$

The State Population is determined as of January 1 of the year of the election and the 30¢ amount is adjusted annually beginning in 1997 in accordance with the Consumer Price Index. According to the Department of Health and Mental Hygiene Division of Health Statistics, the State population as of January 1, 2014 was 5,884,563. The adjusted value of 30¢ in accordance with the Consumer Price Index was \$0.439476.

The expenditure limit in 2014 was \$2,586,124.21 ($\$0.439476 \times 5,884,563$).

Expenditures made on behalf of a candidate by a State or local party central committee are not subject to the expenditure limit but do count against the coordinated in-kind contribution limit. An expenditure by any other political committee that coordinated with the candidate, an agent of the candidate, or an authorized committee of the candidate will be considered an in-kind contribution subject to the limits and count towards the candidate's expenditure limit.

E. Post-Election Requirement

On the 8th Monday after the primary election or the general election, a gubernatorial ticket committee must file a campaign finance report that includes:

1. The amount of the public funds spent
2. Contributions received;
3. Expenditures made; and
4. Outstanding obligations.

Within 60 days following the election, the gubernatorial ticket must return to the Comptroller any unspent portion of the public funds (private contributions being presumed to be spent first).

If an outstanding obligation remains after the election, the gubernatorial ticket committee may engage in campaign finance activities exclusively for payment of the outstanding obligation.

F. Disbursement

It is the responsibility of the State Board to order the disbursements of the public funds. Generally, the amount disbursed is as follows:

Primary Election:

- Candidates with opposition: \$1 in public funds for every \$1 in eligible private contributions
- Candidates without opposition: \$1 in public funds for every \$3 in eligible private contributions

General Election:

- Candidates with opposition: Equal shares of the remainder of the fund (including unspent money from the primary) up to the expenditure limit
- Candidates without opposition: No funds will be provided

However, the actual amount disbursed is dependent on the amount of money in the fund and the number of eligible candidates. If the State Board determines that there is not enough money in the fund to provide a full disbursement to all eligible candidates, the State Board is required to allocate the available money so that each eligible candidate will receive a pro rata share of the full disbursement to which the candidate would otherwise be entitled.

G. Prohibited Campaign Activities

A gubernatorial ticket committee may not spend public funds or make expenditures for:

- Any purpose that violates any law or regulation of the State;
- Any expense incurred later than 30 days after the election;
- Any real or personal property that will be retained more than 30 days after the election;
- A transfer; or
- Fundraising activities of another political committee

After filing a notice of intent, the gubernatorial ticket may not for any political committee solicit contributions or operate in coordination for fundraising activities.

Gubernatorial ticket members may not be a member of any other slate.

Until the final report is filed for the gubernatorial ticket committee and all of the remaining public funds returned, the gubernatorial ticket members may not fundraise or engage in campaign finance activities for their authorized candidate campaign committee.

H. Liabilities and Penalties

The Gubernatorial ticket candidates, and any chairman or treasurer of the gubernatorial ticket committee are jointly and severally liable, both civilly and criminally for any expenditure that exceeds the maximum campaign expenditure limit.

The Gubernatorial ticket candidates, the chairman and treasurer are also jointly and severally liable, personally, to repay any obligation arising from a failure to refund unspent public funds or any amount spent improperly.

13.3 Montgomery County Public Financing System

A. Eligible Offices

Candidates for County Executive and County Council are eligible to participate in the voluntary program.

B. Initial Requirements

The participating candidate must:

- File notice of intent with State Board on or before April 15 of the year of the election;
- Establish a publicly funded campaign account with the State Board; and
- Collect sufficient qualifying contributions

A qualifying contribution is a contribution that is:

- Between \$5 to \$150 (aggregated over the 4-year election cycle)
- From an individual who is a County resident
- Acknowledged by a receipt from the contributor
- Received during the qualifying period and after a filed notice of intent
- Must be received into the candidate's publicly funded campaign account

C. Prohibited Campaign Activities

A publicly financed candidate cannot:

- Accept a contribution greater than \$150 for an individual
- Accept a contribution from any group or organization, including a
 - political action committee
 - Corporation
 - labor organization
 - State or local central committee
- Be a member of a slate
- Accept a loan except from yourself or spouse
- Receive a loan greater than \$6000 from the candidate or spouse to the campaign

A publicly financed candidate committee may not pay in advance from any other political committee for goods and services to be used in the primary or general election after certification with non-qualifying contributions received before certification.

D. Seed Money Requirements

The seed money requirements differ of the elective office sought:

- County Executive
 - 500 qualifying contributions
 - An aggregate total of \$40,000 raised
- At-Large Councilmember
 - 250 qualifying contributions
 - An aggregate total of \$20,000 raised
- District Councilmember
 - 125 qualifying contributions

- An aggregate total of \$10,000 raised

E. Matching Funds

The public financing system matches qualifying contributions at a different rate for the office sought:

- Executive
 - \$6 for each of the 1st \$50
 - \$4 for each of the 2nd \$50
 - \$2 for each dollar of the remainder
- County Council
 - \$4 for each of the 1st \$50
 - \$3 for each of the 2nd \$50
 - \$2 for each dollar of the remainder

The total amount that a public financed candidate may receive for an election is

- Executive
 - \$750,000
- At-Large Councilmember
 - \$250,000
- District Councilmember
 - \$125,000
 - These limits are for either the primary or the general election.

A candidate may continue to collect qualifying contributions after reaching the limit.

Chapter 14- Campaign Management

14.1 Account Books

1. Generally

The treasurer must keep detailed and accurate records of all contributions received (including ticket sales and in-kind contributions), transfers in, any other income (for example, interest earned), disbursements made, and outstanding debts incurred. These records are used in the preparation of campaign finance reports.

All records and account books must be retained for either 10 years after the record was created or 2 years after the political committee files its final campaign finance report. The committee's books may be audited.

- § 13-221 of the Election Law Article

2. Contents

- Each asset received, expenditure made, and obligation incurred must be included in the account book along with the following information regardless of the amount of the contribution or expenditure:
 - The amount or value of the receipt or expenditure;
 - The date of the receipt or expenditure;
 - The name and address of the person from whom the asset was received or to whom the expenditure was made; and
 - A description of the asset received or the purpose for which the expenditure was made.
- The account books and records must contain the date, name and address of all persons making any in-kind contributions, a description of the in-kind contribution, and the fair market value of the in-kind contribution.
- Receipts are required for every disbursement and maintained as part of the books and records of the treasurer.
- Bank records are not account books but one of the records within the account books.

As a result of the information required to be recorded in the account books and records, it is recommended that when selling tickets or other small items that you use a book of tickets that has a stub for recording the name and address of each ticket purchaser. The stub, with the name and address, can then serve as part of the books and records of the treasurer.

3. Lump Sum Entry v. Account Books

Under certain circumstances, lump sum entry may be used as a contribution entry on the campaign finance reports. However, the committee is not relieved of its duty to keep detailed and accurate records of all the contributions making up the lump sum entry in the account book. If the account book does not have the names and address of each contribution made, any entries lacking this information will be deemed anonymous contributions and the committee may be subject to penalties for violating Election Law Article § 13-239.

The only exception is for spins, chances on a paddle wheel or wheels of fortune. For those expressly authorized exceptions, the account book must include the net amount received by the committee and a list of the name and address of each individual who attended the event.

-§ 13-240 of the Election Law Article

14.2 Campaign Bank Accounts

1. Generally

A political committee must establish a checking account exclusively for campaign use. The checking account must be established at a financial institution that is located or operates branches in Maryland. The name of the political committee must be on the account. All income (including loans) must be deposited in the campaign bank account. *Personal bank accounts of the responsible officer or the candidate may not be used.*

Besides the required checking account, a political committee may temporarily invest campaign funds in the following:

- Savings Account
- CDs with a term of less than 3 years
- T bills or other US bonds with maturities of less than 3 years; and
- Cash management, money market accounts or money market mutual funds offered to the general public.

A political committee may not invest campaign funds unless specifically authorized by the State Board. Investment in stocks is strictly prohibited.

Interest earned must be recorded as income on the campaign finance report.

All campaign bank accounts and investments must be disclosed on the registration page and campaign finance reports.

2. Opening a Campaign Bank Account

Most banks will require the following three items before allowing you to open a campaign bank account:

- Employer Identification Number. The form can be obtained by calling 800-829-1040 or at www.irs.gov. You need to file a Form SS-4 with the IRS to receive an EIN;
Note: It is not required that you be an employer to receive an EIN.
- Personal identification of the person opening the account; and
- A Resolution of Authority forms (required to be signed by the treasurer and chairman). The Statement of Organization usually satisfies this requirement by the bank.

14.3 Tax-Related Questions

Please contact the Internal Revenue Service or the Comptroller's office for any questions regarding taxes for a political committee.

Chapter 15 – Enforcement

15.1 Audit

The State Board conducts an audit of every campaign finance report filed to ensure compliance with its laws and regulations. Political committees will be notified in writing by the State Board of any deficiencies, errors or omissions on their reports. The committee has thirty (30) days from the date of the notice to correct any deficiencies. Failure to correct the deficiencies and file a properly amended report will result in a report being considered not filed and late fees will be assessed.

- § 13-327 of the Election Law Article

The most common deficiencies are typically: missing or incomplete address information on contributions and expenditures; incorrect entries for reimbursements; and a lack of explanation for certain expenditures. Remember that it is required to get the full address when receiving contributions or making expenditures. As for reimbursements, the campaign finance report must include the ultimate payee of campaign funds.

15.2 Penalties

1. General Enumerated Offenses

The following offenses may result in a fine of up to but not exceeding \$1,000, or imprisonment for up to one (1) year, or both:

- A person may not directly or indirectly give, offer, or promise money or any other valuable thing to another person for the purpose of inducing or procuring that person to vote or refrain from voting for or against a candidate.
- A person may not directly or indirectly receive, accept, request, or solicit money, or any other valuable thing from another person for the purpose of inducing or procuring a third person to vote or refrain from voting for or against a candidate.
- A person may not vote or refrain from voting for or against a candidate, in consideration of money or any other valuable thing paid, received, accepted, or promised to that person or to another person.
- A person may not directly or indirectly pay, give, or promise money or any other valuable thing to defray the costs of an expenditure of the campaign finance entity.
- An employer who pays employees in envelopes may not mark on or enclose in the envelopes a political motto, device, or argument that contains express or implied threats intended to influence the political opinions or actions of those employees.
- A person may not publish or distribute, or cause to be published or distributed, campaign material that does not include an authority line as required by law.

2. Concealing the Source or Intended Recipient

A transfer is not allowed if it is intended to conceal the source of the funds or intended recipient.

- § 13-229 of the Election Law Article

The responsible officers of a political committee may not knowingly receive a payment or promise of payment and enter it into an account book if the responsible officers know that it is not the name of the person that made the payment or promise of payment.

Furthermore, a person may not directly or indirectly pay or promise to pay a political committee in the name of another.

A person found guilty of making a campaign contribution under a false name may be fined up to \$1,000 and/or imprisoned for up to one (1) year and is ineligible for public or party office for four (4) years.

- § 13-602(a)(5), (6), and (b) of the Election Law Article

3. Failure to File Reports or Pay Late Fees

If a political committee fails to file a report, or fails to pay late fees assessed, the matter will be referred to the Office of the State Prosecutor for prosecution.

A responsible officer found in violation for failure to file is guilty of a misdemeanor and, on conviction, subject to a fine not exceeding \$25,000 and/or imprisonment not exceeding one (1) year.

-§§ 13-335(b) and 13-603 of the Election Law Article

4. False Reports or Statements

In addition to the penalty provided under the Criminal Law Article for perjury, a person may not willfully make a false, fraudulent, or misleading statement or entry in any campaign finance report.

-§ 13-601 of the Election Law Article

Additionally, an individual may not sign the name of any other individual or make an electronic submission on behalf of another individual on any form or other document under this title, without the authority and express consent of the individual whose name is signed.

-§ 13-602(a)(11) of the Election Law Article

5. Criminal Penalties

A person who knowingly and willfully violates a provision of Title 13 is subject to a fine of no more than \$25,000 and/or imprisonment up to one (1) year.

-§ 13-603 of the Election Law Article

6. Civil Penalties issued by the State Board.

	1 st Offense	2 nd Offense	3 rd and Subsequent Offenses
A. Disbursement made by unauthorized individual			
(1) If made by a person other than the responsible officers or candidate	\$250	\$500	\$500
(2) If made by a candidate	\$500	\$500	\$500
(3) If made by the chair and not in accordance with Election Law Article §13-218(d)	\$250	\$500	\$500
B. Failure to maintain a campaign bank account			
(1) No bank account	\$50	\$250	\$500

(2) Used personal or other account controlled by the responsible officers or candidate	\$500	\$500	\$500
C. Disbursement by unauthorized methods			
(1) Credit card disbursement	\$100	\$500	\$500
(2) Cash disbursement greater than \$25	\$100	\$500	\$500
(3) Non-check disbursement for walk-around services	\$100	\$250	\$500
D. Failure to maintain account books and records			
(1) Loan documents	\$250	\$500	\$500
(2) Bank records	\$500	\$500	\$500
(3) Expenditure records	\$100	\$250	\$500
(4) Campaign contribution records or receipts	\$100	\$250	\$500
(5) Records for lump sum entries	\$100	\$250	\$500
E. Failure to report contribution(s) on a campaign finance report			
(1) Less than 10 contributions	\$50	\$250	\$500
(2) Between 10 and 20 contributions	\$150	\$300	\$500
(3) More than 20 contributions	\$300	\$500	\$500
(4) Knowingly and willfully failed to disclose a contribution	\$500	\$500	\$500
F. Failure to report expenditure(s) on a campaign finance report			
(1) Less than 10 expenditures	\$50	\$250	\$500
(2) Between 10 and 20 expenditures	\$150	\$300	\$500
(3) More than 20 expenditures	\$300	\$500	\$500
(4) Knowingly and willfully failed to disclose an expenditure	\$500	\$500	\$500
G. Failure to include authority line or authority line is insufficient			
(1) No Authority Line	\$250	\$500	\$500
(2) Present but missing one or more requirements	\$50	\$150	\$350
H. Failure to retain a copy of campaign material			
	\$250	\$500	\$500

The campaign bears the responsibility for payment of any violation. However, if the political committee is unable to pay, then the responsible officers are personally liable for the payment of the civil penalty.

Chapter 16 – Forms

For forms please visit the State Board website at www.elections.state.md.us for the most up-to-date forms.

MD CRIS – To electronically file any form or report, go to www.campaignfinance.maryland.gov

CONTRIBUTIONS AND TRANSFERS LIMITS CHART

Donors \ Recipients	Candidate Committee	Political Action Committee (PAC) ¹⁹	Slate Committee	Party Central Committee- State	Party Central Committee- Local	Ballot Issue Committee- State & Local	Legislative Party Caucus Committee
Individual/ Business Entity/ Union/ Political Club ²⁰	\$6,000	\$6,000	\$6,000	\$6,000 ²¹	\$6,000	Unlimited	\$6,000 ²²
Authorized Candidate Campaign Committee	\$6,000	\$6,000	Unlimited ²³	\$6,000 ²⁴	\$6,000 ²⁵	Unlimited	Unlimited or \$6,000 ²⁶
PAC	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	Unlimited	\$6,000
Slate Committee	\$24,000 ²⁷	\$6,000	\$6,000	\$6,000	\$6,000	Unlimited	\$6,000
Party Central Committee- State	\$6,000 ²⁸	\$6,000	\$6,000	N/A	Unlimited	Unlimited	\$6,000
Party Central Committee-Local	\$6,000 ²⁹	\$6,000	\$6,000	Unlimited	Unlimited	Unlimited	\$6,000
Ballot Issue Committee- State & Local	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	Unlimited	\$6,000
Legislative Party Caucus Committees	\$24,000	\$6,000	\$6,000	\$6,000	\$6,000	Unlimited	\$6,000

¹⁹ This does not include PACs that are registered to make exclusively independent expenditures.

²⁰ See Guidance letter dated April 11, 2014. The Supreme Court held in *McCutcheon v. Federal Election Commission* that aggregate contribution limits are invalid under the First Amendment. The Office of Attorney General has advised that, based on the pronouncement in the *McCutcheon* decision, the aggregate contribution limit in Election Law Article § 13-226(b)(2) is unconstitutional and may not be enforced. Therefore, a person may make an unlimited aggregate amount of total contributions, but not in excess of \$6,000 to any one political committee.

²¹ A person may make an unlimited donation to the administrative account of a central committee. The administrative account may not be used for electoral purposes.

²² A person may make an unlimited donation to the administrative account of a legislative party caucus committee. The administrative account may not be used for electoral purposes.

²³ It is unlimited only if the transfer occurs between the candidate committee and the slate of which the candidate is a member, otherwise it is limited to the \$6,000 transfer amount.

²⁴ When an authorized candidate campaign committee is closing, it may make an unlimited transfer of surplus funds.

²⁵ When an authorized candidate campaign committee is closing, it may make an unlimited transfer of surplus funds.

²⁶ It is unlimited from candidates that the legislative party caucus committee seeks to elect, otherwise it is \$6,000.

²⁷ The \$24,000 limit is only between the slate and its candidate members, otherwise a \$6,000 transfer limit applies.

²⁸ In addition to the transfer, State central committees can make a coordinated campaign contribution to candidates in the amount of \$1 for every two registered voters in the State.

²⁹ In addition to the transfer, local central committees can make a coordinated campaign contribution to candidates in the amount of \$1 for every 2 registered voters in the county.