

Chapter 11 – Campaign Finance Reports

11.1 When Reports Must Be Filed

1. Selecting an Election

During each election cycle, there are two elections for purposes of campaign finance reporting:

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

The political committee must designate one or more elections in which it will participate (i.e. spending monies to elect candidates). An authorized candidate campaign committee must designate the election in which the office sought by the candidate appears on the ballot.

Example #1: A candidate for House of Delegate must designate the Gubernatorial election.

Example #2: A candidate for Baltimore City Council must designate the Presidential/Baltimore City election.

This election designation will affect the reporting schedule of the political committee.

2. Reporting Periods

All political committees must file an annual campaign finance report by the 3rd Wednesday in January.

-§ 13-309(b)(2) of the Election Law Article

Exception: There is an exception for committees that designate the Gubernatorial election year. If these committees were established after the pre-report notices were sent and therefore did not file an annual report in January, they must file a campaign finance report on the 3rd Tuesday in April.

--§ 13-309(a)(1) of the Election Law Article

With one exception, all political committees must file additional reports in the election year it designated. These additional reports are due:

- Pre-Primary 1 Report – 5th Tuesday before the primary election
- Pre-Primary 2 Report – 2nd Friday before the primary election
- Pre-General 1 Report – last Tuesday in August
- Pre-General 2 Report – 2nd Friday before the general election
- Post-General Report – 2nd Tuesday after the general election

Ballot issue committees have a different filing schedule. They must file the following campaign finance report schedule:

- If applicable, at the time or 10 days after the submission of the petition (depending on whether the committee supports or opposes the petition effort to place the question on the ballot)
- Pre-General 1 Report – last Tuesday in August
- Ballot Issue Report – 4th Friday before the general election
- Pre-General 2 Report – 2nd Friday before the general election
- Post-General Report – 2nd Tuesday after the general election
-§ 13-309(a) & (e) of the Election Law Article

3. Participating in non-designated elections

If the political committee participates (that is, makes a contribution or an expenditure to a candidate appearing on the ballot or attempts to influence voters for that election) for an election it did not designate, the responsible officers must:

1. Notify the State Board immediately; and
2. File all campaign finance reports for that election year. The first report that must be filed is the first report after the committee's first contribution or expenditure in that election year.

Example: Committee A designates Gubernatorial Elections *only*. However, on September 5, 2024, Committee A transferred \$6,000 to a Baltimore City mayoral candidate. Committee A must notify the State Board of its participation in the Presidential/Baltimore City election year and file the remaining Presidential/Baltimore City reports – the Pre-General 2 and Post-General reports.

Failure to file the necessary reports in the undesignated year can cause the responsible committee officer to incur criminal and civil penalties.

-§ 13-309(b)(3) of the Election Law Article

4. Pre-Report Notices

Pre-report notice postcards or letters are mailed 10 to 20 days before each report due date and also sends reminders by email. If the committee receives a pre-report notice, the committee must file a campaign finance report.

To make sure that reminder notices are received, keep the mailing and email addresses of the chair, treasurer, and candidate current.

A committee may opt out for receiving pre-report notices by mail and receive them electronically only.

5. Special Elections

Special Elections reporting depends on the election date. It follows the schedule below to the extent practicable:

- Pre-Primary 1 Report – 5th Tuesday before the primary election
- Pre-Primary 2 Report – 2nd Friday before the primary election
- Pre-General Report – 2nd Friday before the general election
- Post-General Report – 2nd Tuesday after the general election

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 contributions more than \$1,000 in the aggregate, exclusive of the filing fee, within a campaign finance 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

NOTE: Filing the Affidavit once does not relieve the committee of any future reporting requirements. If a committee continues to spend or receive contribution less than \$1,000 in another reporting period, the committee may file the Affidavit again. The \$1,000 threshold does not reset with each reporting period but is a continuation from the first affidavit file. Once the threshold is crossed, the committee must file a campaign finance report with all transactions occurring during the period that the affidavits were filed.

11.3 Where Reports Must Be Submitted

1. Location and Method

All political committees must electronically file their campaign finance reports via MD CRIS to the State Board. This includes persons making independent expenditures and electioneering communications.

The reports are filed 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 with 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 computers 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 a sliding scale:

- \$20 per day for the 7 days
- \$35 per day for the next 7 days
- \$50 per day thereafter

The maximum fee chargeable per report is \$1000.

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 start the day after the due date through and include 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.

Late fees may be the personal responsibility of the chair and treasurer if the committee has insufficient funds to pay the fine. - § 13-331(d) of the Election Law Article

A late fee is also assessed if a committee does not file a requested amended campaign finance report within 30 days after receipt of a written notice of deficiency from the State Board. The late fee penalty is the same as for a campaign finance report.

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. Being nominated

A candidate may not be issued a certificate of nomination if the authorized candidate campaign committee has failed to remedy a failure to file violation by the deadline to decline the nomination specified under §5-801(b) of the Election Law Article.

- § 13-332.1 of the Election Law Article

C. Taking Office

The responsible officers of a committee or the candidate **may not** be sworn into public or party 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 winning candidate is in compliance.

- § 13-333 of the Election Law Article

11.5 Reporting Contributions

1. Required Elements

A political committee must report all contributions it receives. The campaign finance report must 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 and:
 - 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 and the amount per ticket;
 - A federal committee;
 - A political club;
 - The campaign finance entity of a Maryland candidate committee;
 - A slate;
 - 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

With limited exceptions, “lump sum” recordkeeping and reporting of campaign contributions on the campaign finance report is prohibited. permitted only in very narrow circumstances.

The only exceptions to the lump sum prohibition are certain qualified gaming receipts and payroll deductions. Certain information must be submitted for the lump sum contribution. This information is:

- For lump sum contributions generated 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.
- For lump sum contributions generated from 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.

The treasurer of a committee reporting lump sum contributions on a campaign finance report is still required to maintain all of the 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

A committee must track the total amount of contributions received from each person and political committee. If a person gives more than the contribution limit, the person is subject to prosecution and the committee must return the amount over the contribution limit. The committee has a duty to assist the person in knowing the contribution limit and overcontributions.

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

Because there is generally a fee assessed for each credit card contribution, the political committee must report both a contribution and an expenditure. The contribution is the entire amount of the contribution, and the expenditure is the amount of the fee charged for the credit card transaction.

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 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 service.

11.6 Reporting Expenditures

1. Generally

Expenditures are all disbursements made by the political committee. Expenditures must be informatively coded. For each reported expenditure, the following information must be provided:

- The date of the expenditure;
- The method by which the expenditure was made;
- The name and address of the payee (or ultimate recipient of campaign funds);
- The amount of the expenditure;
- A description of the expenditure.

2. Reimbursements

When reporting an expenditure 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.

Example: Treasurer authorizes Bob Jones to purchase items on behalf of the campaign. Bob goes to Office Mart and uses his personal credit card to buy \$50 of paper and office supplies. Bob next goes to Office Warehouse and Office Emporium and spends \$60 at each for more campaign supplies. The treasurer gives Bob a single campaign check for the 3 expenditures but must report this as 3 separate expenditures.

Date	Transaction Method	Name & Address of Payee	Name & Address of Reimbursee	Amount
1/5/23	Check	Office Mart 123 Main St. Annapolis, MD 21401	Bob Jones 234 Bay Blvd. Annapolis, MD 21401	\$50
1/5/23	Check	Office Warehouse 523 Defense Hwy Annapolis, MD 21401	Bob Jones 234 Bay Blvd. Annapolis, MD 21401	\$60
1/5/23	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. The treasurer must report this transaction as an expenditure made to the contributor, not as a negative contribution.

Additionally, the expenditure must be coded as a returned contribution otherwise the aggregate to date information will not be accurate for the contributor. Returned contributions must be entered in directly into MD CRIS. They can not be uploaded.

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 the 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

With one exception, a political committee must file a Loan Consent Form after receiving a loan. It must be filed with the first campaign finance report after receiving the loan.

The form must include 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. (The prime rate is published daily in the *Wall Street Journal*.) Additionally, the candidate must assume personal liability for repayment if the committee doesn't repay.

If the interest rate charged (which can be zero) is less than the prime rate on the date the loan was received, the difference between the two rates 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

In addition to the treasurer signing the loan consent form, 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, then the treasurer must acknowledge receipt of the loan by signing the Loan Consent Form.

Candidate Loan Reporting

A political committee does not need to file a Loan Consent Form if the candidate or the candidate's spouse is making the loan and does not wish the loan to accrue interest. The committee must, however, report the date the loan occurred, the amount of the loan, and the outstanding balance. It is entered in MD CRIS under Contributions, Contribution Type-Candidate Loan.

If the candidate or the candidate's spouse makes a loan to the campaign and charges interest, the campaign must file a Loan Consent Form as outline above.

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 repayments are coded as "Loan payments." The payment will be linked to the loan. If the committee codes the payment as an "expenditures." the loan payments correctly will not properly calculate the new loan balance. This could delay a committee from closing because a committee may not close if an outstanding obligation exists.

3. Reporting Unpaid Loans

A committee must always report a loan and the outstanding balance – even if no payment was made during the reporting period. It must be reported 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 automatically becomes a contribution and is 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 and is subject to the contribution limits.

11.8 Reporting Bills

A bill is any expenditure that is unpaid at the end of a reporting period. It must be reported if it is not paid in full in the current reporting period. The bill is reported on each report (and the outstanding balance is updated accordingly) until it is paid off.

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.

11.9 Reporting Items Sold

If the campaign sells items for the purpose of fundraising, the money from the sale is considered a campaign contribution and must be reported. The contributor is the purchaser of the item.

If the item sold was donated to the political committee, the report must reflect an in-kind contribution from the person who donated the item. The value of the in-kind contributions is the fair market value of the item.

11.10 Creating an Amendment

If a committee needs to add or change information in a previously filed report, the committee must an amendment.

To file an amendment in MD CRIS:

1. Select “Amend Transactions” from the menu bar
2. Select the filing period (ex. 2023 Annual)
3. Click Search (Blue box)
4. Select the transaction that you want to change by clicking edit (blue box)
5. Make any necessary changes to the transaction & click Save if editing a contribution or Update expense if you edit an expense
6. 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”
7. Enter the bank balances for the current report and each succeeding report
8. Certify & Submit

An amendment description page will appear at the end of the campaign finance report with changes made.