

Campaign Finance News



Maryland State Board of Elections, 151 West Street, #200, Annapolis, MD 21401 (410) 269-2880

Volume 6, Fall 2005

Important Dates

March 1, 2005 – Any monies raised prior to this date will not count towards the seed money requirement to accept Public Campaign Finance Funds for the Governorial Election.

July 5, 2005 – First day candidates can file for candidacy for the 2006 election.

August 5, 2005 – Due Date for the semi-annual Contribution Disclosure Form (Only for corporations who have made contributions and/or employ lobbyists)

July 3, 2006 – Deadline to file for candidacy for the 2006 election.



Rumor Mill

There have been news stories about changing the Primary Election date to late June or early July. If so, important dates will be altered such as the deadline for filing candidacy and campaign finance reports due dates. We will keep you posted on any new developments. Right now, the schedule of the Primary Election and related deadlines are unchanged.

Message from the Administrator

Maryland campaign finance laws are complex, complicated and always changing. The mission of this newsletter is to keep you updated on essential information regarding compliance and administration of campaign finance laws as well as any legislative changes.

In addition, I would like to announce Ross Goldstein is the new Deputy Administrator for SBE and the new Director of the Candidacy and Campaign Finance Division is Jared DeMarinis.

-Linda H. Lamone
Administrator

Important Notice to Treasurers and Chairmen

As the campaign season rapidly approaches, many new campaign finance entities will be established. Before becoming a Responsible Officer for a campaign entity, it is imperative that you know the law regarding your duties, responsibilities and liabilities. This notice is intended to serve as a brief guide. It is highly recommended that you consult the relevant statutes and attend the classes.

To serve as a Chairman or Treasurer an individual must be:

- a registered voter of the State of Maryland
- in good standing with the Candidacy and Campaign Finance Division.

The Responsible Officers are not required to live in the same district as the candidate or have the same party affiliation. It is permissible for an officer to

serve on more than one committee. A candidate cannot serve as the Treasurer for his/her own committee.

Generally, the Treasurer is responsible for the receipt and expenditure of campaign funds for political purposes. All assets received by or on behalf of the campaign finance entity must be delivered to and maintained by the Treasurer. Only the Treasurer can disburse or expend campaign funds. In addition, the Treasurer's signature is required on all campaign finance reports. Maryland law also requires that the Treasurer keep a detailed and accurate account book on behalf of the campaign finance entity. The account books must be preserved for 2 years after the campaign finance entity files a final 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 to a duly appointed sub-Treasurer. There are no statutory provisions permitting "assistant treasurers." While the Chairman is not assigned any specific duties under the law, the Chairman also bears responsibility for filing timely reports. The committee officers together are jointly and severally responsible for filing all campaign reports. An officer who resigns is still liable for any outstanding reports or late fees incurred during the tenure of the officer. Thus, an officer may be responsible for a report following the resignation, if the resignation was received in the middle of a reporting period. Please consult with the Summary Guide of Maryland Candidacy and Campaign Finance Laws for greater detail.

Reporting Dates

-Annual Report due 1/18/06
-Pre-Primary 1 Report due 8/15/06
-Pre-Primary 2 Report due 9/01/06
-Pre-General Report due 10/27/06
-Post General Report due 11/28/06

Updating Your Software

To update your current Electrack software with 2006 reporting dates, **you must** download the patch from www.electionsmaryland.com under the New Campaign Finance Patch link or contact SBE at 410-269-2880 and request the patch be mailed to you on diskette.



Classes

SBE will conduct training classes on reporting requirements and use of Electrack software for campaign finance activity. Date and locations are below.

October 25, 2005- 6pm to 8pm
State Board of Elections
Annapolis, MD

November 2, 2005- 6pm to 8pm
State Board of Elections
Annapolis, MD

If you are planning to attend, please RSVP by calling 1-800-222-8683 ext 4 or 410-269-2880. Directions to the State Board of Elections office are available online at: www.electionsmaryland.com.

The Candidacy and Campaign Finance staff is available to conduct classes for different groups. Groups must be over 15 people. These classes teach you the basics of campaign finance compliance and electronic filing. If interested, contact Terry Harris at 410-269-2875.

Public Financing for Gubernatorial Candidates

For a gubernatorial ticket to qualify to receive public funds, the candidate must raise the required seed money. The seed money must be received after

March 1, 2005 and in increments of \$250 or less from individual contributors. If the contribution is greater than \$250, the amount over \$250 is disregarded for seed

money calculations. The amount of seed money needed will be announced after January 1, 2006.

Updates will be available on the SBE website.

Frequently Asked Questions

Can a candidate join a state committee without having a candidate committee?

No, candidates must have their own campaign finance entity established prior to joining a state committee.

Are candidates still members of a state after the election?

Yes, once a candidate joins a state committee, the candidate is a member until he/she withdraws or resigns or the state committee is closed.

What is required to open a campaign depository account at a bank?

Most banks will require a Form SS-4 (Application for Employer Identification Number), personal identification and a Resolution of Authority.

What documents satisfy the Resolution of Authority requested by banks to open a depository account?

A bank should accept the processed Statement of Organization for a newly formed committee by the SBE to open a depository account.

If I send in a new appointment for a Treasurer and/or Chairman, do I immediately replace the previous officer?

No, the previous officer must resign in writing prior to the appointment of any new officer.

I have a State campaign finance entity but want to run for U.S. Congress, can I transfer over the monies to my federal campaign entity?

Generally, Maryland campaign funds are for State candidates. However, it is permissible for a State campaign finance entity to make expenditures to support a federal candidate or federal PAC. In order to make a contribution, the entity's account must have federally permissible funds equaling the contribution. Please contact the Federal Election Commission to find out what are the contribution limits and reporting requirements, if any.

Are there limits to cash contributions?

Yes, a person may make cash contributions up to \$100 for an election cycle. Once the person contributes \$100, the person can no longer make any cash contributions for the remainder of the election cycle.

What happens if there is a vacancy with either my chairman or treasurer?

If you are missing an officer you may not have any financial activity until a new officer is appointed. It is very important for a campaign finance entity fill any vacancy either by resignation or death immediately.

My central committee appointed me Treasurer, do I notify SBE?

Yes, if your party central committee voted a new officer, the new officer has to send in the appointment form to SBE and the previous officer needs to send SBE a resignation letter.

Are campaign treasurers required to keep a copy of receipts issued for campaign contributions?

It is not required for treasurers to keep copies of contribution receipts. The only receipt that the law requires treasurer to keep as part of the treasurer's books and records is the receipt from a campaign expenditure.

Records Management

The treasurer must keep a detailed and accurate account book for all the financial activity of the campaign finance entity. This includes contributions and transfers received, expenditures made and any and all obligations incurred by the campaign finance entity. The retention of the records may be in an electronic format, i.e. scanned or in a hard copy. If the entity stores campaign finance reports as a pdf, the reports are to be scanned and cannot be altered.



Campaign Software

SBE provides free software (ELECTrack EFS) for your use to file campaign finance reports. However, the law does not require you to use the SBE's software. ELECTrack EFS is not a comprehensive campaign management system and doesn't interface with other programs, such as check writing or accounting software.

If you want a campaign management system, you may consider using software from a private vendor. But you should be aware that the private vendor's software must be compatible with SBE's ELECTrack database.

Visit our website for a list of private vendors currently doing business in Maryland. SBE bears no responsibility for the use of a private vendor.

Other Information

Sign Up for Updates Electronically

If you wish to receive this publication and other updates in the future via email, please phone the SBE with your email address or register your email address at CCF@elections.state.md.us. Thank you.

Contacting the Division of Candidacy and Campaign Finance

Phone - 410-269-2880 or 800-222-8683 x4
 Help Desk - 410-269-2840 x6 or 800-222-8683 x6
 Website - www.electionsmaryland.com
 Email - CCF@elections.state.md.us

Maryland State Board of Elections

Gilles W. Burger, Chairman
 Joan Beck, Member
 Susan Widerman, Member

Linda H. Lamone, Administrator
 Ross Goldstein, Deputy Administrator
 Jared DeMarinis, Director of Candidacy & Campaign Finance Division

Exploratory Committees

Maryland does not recognize the existence of an exploratory committee. It is highly recommended that the potential candidate establish a campaign finance entity. Establishment of the campaign finance entity does not require the potential candidate to file a certificate of candidacy. The potential candidate may raise funds and make expenditures out of this account and then if he or she decides to run for office may use this campaign finance entity as the candidate's committee.

However, if a potential candidate decides not to establish a campaign finance entity and wants to "Test the Waters," the potential candidate is not required to file a campaign finance report for any expenditures made. However, by not establishing a campaign finance entity any monies used would be prohibited for actual campaign activities. Exploratory funds can only be used for legitimate exploratory activities. Additionally, any monies in the exploratory committee's

account can only contribute \$4000 to the authorized campaign finance entity of the candidate.

It is important to note that certain activities regardless of the reporting requirement fall within the purview of the campaign finance regulations. For example, a potential candidate sends out personal letters to would be voters while not soliciting but indicating his/her interest in running for office would require an authority line indicating the candidate's name and address.

How to Become a Candidate for Office

Before appearing on the ballot for elective office, candidates are required to establish a campaign finance entity. Once the campaign finance entity is established, then a candidate may file for office.

At the time of filing, a candidate must complete a Certificate of Candidacy and a Financial Disclosure Statement. In addition, a filing fee and photo identification are required.

The deadline for being on the 2006 ballot is July 3, 2006. All filings are required to be in-person at the appropriate board of election.