

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 153

(Chair, Education, Energy, and the Environment
Committee)(By Request - Departmental - State Board of
Elections)

Education, Energy, and the Environment

**Election Law - Campaign Finance Entities - Oversight and Control of Campaign
Funds**

This departmental bill makes changes to State campaign finance law provisions governing the management of campaign funds by (1) adjusting and clarifying certain roles, responsibilities, and procedures relating to the receipt and disbursement of campaign funds, including authorizing the treasurer of a campaign finance entity to designate authorized agents to make disbursements and assist with filings, and (2) allowing for increased civil penalties for certain violations. The bill also modifies a provision governing the appointment of a campaign manager. **The bill takes effect January 1, 2027.**

Fiscal Summary

State Effect: Special fund revenues may increase annually beginning in FY 2027. Expenditures are not affected.

Local Effect: None.

Small Business Effect: The State Board of Elections (SBE) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary:

Role of the Treasurer – and – Receipt of Campaign Funds

The bill establishes that the treasurer of a campaign finance entity is the financial steward of the campaign finance entity. The bill modifies an existing requirement so that all assets received by or on behalf of the campaign finance entity must be delivered to the campaign finance entity rather than to the treasurer; however, as is required under current law, the assets must be maintained by the treasurer for the purposes of the campaign finance entity. The bill also clarifies that the assets must be accounted for in accordance with existing accounting requirements and are considered owned by the campaign finance entity.

Disbursement of Funds – and – Designated Authorized Agents

The bill alters an existing requirement that assets of a campaign finance entity be disbursed only if they have passed through the hands of the treasurer and in accordance with the purposes of the entity. Instead, assets of a campaign finance entity may be disbursed only if accounted for in accordance with existing accounting requirements and only in accordance with the purposes of the entity and State campaign finance law.

The bill repeals a provision that authorizes the chairman of a campaign finance entity to approve a disbursement on behalf of the campaign finance entity when the treasurer is temporarily unable to perform the duties of the office. Instead, the bill authorizes the treasurer to designate authorized agents of the campaign finance entity to make disbursements on behalf of and in accordance with the purpose of the campaign finance entity. The designation of an authorized agent must be made in writing before the first disbursement is made by the authorized agent. Any action taken by the designated authorized agent on behalf of the campaign finance entity is the responsibility of the treasurer. A designated authorized agent (1) has a fiduciary duty to the campaign finance entity for the agent's conduct in making disbursements on behalf of the campaign finance entity and (2) must confirm the agent's understanding of the fiduciary duty by signing a written designation that includes a statement of the duty.

A designated authorized agent may assist the treasurer in the preparation of any required filings with SBE. A campaign finance report filed by a campaign finance entity must include the written designations naming the authorized agents who may act on the treasurer's behalf.

The bill modifies a provision that prohibits a chairman who is a candidate from approving a disbursement for a campaign finance entity, so that it instead prohibits any candidate

from having access to, or making a disbursement for a campaign finance entity from, funds deposited in the designated campaign account.

The bill also prohibits the treasurer of a political action committee of a political party from approving any disbursement of the political action committee's assets, or incurring any liability on its behalf, without authority and direction from the chair of the political action committee.

Appointment of a Campaign Manager

The bill modifies a provision that governs the appointment of a campaign manager by (1) clarifying that a campaign manager may be appointed by a candidate or chair of a campaign finance entity (instead of by "an individual") and (2) requiring the form making the appointment to be filed with SBE (rather than with the board where the individual is required to file a certificate of candidacy).

Civil Penalties

The bill also establishes the amount of a civil penalty for a violation of (1) the bill's requirement that the designation of an authorized agent must be made in writing before the first disbursement is made by the authorized agent and (2) existing requirements that if a chair or treasurer of a campaign finance entity has a compensation agreement with the campaign finance entity, before making a disbursement for the compensation, a copy of the agreement and the written consent of the candidate (if it is an authorized candidate campaign committee) must be submitted to SBE. The campaign finance entity or other person that committed the violation must pay a civil penalty of \$1,000 plus the amount of the disbursement made without the required approval.

Terminology

The bill updates terminology by changing references to "chairman," to "chair."

Current Law:

Campaign Finance Entities

Unless otherwise expressly authorized by law, all campaign finance activity for an election under the Election Law Article must be conducted through a campaign finance entity (defined as a political committee established under Title 13 of the Election Law Article). An individual may not file a certificate of candidacy or a declaration of intent until the individual establishes, or causes to be established, an authorized candidate campaign

committee (a campaign finance entity authorized by the candidate to promote the candidate's candidacy).

Responsible Officers

A campaign finance entity must have a chairman and a treasurer who are the responsible officers of a campaign finance entity. A campaign finance entity may not receive or disburse money or any other thing of value if there is a vacancy in the office of chairman or the office of treasurer. The chairman and treasurer are jointly and severally responsible for (1) filing all campaign finance reports in full and accurate detail and (2) except as otherwise provided under State campaign finance law, all other actions of the entity.

Campaign Accounts and Disbursements

All assets received by or on behalf of a campaign finance entity must be delivered to and maintained by the treasurer for the purposes of the campaign finance entity. A campaign finance entity must deposit all funds received in a designated campaign account. Assets may be disbursed only if they have passed through the hands of the treasurer and only in accordance with the purposes of the entity. Generally, a campaign finance entity may make a disbursement only from a designated campaign account and only by check or an electronic method authorized by SBE by regulation. A petty cash fund may be maintained, however, and expenses paid from other funds may be reimbursed from the campaign account if supported by a receipt.

If the treasurer of a campaign finance entity is temporarily unable to perform the duties of the office, the chairman of the campaign finance entity may approve a disbursement on behalf of the campaign finance entity in the same manner as the treasurer, subject to a reporting requirement regarding the disbursement. A chairman who is a candidate, however, may not approve a disbursement for a campaign finance entity.

The treasurer of a State or county central committee of a political party may not approve any disbursement of the central committee's assets, or incur any liability on its behalf, without authority and direction from the chairman of the central committee.

Compensation Agreement

If a responsible officer of a campaign finance entity has a compensation agreement with the campaign finance entity, before making a disbursement for the compensation, the campaign finance entity must submit to SBE (1) a copy of the compensation agreement and (2) if the campaign finance entity is an authorized candidate campaign committee, the written consent of the candidate.

Campaign Manager

An individual may appoint a campaign manager by (1) completing a form that SBE prescribes and that includes the name and address of the campaign manager and (2) filing the form with the board where the individual is required to file a certificate of candidacy. “Campaign manager” means a person designated by the candidate, or the candidate’s representative, to exercise general overall responsibility for the conduct of the candidate’s political campaign.

Campaign Finance Civil Penalties

SBE is authorized to impose a civil penalty for various campaign violations, including (1) making a disbursement in an unauthorized manner or by an unauthorized method; (2) failure to maintain a campaign bank account; (3) failure to maintain detailed and accurate account books and records; (4) fundraising during the General Assembly session in an unauthorized manner; (5) failure to sufficiently report all contributions received and expenditures made on a campaign finance report; (6) failure to include an authority line on campaign material; (7) failure to retain a copy of campaign material; (8) failure to disclose the use of a bot to publish, distribute, or disseminate online campaign material; (9) soliciting a recurring contribution or donation without the affirmative consent of the contributor or donor; (10) making a monetary contribution or monetary donation using any currency other than United States currency or accepting a monetary contribution or monetary donation made using any currency other than United States currency; and (11) making a monetary expenditure using any currency other than United States currency.

The civil penalty may not exceed \$1,000 for each violation, with the exception of fundraising during the General Assembly session in an unauthorized manner, which is subject to a penalty of up to \$1,000 plus the amount of the contribution received.

The civil penalty must be paid by the campaign finance entity, unless it has insufficient funds, in which case it is the joint and several liability of the responsible officers of the campaign finance entity. If a violation is committed by a person not acting on behalf of, or at the request or suggestion of, a candidate or a campaign finance entity, the civil penalty must be paid by the person who committed the violation.

Background: SBE indicates that the bill (1) clarifies the roles and responsibilities of campaign finance entities, their treasurers, and treasurers’ agents and (2) encourages compliance by requiring pre-disbursement internal controls that identify and prevent improper use of campaign funding.

State Revenues: Special fund (Fair Campaign Financing Fund) revenues may increase annually beginning in fiscal 2027 to the extent the bill’s civil penalty authority results in

increased collection of civil penalties. The extent of any increase cannot be reliably estimated. Civil penalty revenues are distributed to the Fair Campaign Financing Fund, which holds funds for public campaign financing of gubernatorial tickets under the Public Financing Act.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 267 (Chair, Government, Labor, and Elections Committee)(By Request - Departmental - State Board of Elections) - Government, Labor, and Elections.

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

Fiscal Note History: First Reader - February 3, 2026
jg/sdk

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Oversight of Campaign Finance Management

BILL NUMBER: SB 153

PREPARED BY: State Board of Elections

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposal exclusively affects individual candidates and their staff and campaign committees, and will have no impact on small businesses.