

Notable Changes in State Campaign Finance Law—Arkansas, Maryland, and Vermont

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With the new year, a number of states have seen changes in their campaign finance regimes, among the most noteworthy being Arkansas, Maryland, and Vermont.

Arkansas. Effective November 5, 2014, Arkansas now prohibits corporations from making contributions in connection with state and local candidate campaigns. Previously, the state had allowed corporations to contribute up to \$2,000 per election to each candidate.

Maryland. Effective January 1, 2015, Maryland added and revamped many state laws governing how private entities participate in Maryland elections. (More broadly, the state also raised the base contribution limit from \$4,000 to \$6,000 per election cycle.) For example, any “person”—including a corporate entity—that spends a threshold amount in independent expenditures or electioneering communications must file reports that are noticeably more detailed than their predecessors. Whereas the earlier version of the law required that speakers disclose donations that they received “for the purpose of furthering” political speech in Maryland, the new regime broadly covers *any* donation above a threshold amount—regardless of the donor's purpose. At the same time, the law carves out exceptions for funds received “in the ordinary course of any trade or business” and for certain funds that the donor and donee “expressly agree in writing may not be used for” political speech.

Similarly, Maryland now requires 501(c)(4), 501(c)(6), and 527 organizations that make a threshold amount of contributions in connection with Maryland elections to file reports as “participating organizations.”

Authors

Caleb P. Burns
Partner
202.719.7451
cburns@wiley.law

Maryland has also revised its “pay-to-play” reporting laws.

Vermont. Effective January 1, 2015, new contribution limits are in effect in Vermont. Candidates for state representative may not accept contributions of more than \$1,000 from a single source or from a political committee. Candidates for state senate, for their part, are subject to a \$1,500 limit on contributions from a single source or a political committee. With respect to the executive branch, a candidate for the office of governor, lieutenant governor, secretary of state, state treasurer, auditor of accounts, or attorney general may not accept more than \$4,000 from a single source or political committee. Similar limits apply to certain local candidates.

These limits apply on an election-cycle calendar, with “election cycle” for general or local elections meaning “the period that begins 38 days after the previous general or local election for the office and ends 38 days after the general or local election for the office for which th[e] [candidate] is a candidate, and includes any primary or run-off election related to that general or local election.” (A different cycle applies for special elections.)

Political committees and political parties are also subject to new limits. Political committees may not accept contributions of more than \$4,000 from a single source, political committee, or political party during an election cycle. And political parties are limited to \$10,000 from a single source or political committee and \$60,000 from a political party during an election cycle. Unlike the variable election-cycle calendar applicable to candidates, the cycle governing political committees and parties is the fixed two-year general-election cycle.