

Department of Legislative Services  
 Maryland General Assembly  
 2015 Session

FISCAL AND POLICY NOTE

House Bill 294 (Delegate Morhaim)  
 Ways and Means

Election Law - Contributions - Disclosure

This bill repeals provisions that allow a campaign finance entity of a candidate and a political committee that receives specified contributions through payroll deductions to report contributions from contributors of less than \$51 as a lump sum, without providing the amount of each contribution and the name and address of each contributor. The bill preserves limited lump sum reporting of receipts from the sale of a spin or chance or a raffle ticket, but limits the amount a political committee can receive from spins and chances or a raffle and report as a lump sum, to \$2,500 in a four-year election cycle.

The bill takes effect June 1, 2015.

Fiscal Summary

**State Effect:** General fund expenditures increase by \$5,000 in FY 2016 for one-time programming costs. Revenues are not affected.

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	5,000	0	0	0	0
Net Effect	(\$5,000)	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** In general, for each contribution a political committee receives, it must include on its campaign finance reports the amount of the contribution and the name and address of the contributor. Certain exceptions apply, including that a campaign finance entity (a political committee established under State law) of a candidate may report a maximum of a cumulative amount of \$25,000 of contributions from contributors of less than \$51 as a lump sum, without providing the amount of each contribution and the name and address of each contributor. A political committee that receives contributions through payroll deductions from an employer or an employee membership entity may report payroll deduction contributions from contributors of less than \$51 in a similar manner.

A political committee also may receive a contribution from the sale of a spin or chance or a raffle ticket and not identify the individual contributor on its campaign finance reports provided certain conditions are met, including that (1) a spin or chance is not sold for more than \$2; (2) the total receipts of the political committee from spins and chances in that election do not exceed \$2,500; (3) a raffle ticket is not sold for more than \$5 and a person may not purchase more than \$50 worth of tickets; and (4) the names and addresses of attendees of an event are kept in the political committee's account book and the net amount received from the raffle, spin, or chance is included on the committee's campaign finance report as a lump sum along with the total number of persons purchasing a raffle ticket, spin, or chance at the event.

**Background:** The provisions repealed by the bill were enacted under the Campaign Finance Reform Act of 2013 (Chapter 419 of 2013) and established certain limits on, and requirements applicable to, lump sum reporting. Previously, regulations adopted by the State Board of Elections (SBE) permitted a campaign finance entity to report an unlimited amount of small contributions – generally contributions from contributors of less than \$51 – as a lump sum, without identifying the name and address of the contributor or the amount of each contribution. The bill preserves a requirement enacted under Chapter 419 that unless otherwise provided in the law, a political committee must report the amount of each contribution it receives and the name and address of each contributor. The Commission to Study Campaign Finance Law, which was established by the General Assembly under Joint Resolution 1 of 2011, recommended in its December 2012 final report that the General Assembly enhance disclosure of small contributions by curbing the practice of reporting certain small contributions as a lump sum.

**State Fiscal Effect:** General fund expenditures increase by \$5,000 in fiscal 2016 for one-time computer programming by SBE to incorporate the bill's changes in the State's online campaign finance reporting system.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Board of Elections, State Ethics Commission, Commission to Study Campaign Finance Law, Department of Legislative Services

**Fiscal Note History:** First Reader - February 17, 2015  
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