

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 767

(Senator Conway)

Education, Health, and Environmental Affairs

Ways and Means

Ethics Law - Statement by Person Providing Lobbyist Compensation and
Making Campaign Contributions

This bill authorizes the State Board of Elections (SBE) to impose fees for the late filing of statements required of a person who (1) spends at least \$500 to compensate one or more regulated lobbyists and (2) makes or causes to be made an applicable contribution in a cumulative amount of \$500 or more. The bill also alters the reporting period and due dates for such statements and makes a series of clarifications to conform related aspects of the Public Ethics Law more closely to provisions in the Election Law Article.

The bill takes effect June 1, 2015.

Fiscal Summary

State Effect: Potential negligible increase in general fund revenues to the extent that SBE imposes fees for the late filing of statements, as authorized by the bill. SBE can handle any additional enforcement requirements using existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary/Current Law: Pursuant to the Election Law Article, any person doing public business must file a semi-annual statement with SBE disclosing information related to campaign contributions to public officials. "Doing public business" means making a single contract with a single governmental entity involving a cumulative consideration of

at least \$200,000, but does not include receiving a salary from a government entity. SBE is authorized to impose fees for the late filing of these statements, which are distributed to the general fund. The fee is \$10 per day that the statement is late, with a maximum fee of \$500.

Under current law, a person is required to file a statement with SBE if at any time during a six-month period ending either January 31 or July 31, that person (1) spent at least \$500 to provide compensation to one or more regulated lobbyists and (2) made or caused to be made an “applicable contribution,” which means a political contribution or series of contributions made to or for the benefit of an applicable recipient in a cumulative amount of more than \$500. Statements are due within five days after the end of a reporting period. “Applicable recipient” means a candidate for or official holding a specified public office. The required statement must disclose specified information and it must contain additional information if the person filing the statement is a business entity.

Under the bill, SBE may impose fees for the late filing of these statements. Late fees are imposed in the same manner as the late fees imposed for statements related to persons doing public business, as required under the Election Law Article. The bill also changes the reporting period to each six-month period ending April 30 or October 31 and changes the due date for statements to the last day of the month immediately following the end of each reporting period. To transition to the new schedule, the bill specifies that each person who is required to file a statement must do so (1) by August 31, 2015, to cover a six-month reporting period beginning February 1, 2015, and ending July 31, 2015, and (2) by November 30, 2015, to cover a three-month reporting period beginning August 1, 2015, and ending October 31, 2015.

Furthermore, the bill clarifies that under § 5-716 of the Public Ethics Law, (1) an “applicable contribution” means a political contribution or donation or series of contributions or donations in any amount by a person or attributed to a person made to or for the benefit of an applicable recipient; (2) “director” is a member of a board of directors of a business entity, as specified in the Election Law Article; and (3) notice requirements apply to applicable contributions in the cumulative amount of \$500 or more.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Board of Elections, State Ethics Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2015
md/kdm Revised - Enrolled Bill - April 29, 2015

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