

Department of Legislative Services  
Maryland General Assembly  
2017 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 706 (Delegate Vogt, *et al.*)  
Rules and Executive Nominations

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General Assembly - Limitation of Terms

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This proposed constitutional amendment, if approved by the voters at the next general election, limits the term of a senator or delegate to three consecutive terms in the same office and a lifetime maximum of five terms as a member of the General Assembly. A member filling a vacancy in office is considered to have served a full term if the member has served more than three years in that office.

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Fiscal Summary

**State Effect:** No discernible effect on State pension liabilities or contribution rates, as discussed below. It is assumed that the potential for increased costs to include any constitutional amendments proposed by the General Assembly on the ballot at the next general election will have been anticipated in the State Board of Elections' budget irrespective of this bill. No effect on revenues.

**Local Effect:** None. It is assumed that the potential for increased costs to notify voters of any constitutional amendments proposed by the General Assembly and to include any proposed constitutional amendments on the ballot at the next general election will have been anticipated in local boards of elections' budgets irrespective of this bill.

**Small Business Effect:** None.

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Analysis

**Current Law:** Members of the State Senate and the House of Delegates serve four-year terms. There are no limits on the number of consecutive or total terms they can serve.

**Background:** In calendar 2017, members of the General Assembly receive annual compensation of \$48,622, except that the two Presiding Officers each receive \$63,153. In January 2018, those salaries will increase to \$50,330 and \$65,371 respectively. In addition, members each receive \$750 to be applied to in-district travel and are reimbursed for their lodging and travel expenses related to their service as members of the General Assembly. Compensation does not vary according to years of service.

About one-third of State Senators and Delegates have served in their respective houses of the General Assembly for more than three terms (12 years).

According to the National Conference of State Legislatures, as of March 2015, 15 state legislatures have term limit provisions for their members. Nebraska was the last state to enact term limits, in 2000. Six states have adopted lifetime limits on membership in the legislature.

Membership in the Legislative Pension Plan (LPP) is mandatory for elected members of the General Assembly. LPP members contribute 7% of their salary for up to 22 years and three months; contributions are not required beyond that time. They are vested in the plan after 8 years (two terms). Vested members are eligible for a full-service retirement allowance upon reaching age 60, if the member has earned creditable service in the LPP before January 14, 2015, or at age 62 if creditable service is earned only after that date, as long as they are no longer serving in the General Assembly. Their annual retirement allowance is 3% of the salary of a current member of the General Assembly for each year of service credit but is capped at two-thirds of the salary of a current member.

For the purpose of calculating employer contributions, LPP is combined with the Employees' Retirement System, Employees' Pension System, and Correctional Officers' Retirement System for the annual actuarial valuation. Therefore, employer contributions for LPP are the same as those for the employees' combined systems (ECS).

**State Expenditures:** Compensation for members of the General Assembly does not vary based on years of service, so the bill has no effect on total compensation.

Full LPP retirement benefits are earned upon reaching 22 years, three months of service in the General Assembly. Although the proposed amendment would restrict members of the General Assembly to three consecutive elective terms (12 years), members would still be able to serve longer if they sat out one term and then were reelected to a fourth nonconsecutive term, or if they moved from one house to the other in consecutive terms. However, the proposed amendment results in no members achieving full benefits since membership in the General Assembly is capped at 20 years under the bill, and other members likely earn fewer benefits than they otherwise would by virtue of serving fewer years in the General Assembly. The reduction in benefit payments is expected to be

minimal and, given that LPP members represent about 0.2% of total ECS membership, has no discernible effect on State pension liabilities or contribution rates.

State costs of printing absentee and provisional ballots may increase to the extent inclusion of the proposed constitutional amendment on the ballot at the next general election results in a need for a larger ballot card size or an additional ballot card for a given ballot (the content of ballots varies across the State, depending on the offices, candidates, and questions being voted on). Any increase in costs, however, is expected to be relatively minimal, and it is assumed that the potential for such increased costs will have been anticipated in the State Board of Elections' budget irrespective of this bill. Pursuant to Chapter 564 of 2001, the State Board of Elections shares the costs of printing paper ballots with the local boards of elections.

**Local Expenditures:** Local boards of elections' printing and mailing costs may increase to include information on the proposed constitutional amendment with specimen ballots mailed to voters prior to the next general election and to include the proposed amendment on absentee and provisional ballots. It is assumed, however, that the potential for such increased costs will have been anticipated in local boards of elections' budgets irrespective of this bill.

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### **Additional Information**

**Prior Introductions:** HB 1209 of 2016 and HB 164 of 2014 both received a hearing in the House Rules and Executive Nominations Committee, but no further action was taken on either bill.

**Cross File:** None.

**Information Source(s):** National Conference of State Legislatures; Department of Legislative Services

**Fiscal Note History:** First Reader - March 2, 2017  
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