

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 830
Ways and Means

(Delegate Washington)
Education, Health, and Environmental Affairs

County Public Campaign Financing – Administration

This bill requires the governing body of a county, when establishing a system of public campaign financing for elective offices in the executive or legislative branches of county government, to provide the funding and staff necessary for the operation, administration, and auditing of the system of public campaign financing.

Fiscal Summary

State Effect: General fund expenditures may decrease by at least \$100,000 annually, beginning in FY 2021. Revenues are not affected.

Local Effect: Local government expenditures increase. In Montgomery County, for example, expenditures increase by \$50,000 in FY 2021, \$192,000 in FY 2022 and 2023, and by \$100,000 in FY 2024. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law/Background: Pursuant to Chapter 419 of 2013, the governing body of a county may establish, by law, a system of public campaign financing for elective offices in the executive and legislative branches of county government. When establishing such a system, the governing body of a county must specify the criteria for determining whether an individual is eligible for public campaign financing. Various requirements apply to a system established by a governing body of a county, including that it must (1) be strictly voluntary; (2) not regulate candidates who choose not to participate in public campaign

financing; and (3) be subject to regulation and oversight by SBE to ensure conformity with State law and policy to the extent practicable.

Montgomery, Howard, and Prince George's counties have enacted, in 2014, 2017, and 2018, respectively, local laws establishing public campaign financing systems for county executive and county council offices, under the authority provided in Chapter 419 of 2013. Montgomery County's system was in effect for the 2018 elections, Howard County's system will first be in effect for the 2022 elections, and Prince George's County's system will first be in effect for the 2026 elections. In addition, Baltimore City voters approved a charter amendment during the November 2018 election authorizing the mayor and city council to establish a public campaign financing program.

State Expenditures: General fund expenditures may decrease by at least \$100,000 annually, beginning in fiscal 2021, reflecting the cost of two employees that SBE will not have to hire to help administer the public campaign financing programs in Montgomery and Howard counties for the 2022 elections if the bill is enacted. SBE helped to administer the Montgomery County program during the 2018 elections, but the responsibilities stretched beyond the capacity of existing staff. If SBE, in the absence of the bill, needs to continue to provide the same amount of support to both the Montgomery County and Howard County programs for the 2022 elections, additional staff are expected to be needed, one for each program. SBE adopted regulations in February 2018 which shifted a certain amount of the responsibility for administering county public campaign financing programs to the counties, but at least some uncertainty remains about how much of the administration of the public campaign financing programs the counties are responsible for as opposed to SBE.

Local Expenditures: Local government expenditures increase for counties that have or will enact public campaign financing programs. Montgomery County, for example, expects county expenditures to increase by \$50,000 in fiscal 2021, \$192,000 in fiscal 2022 and 2023, and \$100,000 in fiscal 2024, reflecting the cost of a program manager beginning half-way through fiscal 2021 and a temporary fiscal analyst being hired for fiscal 2022 and 2023. Currently, a manager administers the operations of the county public campaign financing program along with other duties, but under the bill, additional staff are needed to perform, among other tasks, the review, approval, and auditing of qualifying participating candidates as well as the validation of candidate contributions and expenditures during the election cycle.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Board of Elections; Baltimore City; Montgomery and Worcester counties; Department of Legislative Services

Fiscal Note History: First Reader - February 24, 2019
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