

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 298

(Senator Lam, *et al.*)

Education, Health, and Environmental Affairs

Ways and Means

Election Law - Local Public Campaign Financing - Boards of Education

This bill expands the offices for which the governing body of a county may establish a system of public campaign financing, to include an elected member (other than a student member) of the county board of education. If the governing body of a county establishes a system of public campaign financing for elected executive/legislative offices and elected members of the county board of education, the system must be implemented only for the elected executive/legislative offices for one full election cycle before it is implemented for elected members of the county board of education. The bill also clarifies that a system of public financing enacted by the governing body of a county must, on an ongoing basis, provide funds and staffing for the operation, administration, and auditing of the system.

Fiscal Summary

State Effect: The bill does not materially affect State finances.

Local Effect: To the extent counties use the authority under the bill, county expenditures increase by a significant amount.

Small Business Effect: Potential meaningful.

Analysis

Current Law: 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. Chapter 376 of 2019 also requires

the governing body of a county, when establishing a system, to provide the funding and staff necessary for the operation, administration, and auditing of the system of 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 the State Board of Elections (SBE) to ensure conformity with State law and policy to the extent practicable.

Background: Montgomery, Howard, and Prince George’s counties and Baltimore City have enacted in 2014, 2017, 2018, and 2020, respectively, local laws establishing public campaign financing systems for executive and legislative 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. Baltimore City’s program was just recently enacted, in January 2020 (taking effect January 1, 2021), after 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. Baltimore County voters will vote on a charter amendment during the 2020 general election that would require the county council to establish a system of public campaign financing, beginning with the 2026 general election.

Local Fiscal Effect: To the extent a county uses the authority in the bill, county expenditures increase by a significant amount to provide the public funding distributed to participating candidates for a board of education and for any increased administrative costs (e.g., contractual personnel) associated with administering the program for those candidates.

A total of \$5.2 million (net of returned funds) was spent by Montgomery County in the 2018 elections for distributions to county executive and county council candidates.

Small Business Effect: To the extent the bill results in additional campaign spending that otherwise would not occur, small businesses providing campaign consulting services and materials may meaningfully benefit.

Additional Information

Prior Introductions: SB 535 of 2019 passed the Senate and received a hearing in the House Ways and Means Committee, but no further action was taken. Its cross file, HB 147,

received a hearing in the House Ways and Means Committee, but no further action was taken.

Designated Cross File: HB 337 (Delegate Ebersole, *et al.*) - Ways and Means.

Information Source(s): State Board of Elections; Caroline, Carroll, Harford, Montgomery, Queen Anne's, and St. Mary's counties; Department of Legislative Services

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