

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
State Board of Elections**
(DLS Control No. 15-203)

Overview and Legal and Fiscal Impact

The regulations make technical and administrative changes to current regulations governing disclosure of campaign contributions by businesses holding government contracts of \$200,000 or more. Businesses do not have to disclose certain contract information if it would be unduly burdensome or if the business does not make contributions of \$500 or more. Independent expenditures made by a business must be disclosed.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

State Board of Elections:

Disclosure by Persons doing Public Business: Statement of Contributions Requirements:
COMAR 33.20.02.02 and .03

Legal Analysis

Background

Title 14 of the Election Law Article requires businesses holding contracts with the State or local governments to file semi-annual statements disclosing campaign contributions of \$500 or more made by the business and certain individuals affiliated with the business. Reporting requirements apply to businesses that have a single contract of \$200,000 or more with a governmental entity. Chapter 454 of 2015 made several technical and administrative changes to Title 14. These changes include allowing a business that did not make contributions of \$500 or more during a reporting period to file a simplified statement, and requiring businesses to disclose independent expenditures.

Summary of Regulations

The regulations require a business to disclose in a registration notice under Title 14 of the Election Law Article the base amount of consideration to be received by the business for its government contracts. This requirement is waived if the business files an affidavit stating that the business will not make contributions of \$500 or more. A business is also exempted from

disclosing information about its government contracts if the State Board of Elections has waived that requirement as unduly burdensome. The regulations further specify that independent expenditures must be disclosed. Contract information disclosed in a business's registration notice is not required to be disclosed again in subsequent filings.

Legal Issue

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The State board cites §§ 2-102(b)(4) and 14-109 of the Election Law Article as legal authority for the regulations. Section 2-102(b)(4) requires the State board to adopt regulations to implement its powers and duties. Section 14-109 authorizes the State board to adopt regulations to implement the provisions of law governing disclosures by persons doing public business. Additionally, § 14-104(c)(3), as amended by Chapter 454 of 2015, allows a business that did not make contributions of \$500 or more during the reporting period to file a simplified statement and requires a business to disclose independent expenditures. Section 14-104(c)(2) also authorizes the State Board to exempt a business from disclosing information about its government contracts if the State Board finds it would be unduly burdensome.

With the addition of § 14-104, this authority is correct and complete. The regulations comply with the legislative intent of the law.

Technical Corrections and Special Notes

In response to suggestions from the Department of Legislative Services, the State board agrees to add § 14-104 of the Election Law Article as statutory authority for the regulations.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The State Board of Elections advises that the regulations have no impact on State or local governments. The Department of Legislative Services concurs. The regulations (along with other proposed regulations) in part implement Chapter 454 of 2015. The fiscal and policy note for House Bill 769 of 2015 (enacted as Chapter 454) indicated that the bill's changes could be implemented with existing resources, and these regulations should not have any independent fiscal impact.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The State Board of Elections advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

Contact Information

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