

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
State Board of Elections**
(DLS Control No. 15-204)

Overview and Legal and Fiscal Impact

The regulation modifies certain definitions in current regulations governing disclosure of campaign contributions by businesses holding government contracts of \$200,000 or more. Definitions relating to disclosure of independent expenditures by businesses are added.

The regulation presents no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulation of COMAR Affected

State Board of Elections:

Disclosure by Persons doing Public Business: Definitions: COMAR 33.20.01.01

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 requiring businesses to disclose independent expenditures.

Summary of Regulation

The regulation adds definitions relating to the disclosure of independent expenditures by businesses. “Independent expenditure entity” is defined as a person required to file an independent expenditure report or electioneering communications report under current law. A “donation” to an independent expenditure entity is defined in the same way as under current law. The definition of a “political committee affiliated with a candidate” is expanded to include (1) a political party central committee if a contribution to the central committee is earmarked for a coordinated expenditure for a particular candidate and (2) a political action committee whose major purpose is to support or oppose a particular candidate. Other definitions relating to the administration of Title 14 of the Election Law Article are also added.

Legal Issue

The regulation presents 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.

This authority is correct and complete. The regulations comply with the legislative intent of the law.

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 regulation has no impact on State or local governments. The Department of Legislative Services concurs. The regulation (along with other proposed regulations) in part implements 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 this regulation 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 regulation has minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

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