

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 822 (Delegate Getty)
Commerce and Government Matters

Election Laws - State Administrative Board of Election Laws - Campaign Finance Reports - Enforcement Authority

This bill requires the State Administrative Board of Election Laws (SABEL) to review all reports and statements of contributions and expenditures that are filed with SABEL to determine if the information is in compliance with the reporting requirements. In reviewing the information, SABEL may audit the financial records and statements, hold hearings for alleged violators, initiate civil actions, or refer a matter for criminal prosecution.

Fiscal Summary

State Effect: General fund expenditures could increase by \$169,800 in FY 1997. Out-year expenditures reflect annualization and wage and inflation adjustments. Revenues would not be affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	169,800	214,900	222,500	230,400	238,600
Net Effect	(\$169,800)	(\$214,900)	(\$222,500)	(\$230,400)	(\$238,600)

Note: () - decrease; GF - general funds

Local Effect: None.

Fiscal Analysis

State Expenditures: Currently, SABEL only randomly reviews the contribution and expenditure reports filed with its office. Under the bill, SABEL must review all the reports. To assist in its review, SABEL may audit the financial records of candidates and their treasurers. Accordingly, general fund expenditures could increase by an estimated \$169,835

in fiscal 1997, which reflects the bill's October 1, 1996 effective date. This estimate reflects the cost of hiring one Auditor, one Attorney, one Investigator, one Secretary, and one Data Entry Clerk to audit, investigate, and review the campaign finance reports. It includes salaries of \$111,000, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information used in calculating the estimate are stated below:

Salaries and Fringe Benefits	\$145,560
Rent on Additional Office Space	9,375
Operating Expenses	<u>14,900</u>
Total FY 1997 State Expenditures	\$169,835

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

Although the costs associated with holding hearings or initiating civil actions for alleged violations of the contribution and expenditure limitations cannot be determined beforehand, they are assumed to be minimal.

Information Source(s): State Administrative Board of Election Laws, Department of Fiscal Services

Fiscal Note History: First Reader - February 16, 1996
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