

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 589 (Senator Van Hollen, et al.)
Economic and Environmental Affairs

Campaign Finance Reform Act

This bill decreases from \$4,000 to \$1,000 the maximum limits on contributions that may be made to a candidate or a political committee from individuals, associations, and corporations. Similarly, the bill decreases from \$6,000 to \$2,000 the maximum amount that a treasurer of a candidate or a political committee may transfer to another treasurer during a four-year election cycle. Violators are subject to the existing law penalties of a fine not exceeding \$1,000 and/or imprisonment not exceeding one year. These provisions are effective October 1, 1996.

In addition, a candidate or a candidate's committee may not receive transfers in the aggregate from political action committees that exceed 20% of the candidate's aggregate contributions and transfers received from all persons before each election. If a candidate exceeds this limit, the candidate is subject to a civil penalty of twice the amount of the excess funds over \$500. The State Administrative Board of Election Laws (SABEL) may pursue civil action with the representation of the State Prosecutor. These provisions apply to contributions and transfers received by a candidate or a candidate's committee on or after January 1, 2000. These provisions are effective January 1, 1999.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues and expenditures due to the applicable penalty provisions. Potential minimal increase in expenditures for the Office of the State Prosecutor.

Local Effect: Minimal increase in expenditures due to the applicable penalty provision. Revenues would not be affected.

Fiscal Analysis

State Revenues: General fund revenues could increase under the applicable criminal monetary penalty provisions depending upon the number of convictions and fines imposed.

Since the State Prosecutor would be handling the cases, it is assumed that the State would be entitled to any civil penalties imposed in the circuit courts. Accordingly, general fund revenues could also increase depending upon the penalties imposed.

State Expenditures: General fund expenditures could increase as a result of the applicable incarceration penalty due to increased payments to counties for reimbursement of inmate costs, depending upon the number of convictions and sentences imposed.

Persons serving a sentence of one year or less are sentenced to a local detention facility. The State reimburses counties for part of the per diem rate after a person has served 90 days. State per diem reimbursements are estimated to range from \$10 to \$48 per inmate, depending upon the jurisdiction. Persons sentenced in Baltimore City are incarcerated in the Baltimore City Detention Center (BCDC), a State operated facility. The per diem cost for fiscal 1997 is estimated at \$43 per inmate.

SABEL could identify violators of the transfer limitation and notify the State Prosecutor of these violations with existing resources. The Office of the State Prosecutor estimates that expenditures could increase by no more than \$10,000 annually. This estimate reflects the cost of hiring a part-time contractual Legal Assistant I to assist in handling the additional caseload. Fiscal Services advises, however, that the actual increase would depend upon the number of cases, which cannot be reliably estimated at this time.

Local Expenditures: Expenditures could increase as a result of the applicable incarceration penalty depending upon the number of convictions and sentences imposed. Counties pay the full cost of incarceration for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from \$19 to \$96 per inmate in fiscal 1997.

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

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