

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1171 (Delegate Exum)
Commerce and Government Matters

Political Influence Entities

This bill expands the definition of “charitable organization” in the Business Regulation Article to include an entity that solicits and expends money for the purpose of influencing political opinion, except for political clubs, committees, or parties that report contributions and expenditures in accordance with the State election code or under federal election laws. Charitable organizations are required to register with the Office of the Secretary of State. The bill also expands the definition of “regulated lobbyist” to include an entity that solicits and spends more than \$1,000 to influence legislative action or executive action. Regulated lobbyists are required to register with the State Ethics Commission.

Fiscal Summary

State Effect: Indeterminate increase in registration fees collected by the Office of the Secretary of State and the State Ethics Commission. Potential minimal increase in expenditures.

Local Effect: None.

Small Business Effect: Potential minimal impact on small businesses. Any small businesses that would have to register either as a charitable organization or as a regulated lobbyist would incur the applicable registration fees. The fee for registration as a charitable organization varies between no annual fee and \$200, based on the amount of charitable contributions. The fee for registration as a regulated lobbyist is \$20.

Fiscal Analysis

State Effect: State revenues from registration fees would increase based on the number of additional entities that register. The number of additional entities that would be required to register either as a charitable organization or as a regulated lobbyist cannot be reliably estimated at this time. The fee for registration as a charitable organization varies between no annual fee and \$200, based on the amount of charitable contributions. The fee for registration as a regulated lobbyist is \$20.

The Office of the Secretary of State advises that one half time Secretary II would be required at a cost of about \$20,000 per year including salary, fringe benefits, and operating expenses. The State Ethics Commission estimates that any increase in workload could be handled with existing resources. Fiscal Services advises that any need for additional personnel depends on the actual number of additional entities that would register, which cannot be reliably estimated at this time. It is noted that over 3,500 charitable organizations are currently registered with the Office of the Secretary of State and about 1,600 regulated lobbyists were registered with the State Ethics Commission last year.

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

Fiscal Note History: First Reader - February 24, 1997

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Analysis by: Sarah Dickerson

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710