

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

Senate Bill 613 (Senator Van Hollen. *et al.*)

Economic and Environmental Affairs

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**Campaign Finance Reform Act**

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This bill changes the limits on contributions that may be made by an individual, association, unincorporated association, corporation, or any other entity to candidates or political committees.

In addition, the bill prohibits a candidate or a candidate's committee from receiving transfers from political action committees that, in aggregate, exceed 20% of the candidate's aggregate contributions and transfers received from all persons before each election.

This bill is effective January 1, 1999.

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**Fiscal Summary**

**State Effect:** Potential minimal increase in general fund revenues and expenditures due to the applicable penalties. The State Board of Elections could review campaign finance reports with existing resources. Any additional civil cases could be handled with existing personnel of the State Prosecutor's Office.

**Local Effect:** None.

**Small Business Effect:** Minimal impact on small businesses.

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## Fiscal Analysis

**Bill Summary:** For a statewide office, campaign contributions by an individual or entity cannot exceed \$4,000 to any candidate or political committee. For any other office, contributions cannot exceed \$2,000. Currently, these limits are \$4,000 to any candidate or political committee. The new limits only apply to transfers and contributions received on or after January 1, 1999.

The bill also changes the limits on transfers between treasurers of political committees or candidates. For statewide office, transfers cannot exceed \$6,000. For any other office, transfers cannot exceed \$2,000. The current limits are \$6,000.

A candidate or a candidate's committee is prohibited from receiving transfers from political action committees that, in aggregate, exceed 20% of the candidate's aggregate contributions and transfers received from all persons before each election. Compliance is based upon the final election report submitted before the primary election and the general election. If these transfers exceed 20% and the excess is at least \$500, a candidate is subject to a civil penalty equal to twice the amount of the funds exceeding \$500. The State Board of Elections, represented by the State Prosecutor, may pursue a civil action for any violation. These provisions are effective January 1, 1999 and apply to transfers and contributions received on or after January 1, 1999. The limit does not apply until January 1, 2000 for any election held in calendar 1999.

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**Information Source(s):** State Board of Elections, Office of the State Prosecutor, Department of Legislative Services

**Fiscal Note History:** First Reader - March 2, 1998

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