

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 74 (Senator Van Hollen, *et al.*)
Education, Health, and Environmental Affairs

Campaign Finance Reform Act

This bill prohibits a candidate or a candidate's committee from receiving contributions from a "political action committee" in excess of 20% of the candidate's aggregate campaign finance contributions and transfers. It provides a penalty for violations of the provision in excess of \$500 equal to twice the amount of funds exceeding the limit. The bill also authorizes the State Board of Elections, represented by the State Prosecutor, to institute a civil action against violators.

The bill is effective January 1, 2004.

Fiscal Summary

State Effect: The civil penalty provision of the bill would not significantly alter State operations or finances. The State Board of Elections could monitor campaign finance reports with existing resources.

Local Effect: None. Local boards of elections would not be required to monitor transfers and contributions to candidates.

Small Business Effect: None.

Analysis

Current Law: Total contributions to a candidate from any individual, association, unincorporated association, corporation, or any other entity may not exceed \$4,000 during a single election cycle. There is currently a \$6,000 limitation on the amount of

funds that can be transferred from a political committee to a candidate or candidate committee in any four-year election cycle. However, there is no aggregate limit on the amount of transfers received from all political committees.

Background: The bill provides that determination of whether the 20% transfer limitation has been exceeded by a candidate or candidate committee will be based on the election year campaign finance disclosure reports that must be filed with the State Board of Elections on the second Friday before a primary and general election. Candidates or candidate committees are required under State law to file four financial disclosure reports with the State board according to the following schedule:

- the fourth Tuesday preceding a primary election;
- the second Friday preceding a primary election;
- the second Friday preceding a general election; and
- the third Tuesday after the general election.

Additional Information

Prior Introductions: An identical bill, SB 308, was unfavorably reported from the Economic and Environmental Affairs Committee in the 2001 session. A similar bill was introduced as SB 520 in the 2000 session. It was not reported from the Economic and Environmental Affairs Committee.

Cross File: None.

Information Source(s): State Board of Elections, Department of Legislative Services

Fiscal Note History: First Reader - January 21, 2002
ncs/jr

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