

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 191 (Chairman, Environmental Matters Committee)
 (By Request – Departmental – Ethics, State Commission on)
 Environmental Matters Education, Health, and Environmental Affairs

Lobbyist Registration Fund - Registration Fees and Reversion of Unused Funds

This departmental bill increases the fee for registering as a lobbyist with the Ethics Commission from \$20 to \$50. Any balance remaining in the Lobbyist Registration Fund at the end of a fiscal year shall revert to the general fund of the State.

Fiscal Summary

State Effect: Ethics Commission special fund revenues could increase by an estimated \$68,100 in FY 2004. Future revenues reflect increased registrations. No effect on expenditures.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
SF Revenue	\$68,100	\$69,300	\$70,500	\$71,700	\$72,900
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$68,100	\$69,300	\$70,500	\$71,700	\$72,900

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: The State Ethics Commission has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: A regulated lobbyist is required to file a new registration on or before November 1 of each year if, on that date, the regulated lobbyist is engaged in lobbying. A lobbyist must register separately for each entity the lobbyist represents. Registration forms must be accompanied by a \$20 fee, which is credited to the Lobbyist Registration Fund. The fee must be paid for each entity. The current registration fee was enacted in 1994.

The Lobbyist Registration Fund is not subject to the general requirement in State law which calls for the reversion of any unspent appropriations balance to the general fund at the end of the fiscal year.

State Effect: Based on the total number of registrations in the last reporting period (2,230), special fund revenues could increase by \$68,100 in fiscal 2004 from the fee increase. The Department of Legislative Services notes, however, that some of the projected increase in fiscal 2004 may not be realized due to early registrations under the current \$20 fee before the bill's October 1 effective date. Future year revenue increases reflect 40 new registrations annually. Records from the Office of the State Comptroller indicate that the commission did not have any unused special fund revenues at the end of fiscal 2001 or 2002.

Background: The Public Ethics Law lobbying program has four components: registration, training, reporting, and enforcement. The filing component of the program has grown considerably since the commission assumed administration of the program in 1979. Lobbyist registrations have grown from 445 in 1980 to 2,230 in 2002. Costs related to the lobbying program have increased in part, due to the passage of Chapter 631 in 2001, which enacted requirements for lobbyist registration, termination of registration, and reporting. Additionally, the requirement to maintain current and accurate electronically accessible information has produced additional costs related to the lobbying program.

Funding for the commission for fiscal 2003 is \$706,672. The commission estimates that approximately 25%, or \$176,000, of these general funds was used for implementing the lobbying program. The \$45,000 in special funds collected in the Lobbyist Registration Fund was used to offset a portion of the general fund appropriation. The fiscal 2004 general fund budget allowance is \$741,658 and the special fund appropriation is \$45,110. The Ethics Commission advises that although the fee increase would not cover the total expenses related to administration and enforcement of the lobbying program, it would allow the lobbying program to better sustain itself and lessen reliance on the general fund appropriation.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Ethics Commission, Department of Legislative Services

Fiscal Note History: First Reader - February 7, 2003
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Analysis by: Michelle L. Harrison-Davis

Direct Inquiries to:
(410) 946-5510
(301) 970-5510