

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 849 (Senators Harrington and Pinsky)
Education, Health, and Environmental Affairs

Task Force to Study Restrictions on Campaign Contributions from Government Contractors

This bill establishes a Task Force to Study Restrictions on Campaign Contributions from Government Contractors. The task force must study the feasibility and impact of the establishment of restrictions on campaign contributions from government contractors modeled after restrictions contained in Connecticut statutory law and make related recommendations. The State Board of Elections (SBE) must provide staff for the task force. Findings and recommendations must be reported to the Governor and the General Assembly by December 31, 2009.

The bill takes effect July 1, 2009 and terminates December 31, 2009.

Fiscal Summary

State Effect: Given the State's fiscal difficulties, agency budgets have been constrained. Thus, the requirement to staff the task force and develop the report is not absorbable within existing budgeted resources. General fund expenditures may increase by up to \$40,000 in FY 2010 for contractual staff to support the task force and complete the required evaluation. Revenues are not affected.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	40,000	0	0	0	0
Net Effect	(\$40,000)	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: With the exception of contributions to ballot issue committees, transfers between campaign finance entities, and in-kind contributions of a political party central committee, a person may not make, directly or indirectly, aggregate contributions within a four-year election cycle of more than \$4,000 to any one campaign finance entity or \$10,000 to all campaign finance entities.

Contributions by a corporation and any wholly owned subsidiary of the corporation, or by two or more corporations owned by the same stockholders, are considered as being made by one contributor.

Background: The General Statutes of Connecticut generally prohibit a state contractor, prospective state contractor, or principal of a state contractor or prospective state contractor from making a contribution to, or soliciting contributions on behalf of, candidates for specified elected offices.

If a state contractor or a principal of a state contractor makes or solicits a prohibited contribution, the contracting agency may void the existing contract and no agency may award the state contractor a state contract or an extension or amendment to a contract for one year after the election for which the contribution is made or solicited unless mitigating circumstances are determined to exist. No violation is considered to have occurred if the contribution is returned by the later of thirty days after receipt of the contribution or the filing date that corresponds with the reporting period in which the contribution was made.

If a prospective state contractor or its principal makes or solicits a prohibited contribution, no agency may award the contractor the contract described in the state contract solicitation, or any other state contract, for one year after the election for which such contribution is made or solicited unless mitigating circumstances are determined to exist.

State Fiscal Effect: Given the State's fiscal difficulties, agency budgets have been constrained, including funding for the State Board of Elections. In order to adequately staff the task force, conduct the required evaluation, and prepare a report of task force findings and recommendations, SBE may need to hire contractual staff at a cost of \$40,000. This estimate is based on previous temporary employee contracts at the board of elections.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 10, 2009
ncs/hlb

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