

Department of Legislative Services  
 Maryland General Assembly  
 2010 Session

FISCAL AND POLICY NOTE

House Bill 102 (Delegate Feldman)  
 Ways and Means

Campaign Finance - Contributions by Minors

This bill requires a campaign contribution by a dependent minor to be reported in the name of the minor but be considered as being made by the minor’s custodial parents or guardians for purposes of contribution limits. One half of a dependent minor’s contribution is attributed to each of the minor’s custodial parents or guardians, or if the minor only has one custodial parent or guardian, entirely to that parent or guardian.

Fiscal Summary

**State Effect:** General fund expenditures may increase by approximately \$30,000 in FY 2011 to make changes to campaign finance report filing software. Revenues are not affected.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	30,000	0	0	0	0
Net Effect	(\$30,000)	\$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.

For each election in which a campaign finance entity participates, it generally must file campaign finance reports at various times prior to and after the primary and general elections. Annual reports generally must also be filed on the third Wednesday in January. The reports must contain information required by the State Board of Elections (SBE) with respect to all contributions received and all expenditures made by or on behalf of the campaign finance entity during a reporting period.

**Background:** The State Board of Elections' *Summary Guide to Candidacy and Campaign Finance Laws* indicates:

“Contributions by minors are permissible. However, the financial independence of the minor should be established. For example, a parent cannot contribute \$4,000 to a campaign finance entity and then give \$4,000 to his 2-year-old child so the child may also make a contribution. This scenario would be considered an attempt to circumvent the contribution limitations by a pass through contribution.”

According to the National Conference of State Legislatures, as of April 2009, at least 19 states restricted campaign contributions by minors in some manner, with most treating contributions by minors as contributions from the child's parent or guardian.

**State Expenditures:** General fund expenditures may increase by approximately \$30,000 in fiscal 2011 to make changes to campaign finance report filing software, based on a vendor estimate provided to SBE. SBE indicates changes to the software and reporting format will need to be made in order to have campaign contributions be reported in the name of a minor, but be attributed to the minor's parent(s) or guardian(s).

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Board of Elections, National Conference of State Legislatures, Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2010  
mlm/mwc

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