

Department of Legislative Services
 Maryland General Assembly
 2015 Session

FISCAL AND POLICY NOTE

Senate Bill 667 (Senators Young and Hough)
 Education, Health, and Environmental Affairs

Real-Time Transparency Act of 2015

This bill requires political committees to report each single contribution, transfer from another political committee, or loan, of \$1,000 or more, received during the year of an election in which the political committee is participating. The contribution, transfer, or loan must be reported within 48 hours after the day on which it is received. The report must include the name of the political committee, the name of the contributor, political committee making the transfer, or lender, and the date and amount of the contribution, transfer, or loan. The reports are in addition to existing reporting requirements. The State Board of Elections (SBE) must assess a late filing fee for failure to properly file a contribution report. The fee is \$10 for each day or part of a day a report is overdue and the maximum fee payable for a report is \$500.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: General fund expenditures increase by up to \$10,000 in FY 2016 for one-time programming costs and potentially decrease in future years due to collection and use of late fees taking the place of SBE general fund expenditures.

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	10,000	(-)	(-)	(-)	(-)
Net Effect	(\$10,000)	\$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/Background: State campaign finance laws, which are administered by SBE, regulate various aspects of campaign finance activity in the State, including actions of candidates and political committees and the extent to which individuals and entities can contribute to campaigns.

For each election in which a political committee established under State law participates, it generally must file campaign finance reports at various times prior to and after the primary and general elections. The reports must contain information required by SBE with respect to all contributions received and all expenditures made by or on behalf of the campaign finance entity during a reporting period. The current deadlines prior to and after elections are:

- except for a ballot issue committee (a campaign finance entity formed to promote the success or defeat of a ballot question), the fifth Tuesday immediately preceding a primary election;
- except for a ballot issue committee, the second Friday immediately preceding a primary election;
- the last Tuesday in August immediately preceding a general election;
- for a ballot issue committee only, the fourth Friday immediately preceding a general election;
- the second Friday immediately preceding a general election; and
- the second Tuesday after a general election.

Political action committees (a type of political committee) that exclusively make independent expenditures or disbursements for electioneering communications are subject to additional reporting requirements for specified aggregate expenditures of \$10,000 or more.

State Fiscal Effect: General fund expenditures increase by up to \$10,000 in fiscal 2016 for one-time computer programming by SBE to incorporate the additional reporting in the State's online campaign finance reporting system and to establish an auditing capability within the system related to the reports. The increase in general fund expenditures may be reduced or offset in fiscal 2016, and general fund expenditures may decrease in future years, to the extent late fees are collected for failures to file the required reports. Similar to late fees for existing reporting requirements, the bill requires the fees to be applied to pay the expenses of fee collection and auditing of campaign finance reports. The collection of fee revenues is treated as a decrease in general fund expenditures for the purposes of this fiscal and policy note since SBE accounts for the revenues, and their

subsequent use for collection and auditing, as a reduction to the board's general fund expenditures rather than as special fund revenues.

Additional Information

Prior Introductions: None.

Cross File: HB 185 (Delegate Carr, *et al.*) - Ways and Means.

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

Fiscal Note History: First Reader - February 16, 2015
ncs/hlb

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