

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 578 (Delegate Carr, *et al.*)
 Ways and Means

Real-Time Transparency Act of 2016

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, with revenues distributed to the Fair Campaign Financing Fund.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: General fund expenditures increase by up to \$10,000 in FY 2016 for one-time programming costs. Special fund revenues may increase minimally each year, beginning in FY 2017, due to collection of late fees.

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
SF Revenue	\$0	-	-	-	-
GF Expenditure	\$10,000	\$0	\$0	\$0	\$0
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.

The Fair Campaign Financing Fund holds funding for public campaign financing of gubernatorial tickets under the Public Financing Act.

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. Special fund revenues may increase minimally each year, beginning in fiscal 2017, due to collection of late fees for failures to file the required reports.

Additional Information

Prior Introductions: SB 667 of 2015 received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken. Its cross file, HB 185, received a hearing in the House Ways and Means Committee, but no further action was taken.

Cross File: SB 2 (Senator Young) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 22, 2016
md/hlb

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