

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1026
Ways and Means

(Delegate Mosby)

Campaign Finance Reports - Business Contributors - Registration Status

This bill requires the State Department of Assessments and Taxation (SDAT) to electronically transmit the names of all businesses registered with the department to the State Board of Elections (SBE). SBE must (1) electronically cross-reference the names of businesses listed as contributors on campaign finance reports with the names of businesses transmitted by SDAT and (2) develop a procedure to identify on campaign finance reports all contributions made by businesses that are not registered with the department. **The bill takes effect January 1, 2020.**

Fiscal Summary

State Effect: General fund expenditures increase by approximately \$50,000 in FY 2020 only. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background:

Campaign Finance Reports

Unless otherwise expressly authorized by law, all campaign finance activity for an election under the Election Law Article of the Annotated Code must be conducted through a campaign finance entity (defined as a political committee established under Title 13 of the

Election Law Article). An individual may not file a certificate of candidacy or a declaration of intent until the individual establishes, or causes to be established, an authorized candidate campaign committee (a campaign finance entity authorized by the candidate to promote the candidate's candidacy). 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, as well as an annual report. 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.

Business Registration with SDAT

SDAT serves as custodian of documents relating to the organization and ownership of many types of business entities that are required to file documents with the State, including charters for Maryland corporations and qualifications and registrations for foreign corporations.

State Fiscal Effect: General fund expenditures increase by approximately \$50,000 in fiscal 2020 for costs to modify SBE's online campaign finance reporting system to incorporate the capability to cross-reference registered business information received from SDAT with businesses listed on campaign finance reports as making contributions.

Additional Information

Prior Introductions: HB 763 of 2018 received a hearing in the House Ways and Means Committee, but no further action was taken.

Cross File: None.

Information Source(s): State Board of Elections; State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2019
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