

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 376 (Delegate Washington)
 Ways and Means

Election Law - Campaign Finance - Protection of Contributor Information

This bill prohibits a person from (1) using any contributor information from any report or statement required under Title 13 (“Campaign Finance”) of the Election Law Article for commercial solicitation purposes or (2) publishing any contributor information from any report or statement required under Title 13 in newspapers, magazines, books, or other similar media for the purpose of facilitating commercial solicitation.

Fiscal Summary

State Effect: General fund expenditures may increase by \$67,900 in FY 2021 and by additional amounts in future years. Revenues are not affected.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	67,900	81,000	82,900	85,800	88,700
Net Effect	(\$67,900)	(\$81,000)	(\$82,900)	(\$85,800)	(\$88,700)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background:

Campaign Finance Reporting

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 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.

Filing and Disclosure of Campaign Finance Reports

Campaign finance reports required to be filed with SBE generally must be submitted using an electronic storage medium, and in a format, that SBE approves. SBE is required to make the campaign finance reports that are maintained in an electronic storage format widely and easily accessible to the public. Campaign finance report information can be accessed by the public through SBE's campaign finance database, the Maryland Campaign Reporting Information System.

State Fiscal Effect: General fund expenditures may increase by \$67,908 in fiscal 2021, which accounts for the bill's October 1, 2020 effective date. This estimate reflects the cost for the Office of the State Prosecutor, which handles prosecutions of State election law violations, to potentially hire an investigator to perform investigative work needed to enforce the bill. It is unclear how many violations of the bill there may be, but investigating violations is expected to require a significant amount of work to gather the evidence to prove that commercial solicitations are originating from contributor information and not other information. The estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The estimate assumes that enforcement of the bill is based on complaints. If active enforcement is undertaken, additional expenditures may be incurred for software to identify potential violations.

Position	1
Salaries and Fringe Benefits	\$62,542
Operating Expenses	<u>5,366</u>
Total FY 2021 State Expenditures	\$67,908

Future year expenditures reflect full salaries with annual increases and employee turnover and ongoing operating expenses.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): State Board of Elections; Office of the State Prosecutor; Department of Legislative Services

Fiscal Note History: First Reader - January 31, 2020
af/hlb

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