

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 332
(Senator McCray)
Education, Health, and Environmental Affairs

Campaign Finance - For-Profit Substance Abuse and Mental Health Treatment Providers - Disclosure of Contributions

This bill makes a for-profit substance abuse and mental health treatment provider with a specified Medicaid reimbursement contract subject to provisions that require persons that do public business (making or having a single contract with a State or local governmental entity involving cumulative consideration of at least \$200,000) to file statements with the State Board of Elections (SBE) regarding specified campaign contributions.

Fiscal Summary

State Effect: The bill is not expected to materially affect State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill establishes that the definition of “contract” under Title 14 of the Election Law Article (which requires persons doing public business to file statements regarding campaign contributions) includes a Medicaid reimbursement contract with a for-profit substance abuse and mental health treatment provider for which law sets (1) user or recipient eligibility and (2) price payable by the State. This removes such a contract from an existing exemption from the definition of “contract” under Title 14 (discussed under Current Law), making a for-profit substance abuse and mental health treatment provider with such a contract subject to Title 14’s requirements that a person doing public business file statements with SBE regarding specified campaign contributions.

The bill also establishes that, in the case of a for-profit substance abuse and mental health treatment provider, that requirement applies to contributions or donations to or for the benefit of a candidate for an office of any State or local governmental entity, not just the State or local governmental entity with which the person is doing public business.

The bill requires a for-profit substance abuse and mental health treatment provider that is doing public business on October 1, 2021, to file an initial statement by November 30, 2021, unless the person has obtained a specified waiver.

Current Law: Under Title 14 of the Election Law Article, persons that do public business (defined as making or having a single contract with a State or local governmental entity involving cumulative consideration of at least \$200,000) are required to file statements with SBE regarding any applicable contributions of a cumulative amount of \$500 or more to a candidate during a reporting period. An initial statement is filed when a contract is awarded that causes the person to be doing public business and semi-annually thereafter as long as performance on the contract remains uncompleted. “Applicable contributions” are defined as contributions or donations to or for the benefit of a candidate for an office of the governmental entity with which the person is doing public business. “Candidate” includes an incumbent office holder.

“Governmental entity” is defined as (1) the State, a county, a municipal corporation, or other political subdivision of the State and (2) a unit of the State, a county, a municipal corporation, or other political subdivision of the State.

Under Title 14, “contract” does not include, among other specified contracts and agreements, a Medicaid, Medicare, or similar reimbursement contract for which law sets (1) user or recipient eligibility and (2) price payable by the State.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

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