

Department of Legislative Services  
 Maryland General Assembly  
 2021 Session

FISCAL AND POLICY NOTE  
 Third Reader - Revised

Senate Bill 296

(Senator Simonaire)

Education, Health, and Environmental Affairs

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, or on a website, for the purpose of facilitating commercial solicitation.

**Fiscal Summary**

**State Effect:** General fund expenditures may increase by \$70,100 in FY 2022 and by additional amounts in future years. Special fund revenues may increase.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
SF Revenue	-	-	-	-	-
GF Expenditure	\$70,100	\$82,700	\$85,200	\$88,200	\$91,300
Net Effect	(\$70,100)	(\$82,700)	(\$85,200)	(\$88,200)	(\$91,300)

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

**Local Effect:** The bill is not expected to materially affect local government finances.

**Small Business Effect:** None.

## Analysis

### Current Law:

#### *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.

**State Expenditures:** General fund expenditures may increase by \$70,093 in fiscal 2022, which accounts for the bill's October 1, 2021 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	1.0
Salaries and Fringe Benefits	\$64,512
Operating Expenses	<u>5,581</u>
<b>Total FY 2022 State Expenditures</b>	<b>\$70,093</b>

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

**State Revenues:** Special fund revenues increase to the extent monetary penalties are imposed for violations of the bill's prohibitions (which are subject to existing civil and criminal penalty provisions). Penalty revenues are deposited in the Fair Campaign Financing Fund, which holds funds for public campaign financing of gubernatorial tickets under the Public Financing Act.

---

### **Additional Information**

**Prior Introductions:** SB 129 of 2020 passed the Senate and was referred to the House Ways and Means Committee, but no further action was taken. HB 376 of 2020 received a hearing in the House Ways and Means Committee, but no further action was taken.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - February 3, 2021  
rh/hlb Third Reader - March 19, 2021  
Revised - Amendment(s) - March 19, 2021

---

Analysis by: Scott D. Kennedy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510