

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 847 (Delegate Saab, *et al.*)
Rules and Executive Nominations

General Assembly - Term Limits

This proposed constitutional amendment, if approved by the voters at the next general election, limits a senator or delegate to three consecutive terms in the same office. A member filling a vacancy in office is considered to have served a full term if the member has served more than three years in that office. The amendment does not apply to a person who has previously been elected to three or more consecutive terms as a senator or delegate and who is elected to serve a further consecutive term in the same office in the November 2022 election for the term that begins January 11, 2023.

Fiscal Summary

State Effect: No discernible effect on State pension liabilities or contribution rates, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Members of the State Senate and the House of Delegates serve four-year terms. There are no limits on the number of consecutive or total terms they may serve.

Legislative Compensation

The 2018 Resolution of the General Assembly Compensation Commission froze legislative salaries at their 2018 levels for the 2019-2022 term. The 2022 Resolution of the

General Assembly Compensation Commission increases legislative salaries by 4% in each of calendar 2023 and 2024 and by 2% in each of calendar 2025 and 2026. Thus, by calendar 2026, the annual salary for the Presiding Officers reaches \$73,562, and the annual salary for all other members reaches \$56,636. In addition, members each receive \$750 annually to be applied to in-district travel and are reimbursed for their lodging and travel expenses related to their service as members of the General Assembly. Compensation does not vary according to years of service.

Membership in the Legislative Pension Plan (LPP) is mandatory for elected members of the General Assembly. LPP members contribute 7% of their salary for up to 22 years and three months; contributions are not required beyond that time. They are vested in the plan after 8 years (two terms). Vested members are eligible for a full-service retirement allowance upon reaching age 60, if the member has earned creditable service in LPP before January 14, 2015, or at age 62 if creditable service is earned only after that date, as long as they are no longer serving in the General Assembly. Their annual retirement allowance is 3% of the salary of a current member of the General Assembly for each year of service credit but is capped at two-thirds of the salary of a current member.

For the purpose of calculating employer contributions, LPP is combined with the Employees' Retirement System, Employees' Pension System and Correctional Officers' Retirement System for the annual actuarial valuation. Therefore, employer contributions for LPP are the same as those for the employees' combined systems (ECS).

State Expenditures: Compensation for members of the General Assembly does not vary based on years of service, so the bill has no effect on total compensation.

Full LPP retirement benefits are earned upon reaching 22 years, three months of service in the General Assembly. Although the proposed amendment would restrict members of the General Assembly to three consecutive elective terms (12 years), members would still be able to serve longer if they sat out one term and then were reelected to another term, or if they moved from one house to the other in consecutive terms. Nevertheless, on average, members likely earn fewer benefits than they otherwise would by virtue of serving fewer years in the General Assembly. The reduction in benefit payments is expected to be minimal and, given that LPP members represent 0.3% of total ECS membership, has no discernible effect on State pension liabilities or contribution rates.

Additional Information

Prior Introductions: HB 1031 of 2021 and HB 366 of 2020 received hearings in the House Rules and Executive Nominations Committee, but no further action was taken on either bill. Similar legislation was introduced in the 2014 and 2016 through 2018 sessions.

Designated Cross File: None.

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

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