

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 583 (Senator Pinsky, *et al.*)
Education, Health, and Environmental Affairs

Election Law - Public Campaign Financing of Local Elections

This bill authorizes a county to enact laws to regulate public campaign finance activity for county elective offices and candidates for election to those offices who choose to accept public campaign financing. The bill establishes various requirements applicable to those laws, including that a law must (1) provide for a public election fund administered by the chief financial officer of the county and (2) require that the system for public campaign finance activity for county elective offices be regulated by the State Board of Elections (SBE) in accordance with State law. A county law may be more stringent than any applicable State law and modified to the extent necessary to make the provisions relevant to the county, but may not conflict with any applicable State or federal law.

Fiscal Summary

State Effect: General fund expenditures may increase for additional SBE personnel to the extent counties establish public campaign financing systems and SBE's costs are not billed to the applicable counties. Revenues are not affected.

Local Effect: Local government expenditures increase for any county that establishes a public campaign financing system. Revenues may also increase to the extent new funding is generated for a program.

Small Business Effect: None.

Analysis

Current Law/Background: State campaign finance law applies to each election conducted under State election law, but does not apply to campaign finance activity

governed solely by federal law. Except for municipal elections outside Baltimore City, State election law generally applies to all primary, general, and special elections, including those for county offices.

In *County Council for Montgomery County, Maryland v. Montgomery Association, Inc.*, 274 Md. 52, 333 A.2d 596 (1975), the Court of Appeals held that three Montgomery County ordinances designed to regulate the campaign finance activities of candidates for county offices were invalid because the General Assembly “had preempted the field of election financing practices” through the enactment of detailed State campaign finance laws.

Under Maryland law, the Public Financing Act currently provides for public financing of gubernatorial campaigns, but with the exception of the 1994 gubernatorial race, the program has not been used. Public campaign financing for statewide and legislative election campaigns was recommended in 2004 by the Study Commission on Public Funding of Campaigns in Maryland. The more recent Commission to Study Campaign Finance Law recommended in its December 2012 report that counties be authorized to establish public financing programs for county offices as the preferred option to foster possible further exploration of public financing in the State outside of the current gubernatorial program.

State Fiscal Effect: General fund expenditures may increase for additional SBE personnel in future years to handle regulation of any county-level public financing programs established. Any increase in expenditures would depend on the extent to which counties enact laws regulating public campaign financing and cannot be reliably estimated at this time. Costs of regulating any county-level public financing programs may also be billed to the applicable counties in place of the use of State general funds.

Local Fiscal Effect: Local government expenditures increase for any county that establishes a public campaign financing system, to fund campaigns and potentially reimburse SBE for administrative costs of the program. Local government revenues may correspondingly increase to the extent a new funding source is established for a program.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Board of Elections; Anne Arundel, Baltimore, Dorchester, Garrett, and Montgomery counties; Department of Legislative Services

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mm/hlb

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