

Department of Legislative Services  
 Maryland General Assembly  
 2019 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 147 (Delegate Moon, *et al.*)  
 Ways and Means

Election Law - Local Public Campaign Financing - Boards of Education

This bill expands the offices for which the governing body of a county may establish a system of public campaign financing to include an elected member of the county board of education.

Fiscal Summary

**State Effect:** To the extent counties use the authority under the bill, general fund expenditures increase by \$27,600 in FY 2020 and by similar amounts in future years. Revenues are not affected.

| (in dollars)   | FY 2020    | FY 2021    | FY 2022    | FY 2023    | FY 2024    |
|----------------|------------|------------|------------|------------|------------|
| Revenues       | \$0        | \$0        | \$0        | \$0        | \$0        |
| GF Expenditure | 27,600     | 21,400     | 22,100     | 22,800     | 23,600     |
| Net Effect     | (\$27,600) | (\$21,400) | (\$22,100) | (\$22,800) | (\$23,600) |

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

**Local Effect:** To the extent counties use the authority under the bill, county expenditures increase by a significant amount.

**Small Business Effect:** Potential meaningful.

Analysis

**Current Law:** Pursuant to Chapter 419 of 2013, the governing body of a county may establish, by law, a system of public campaign financing for elective offices in the executive and legislative branches of county government. When establishing such a system, the governing body of a county must specify the criteria for determining whether

an individual is eligible for public campaign financing. Various requirements apply to a system established by a governing body of a county, including that it must (1) be strictly voluntary; (2) not regulate candidates who choose not to participate in public campaign financing; and (3) be subject to regulation and oversight by the State Board of Elections (SBE) to ensure conformity with State law and policy to the extent practicable.

**Background:** Montgomery County, Howard County, and Prince George's County have enacted, in 2014, 2017, and 2018, respectively, local laws establishing public campaign financing systems for county executive and county council offices, under the authority provided in Chapter 419 of 2013. Montgomery County's system was in effect for the 2018 elections, Howard County's system will first be in effect for the 2022 elections, and Prince George's County's system will first be in effect for the 2026 elections. In addition, Baltimore City voters approved a charter amendment during the November 2018 election authorizing the mayor and city council to establish a public campaign financing program.

**State Fiscal Effect:** To the extent counties use the authority under the bill, general fund expenditures increase by \$27,600 in fiscal 2020, and by similar amounts in future years. This reflects the cost for SBE to hire a contractual auditor only during election years (half of each fiscal year) to (1) handle work associated with making determinations of whether candidates for a board of education qualify to participate in public campaign financing and (2) assist in auditing those candidates' campaign finance activities under the county's public campaign financing system.

SBE is responsible for making the determination of whether a given candidate qualifies for public campaign financing under a county's system. The responsibility for auditing participating candidates' campaign finance reports has been shifted to the counties, through SBE regulations, though SBE staff may still assist with that auditing.

**Local Fiscal Effect:** To the extent a county uses the authority in the bill, county expenditures increase by a significant amount to provide the public funding distributed to participating candidates and for any increased administrative costs (*e.g.*, contractual personnel) associated with administering the program for those candidates.

A total of \$5.2 million (net of returned funds) was spent by Montgomery County in the 2018 elections for distributions to county executive and county council candidates.

**Small Business Effect:** To the extent the bill results in additional campaign spending that otherwise would not occur, small businesses providing campaign consulting services and materials may meaningfully benefit.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Board of Elections; Baltimore City; Montgomery and Worcester counties; Department of Legislative Services

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