

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 433 (Montgomery County Delegation)
Ways and Means

Montgomery County – Public Campaign Financing – Expansion MC 14–21

This bill expands the offices for which the governing body of Montgomery County may establish a system of public campaign financing, to include Clerk of the Circuit Court, Register of Wills, Sheriff, or State’s Attorney. **The bill takes effect June 1, 2021.**

Fiscal Summary

State Effect: The bill does not materially affect State finances.

Local Effect: To the extent Montgomery County uses 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. Chapter 376 of 2019 also requires the governing body of a county, when establishing a system, to provide the funding and staff necessary for the operation, administration, and auditing of the system of 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 to ensure conformity with State law and policy to the extent practicable.

The following jurisdictions have enacted local laws establishing public campaign financing systems for executive and legislative offices, under the authority provided in Chapter 419 of 2013.

- Baltimore City – beginning with the 2024 elections;
- Baltimore County – beginning with the 2026 general election;
- Howard County – beginning with the 2022 elections;
- Montgomery County – began with the 2018 elections; and
- Prince George’s County – beginning with the 2026 elections.

Local Fiscal Effect: To the extent Montgomery County uses the authority in the bill, county expenditures increase by a significant amount to provide the public funding distributed to participating candidates for the offices added by the bill 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.

Designated Cross File: None.

Information Source(s): Montgomery County; Department of Legislative Services

Fiscal Note History: First Reader - January 29, 2021
rh/hlb

Analysis by: Scott D. Kennedy

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