

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 213 (Delegate Watson, *et al.*)
 Ways and Means

Election Law - Local Public Campaign Financing - Boards of Education

This bill authorizes the governing body of a county that has implemented a system of public campaign financing for elective offices in the executive or legislative branches of county government for at least one complete election cycle, to establish, by law, a system of public campaign financing for elected members of the county board of education. However, a system of public campaign financing for elected members of the county board of education may not include public campaign financing for the election of a student member of the county board of education.

Fiscal Summary

State Effect: General fund expenditures increase by \$58,900 in FY 2024 and by ongoing amounts in future years. Revenues are not affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	58,900	68,400	71,500	74,700	78,700
Net Effect	(\$58,900)	(\$68,400)	(\$71,500)	(\$74,700)	(\$78,700)

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: 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 (1) specify the criteria for determining whether an individual is eligible for public campaign financing and (2) 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 (SBE) 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:

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

State Expenditures: General fund expenditures increase by \$58,858 in fiscal 2024, which accounts for the bill’s October 1, 2023 effective date. This estimate (1) reflects the cost for SBE to hire one administrative aide to assist the director of candidacy and campaign finance with reviewing candidates’ requests for certification to participate in their respective county’s public campaign financing program and (2) assumes more than minimal use of the bill’s expanded authority by counties, which SBE advises it cannot absorb with existing resources. The estimate includes a salary, fringe benefits, one-time startup costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$51,449
Operating Expenses	<u>7,409</u>
Total FY 2024 State Expenditures	\$58,858

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

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

For context, Montgomery County indicates that a total of \$3.7 million (net of returned funds) was spent by the county in the 2022 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: Similar legislation has been introduced within the last three years. See SB 298 and HB 337 of 2020.

Designated Cross File: None.

Information Source(s): Baltimore, Montgomery, and Prince George's counties; Maryland State Board of Elections; Department of Legislative Services

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