

**ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET**

BILL NUMBER: 25-23

INTRO. DATE: April 17, 2023

FISCAL NOTE

RESOLUTION: AN ORDINANCE CONCERNING: GENERAL PROVISIONS – PUBLIC CAMPAIGN FINANCING

SUMMARY OF LEGISLATION

The purpose of this legislation is to create the Public Campaign Financing Fund, provide eligibility rules for certain candidates for use of public campaign financing, provide regulations for disbursement of public campaign finance funds, and create a Committee to Recommend Funding for the Public Financing Fund.

FISCAL IMPACT

The fiscal impact will be determined by the number of certified candidates and amount of eligible contributions in each eligible election. This legislation establishes a cap of \$750,000 for County Executive candidates and \$125,000 for County Council candidates per election cycle.

Exhibit 1 shows how each eligible contribution will be matched based on a tiered structure up to \$150. Please note that qualifying contributions have a cap of \$250, with the first \$150 having a match.

Exhibit 1 – Disbursement Table Example

County Executive - \$250 Contribution			
Match Ratio	Contribution	Fund Match	Total
6:1 - First \$50	50	300	350
4:1 - Second \$50	50	200	250
2:1 - Third \$50	50	100	150
No Match > \$150-\$250	100	0	100
Total	250	600	850

County Council - \$250 Contribution			
Match Ratio	Contribution	Fund Match	Total
4:1 - First \$50	50	200	250
3:1 - Second \$50	50	150	200
2:1 - Third \$50	50	100	150
No Match > \$150-\$250	100	0	100
Total	250	450	700

For illustrative purposes, Exhibit 2 illustrates one scenario in which a candidate would hit the cap on public contributions per election cycle:


Exhibit 2 – Public Contribution Cap Example

County Executive - Cap Scenario			
Match Ratio	Amount	# of Contributions	Total
6:1 - First \$50	50	1,600	480,000
4:1 - Second \$50	50	1,000	200,000
2:1 - Third \$50	50	700	70,000
Total			750,000

County Council - Cap Scenario			
Match Ratio	Amount	# of Contributions	Total
4:1 - First \$50	50	350	70,000
3:1 - Second \$50	50	250	37,500
2:1 - Third \$50	50	175	17,500
Total			125,000

Several Maryland counties have existing public financing systems established. Montgomery County’s 2022 primary election distributed \$3,458,572 to 20 candidates (with a similar cap structure as this legislation proposes). As of November 30, 2022 Montgomery County’s 2022 general election distributed \$233,514 to 8 candidates. As of November 30, 2022 Howard County has disbursed \$914,713 from their comparable public financing fund. While used for comparison purposes both Montgomery County and Howard County are structurally different than Anne Arundel County. Montgomery County has four more Council seats (four at large) and Howard County only contains 5 Council seats.

As the number of certified candidates and contributions are unknown for future elections, a precise fiscal impact cannot be reliably determined. If all candidates in Anne Arundel County’s 2022 primary and general elections had utilized the proposed public financing system to its maximum potential, the cost would have been approximately \$8.4 million. However, given the results in the Maryland counties that have implemented public financing, the actual disbursement of these funds are anticipated to be significantly lower. The Budget Office estimates the total county cost for the next election cycle to be \$2 – 3 million.



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4/13/2023

Date

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