ANNE ARUNDEL COUNTY, MARYLAND OFFICE OF THE BUDGET

BILL NUMBER: <u>71-25</u>

INTRO. DATE: July 21, 2025

FISCAL NOTE

BILL: AN ORDINANCE CONCERNING: PUBLIC CAMPAIGN FINANCING – DISBURSEMENT OF PUBLIC CONTRIBUTION – FUNDING FOR PUBLIC CAMPAIGN FINANCING FUND

SUMMARY OF LEGISLATION

The purpose of this legislation is to determine the deadline to file a notice of intent to participate in the public campaign financing fund; align the ratio of amount and number of contributions among County Executive and Council candidates; determine the threshold for the Controller to certify sufficient fund balance; providing for a second review of fund balance by the Controller during the election cycle; require the County Executive to appropriate sufficient funds pursuant to the Charter; provide for minimum appropriations beginning in Fiscal Year 2028; provide for staffing for the Commission; require the designation of a public liaison for the public campaign financing system; require an audit of the public campaign financing system after a general election; and generally relate to public campaign financing.

FISCAL IMPACT

This legislation will allow for an additional review of the Public Campaign Finance Fund balance by the Controller. Should this review determine that the Fund is insufficient to cover the maximum public contributions for all certified candidates in a given election cycle, the County Executive is then required to propose a supplementary appropriation bill. However, the amount of the supplemental appropriation is not specified.

Considering the history of public financing in other Maryland counties, the "maximum public contributions" for all certified candidates would likely be significantly higher than the actual funds utilized. Based on the fiscal note for bill 25-23 the maximum public contributions from the 2022 election would have been \$8.4 million *if all candidates were certified*. The Budget Office recommends clarifying whether the required supplemental budget legislation is meant to be the maximum calculated public contribution or a reasonable assumption of the needed supplemental amount. This requirement will generate a fiscal impact as it necessitates the County Executive to introduce supplemental budget legislation.

Beginning in Fiscal Year 2028 and in all subsequent fiscal years, the County Executive must appropriate the greater of \$300,000 or the amount recommended by the Public Campaign Financing System Commission in the annual budget ordinance, regardless of the current balance of the fund. Currently, the County Executive is only required to include the Commission's recommendation. If the \$300,000 minimum exceeds the Commission's recommendation, particularly in non-election years or when the Fund has a healthy balance, this will create an additional fiscal impact on the County.

The legislation does not consider the County's current fiscal health when mandating additional funds. Therefore, during an economic downturn or other period of fiscal constraint, the County Executive may be compelled to propose supplemental budget appropriations at the expense of other competing priorities.

This legislation requires the County Executive to provide staff support for the Commission and requires a public liaison to be designated to provide information on the system to candidates and to the public. Additionally, this legislation requires that the Budget Officer provide information to the Public Campaign Finance commission. The Administration believes these requirements can be handled with existing resources. However, should the demand for information grow, it is possible that additional resources could be needed in the future.

Chris Trumbauer Budget Officer 8/5/2025

Date

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cc: Billie Penley, Controller