

Bill No. 20-24
Concerning: Public Campaign Financing
 – Amendments
Revised: 11/12/2024 Draft No. 6
Introduced: September 17, 2024
Enacted: November 12, 2024
Executive: November 21, 2024
Effective: February 20, 2025
Sunset Date: None
Ch. 21, Laws of Mont. Co. 2024

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Councilmember Glass, Council Vice-President Stewart, and Councilmembers Fani-González, Albornoz, Mink, Balcombe, and Sayles

AN ACT to:

- (1) increase the maximum amount of funds a certified candidate may retain to pay post-election expenses;
- (2) require periodic adjustments to permissible contribution limits and retention amounts based upon the Consumer Price Index;
- (3) make updates and technical corrections throughout the public campaign financing law; and
- (4) generally amend the County law related to public campaign financing.

By amending

Montgomery County Code
Chapter 16, Public Campaign Financing
Sections 16-18, 16-20, 16-23, 16-24, 16-27, 16-30, and 16-31

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Sections ~~[[6-18]] 16-18, 16-20, 16-23, 16-24, 16-27, 16-30, and 16-31~~ are amended as follows:
16-18. Definitions.

In this Article, the following terms have the meanings indicated:

* * *

Campaign finance entity means a political committee established under Title 13 of the Election Law Article of the Maryland Code, as amended.

* * *

Consumer Price Index means the Consumer Price Index for All Urban Consumers (CPI-U) for the Washington-Arlington-Alexandria Core Based Statistical Area (CBSA), as published by the United States Department of Labor, Bureau of Labor Statistics, or a successor index.

* * *

Contribution means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a campaign finance entity to promote or assist in the promotion of the success or defeat of a candidate, political party, or question. *Contribution* includes proceeds from the sale of tickets to a campaign fund-raising event as defined in Section 1-101 of the Election Law Article of the Maryland Code, as amended.

* * *

Eligible contribution means an aggregate donation in a 4-year election cycle of ~~[[\$250]]~~ \$500, as adjusted under Section 16-23(j), or less from an individual, including an individual who does not reside in the County.

* * *

16-20. Collecting qualifying contributions.

* * *

(b) Other than a contribution from an applicant candidate or the candidate's spouse, an applicant candidate must not accept an eligible contribution from an individual greater than ~~[[\\$250]]~~ \\$500, as adjusted under Section 16-23(j).

* * *

~~[[~~(d) *Consumer Price Index adjustment.* The Chief Administrative Officer must adjust the contribution limit established in Subsection (b), effective July 1, 2022, and July 1 of each subsequent fourth year, by the annual average increase, if any, in the Consumer Price Index for the previous 4 calendar years. The Chief Administrative Officer must calculate the adjustment to the nearest multiple of \$10, and must publish the amount of this adjustment not later than March 1 of each fourth year.~~]]~~

* * *

16-23. Distribution of public contribution.

(a) *Matching amounts.* The Director must distribute a public contribution from the Fund to each certified candidate in a contested election only during the distribution period as follows:

(1) for a certified candidate for County Executive, the matching dollars must equal:

(A) ~~[[\\$6]]~~ \\$7 for each dollar of a qualifying contribution received for the first \$50 of each qualifying contribution;

(B) \$4 for each dollar of a qualifying contribution received for the second \$50 of each qualifying contribution;

(C) \$2 for each dollar of a qualifying contribution received for the third \$50 of each qualifying contribution; and

- (D) \$0 for each dollar of a qualifying contribution received for the remainder of each qualifying contribution~~].~~; and
- (2) for a certified candidate for County Council, the matching dollars must equal:
- (A) ~~[\$4]~~ \$5 for each dollar of a qualifying contribution received for the first \$50 of each qualifying contribution;
- (B) \$3 for each dollar of a qualifying contribution received for the second \$50 of each qualifying contribution;
- (C) \$2 for each dollar of a qualifying contribution received for the third \$50 of each qualifying contribution; and
- (D) \$0 for each dollar of a qualifying contribution received for the remainder of each qualifying contribution.
- (3) The total public contribution payable to a certified candidate for either a primary or a general election must not exceed:
- (A) ~~[\$750,000]~~ \$870,170 for a candidate for County Executive;
- (B) ~~[\$250,000]~~ \$290,060 for a candidate for At Large Councilmember; and
- (C) ~~[\$125,000]~~ \$145,030 for a candidate for District Councilmember.

* * *

- (c) *Qualifying contribution limits.* A certified candidate may continue to collect qualifying contributions and submit a request for a matching public contribution up to, and including, the day of a primary or a general election. A qualifying contribution must not exceed ~~[\$250]~~ \$500 from any individual in the aggregate during a 4-year election cycle.

* * *

(j) *Consumer Price Index adjustment.*

(1) [The] Effective July 1, 2028 and July 1 of each subsequent fourth year, the Chief Administrative Officer must adjust the public contribution limits established in Subsection (a)(3) of this Section, and the eligible contribution limit established in Section 16-20(d) and Subsection (c) of this Section], effective July 1, 2022, and July 1 of each subsequent fourth year, by the annual average increase, if any, in the Consumer Price Index for the previous 4 calendar years].

(2) The Chief Administrative Officer must calculate [the adjustment] each adjusted limit to the nearest multiple of \$10[, and must publish the amount of this adjustment not later than March 1 of each fourth year].

(3) The adjusted limit must be equal to the [[amount of the existing] current limit [[increased]] multiplied by the [[average]] outcome of the most recent published Consumer Price Index [[for the]] at the time of the adjustment divided by the annual value of the Consumer Price Index from 4 calendar years [[preceding the adjustment]] prior to the current year.

(4) The Chief Administrative Officer must, by March 1 of the year preceding an adjustment:

(A) notify in writing the State Board of Elections and the County Council of the adjusted limits; and

(B) publish the adjusted limits on the County website.

16-24. Use of public contribution.

(a) Except as provided in Section 16-27, a participating candidate may [only] use the eligible contributions and the matching public

contribution for a primary or general election only for expenses incurred for the election. A participating candidate must not pay in advance for goods and services to be used after certification with non-qualifying contributions received before applying for certification unless the expenditure is permitted by Executive regulation adopted under Section 16-21.

* * *

16-26. Applicant and participating candidate restrictions.

An applicant candidate or a participating candidate must not:

- (a) accept a private contribution from any group or organization, including a political action committee, a corporation, a labor organization, or a State or local central committee of a political party, except that an applicant candidate or a participating candidate may, subject to subsection (h), accept in-kind contributions from a State central committee of a political party, and from a Montgomery County central committee of a political party;
- (b) accept private contributions from an individual in an aggregate greater than [~~\$150~~] [~~[\$250]]~~ \$500 during a 4-year election cycle, or the maximum amount of an eligible contribution, as adjusted by Section [16-23(i)] 16-23(j);
- (c) pay for any campaign expense after filing a notice of intent with the Board to seek public funding with any campaign finance account other than the candidate's publicly funded campaign account;
- (d) be a member of a slate in any election in which the candidate receives a public contribution;
- (e) accept a loan from anyone other than the candidate or the candidate's spouse;

(f) solicit funds for a State or a Montgomery County central committee of a political party; or

(g) transfer funds:

- (1) to the candidate's publicly funded campaign account from any other campaign finance entity established for the candidate; and
- (2) from the candidate's publicly funded campaign account to any other campaign finance entity.

* * *

(i) *Candidate affiliation.* A candidate who accepts a public contribution may affiliate with any other candidates, including non-publicly financed candidates, on campaign material if:

- (1) the authorized campaign finance entity makes a direct disbursement to the payee for its share of the costs of the campaign material; and
- (2) the campaign material displays the authority line of the authorized campaign finance entity.

16-27. Return of unspent funds; retention of funds.

(a) Except as provided in subsection (b):

- (1) within 90 days after the County Board certifies the results of the primary election, a participating candidate who is not certified to be on the ballot for the general election must return any unspent money in the candidate's publicly funded campaign account to the Fund; and
- (2) within 90 days after the County Board certifies the results of the general election, a participating candidate must return any unspent money in the candidate's publicly funded campaign account to the Fund.

(b) A certified candidate may retain funds to pay for post-election expenses if:

- (1) the retained funds do not exceed [~~\$5,000~~] \$10,000;
- (2) the candidate files a new declaration of intent to participate in the public campaign financing system for the 4-year next election cycle by January 31 the year after the election; and
- (3) [~~keep~~] the candidate keeps the same campaign finance entity open.

(c) Consumer Price Index adjustment.

- (1) Effective July 1, 2028 and July 1 of each subsequent fourth year, the Chief Administrative Officer must adjust the retention limit under Subsection (b).
- (2) The Chief Administrative Officer must calculate each adjusted limit to the nearest multiple of \$10.
- (3) The adjusted limit must be equal to the [[amount of the existing]] current limit [[increased]] multiplied by the [[average]] outcome of the most recent published Consumer Price Index [[for the]] at the time of the adjustment divided by the annual value of the Consumer Price Index from 4 calendar years [[preceding the adjustment]] prior to the current year.
- (4) The Chief Administrative Officer must, by March 1 of the year preceding an adjustment:
 - (A) notify in writing the State Board of Elections and the County Council of the adjusted limit; and
 - (B) publish the adjusted limit on the County website.

16-30. Penalties.

(a) *Civil Violations.* Any violation of this Article is a Class A civil violation. Each day a violation exists is a separate offense.

(b) *Payment.* A fine may be paid by the campaign only if all public contributions have been repaid to the Fund. Otherwise, the candidate or officer found to be responsible for the violation is personally liable for the fine.

(c) *Additional penalties.*

(1) In addition to the penalty specified in Subsection 16-30(a), a certified or participating candidate must withdraw from the public campaign financing system if the candidate intentionally or knowingly provides falsified information, misrepresents a material fact, or conceals relevant information to the Board, the Executive, or the Director under this Article.

(2) A candidate that must withdraw from the public campaign financing system under (c)(1) must abide by the withdrawal requirements in Section 16-25, including the repayment of any public contribution received.

16-31. [[Public Election Fund Committee]] Reserved.

[[(a) *Committee established.* The Public Election Fund Committee is 7 members appointed by the County Council for a 4-year term beginning on May 1 of the first year of the Council's term of office. A vacancy occurring before the end of a term must be filled by appointment for the remainder of the term. The Council must ask the County Executive to recommend within 30 days one or more qualified applicants before making any appointment.]]

[[(b) *Membership; officers.*

- 213 (1) Each member must be a resident of the County while serving on
214 the Committee.
- 215 (2) No more than 3 members may be from the same political party.
- 216 (3) The members should reflect the diversity of the County.
- 217 (4) The Council must designate the chair and vice-chair.]]
- 218 [[(c) *Compensation*. Each member must serve without compensation, but may
219 be reimbursed for travel and dependent care expenses.]]
- 220 [[(d) *Duties*. The Committee must:
 - 221 (1) estimate the funds necessary to implement the public campaign
222 finance system; and
 - 223 (2) conduct public outreach and education activities to raise awareness
224 of the public campaign financing system.]]
- 225 [[(e) *Annual report*. The Committee must issue a report to the Council on or
226 before January 30 each year that:
 - 227 (1) identifies the estimated funds necessary to implement the public
228 campaign financing system;
 - 229 (2) recommends an appropriation to the Public Election Fund for the
230 following fiscal year; and
 - 231 (3) identifies the public outreach and education activities undertaken
232 in the prior calendar year.]]
- 233 [[(f) *Staff support*. The Executive Director of the Office of the County Council
234 must provide staff support for the Committee.]]

Approved:

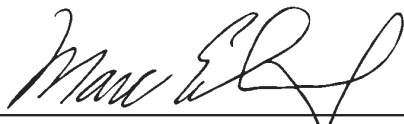


Andrew Friedson, President, County Council

November 12, 2024

Date

Approved:



Marc Elrich, County Executive

November 21, 2024

Date

This is a correct copy of Council action.



Sara R. Tenenbaum, Clerk of the Council

November 21, 2024

Date