

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: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

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:

27 (b) Other than a contribution from an applicant candidate or the candidate’s
28 spouse, an applicant candidate must not accept an eligible contribution
29 from an individual greater than ~~[[\\$250]]~~ \$500, as adjusted under Section
30 16-23(j).

31 * * *

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

40 * * *

41 **16-23. Distribution of public contribution.**

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

- 45 (1) for a certified candidate for County Executive, the matching
46 dollars must equal:
 - 47 (A) ~~[[\\$6]]~~ \$7 for each dollar of a qualifying contribution
48 received for the first \$50 of each qualifying contribution;
 - 49 (B) \$4 for each dollar of a qualifying contribution received for
50 the second \$50 of each qualifying contribution;
 - 51 (C) \$2 for each dollar of a qualifying contribution received for
52 the third \$50 of each qualifying contribution; and

53 (D) \$0 for each dollar of a qualifying contribution received for
54 the remainder of each qualifying contribution[.]; and

55 (2) for a certified candidate for County Council, the matching dollars
56 must equal:

57 (A) ~~[\$4]~~ \$5 for each dollar of a qualifying contribution
58 received for the first \$50 of each qualifying contribution;

59 (B) \$3 for each dollar of a qualifying contribution received for
60 the second \$50 of each qualifying contribution;

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

63 (D) \$0 for each dollar of a qualifying contribution received for
64 the remainder of each qualifying contribution.

65 (3) The total public contribution payable to a certified candidate for
66 either a primary or a general election must not exceed:

67 (A) ~~[\$750,000]~~ \$870,170 for a candidate for County
68 Executive;

69 (B) ~~[\$250,000]~~ \$290,060 for a candidate for At Large
70 Councilmember; and

71 (C) ~~[\$125,000]~~ \$145,030 for a candidate for District
72 Councilmember.

73 * * *

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

79 * * *

(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

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

113 * * *

114 **16-26. Applicant and participating candidate restrictions.**

115 An applicant candidate or a participating candidate must not:

- 116 (a) accept a private contribution from any group or organization, including
 117 a political action committee, a corporation, a labor organization, or a
 118 State or local central committee of a political party, except that an
 119 applicant candidate or a participating candidate may, subject to
 120 subsection (h), accept in-kind contributions from a State central
 121 committee of a political party, and from a Montgomery County central
 122 committee of a political party;
- 123 (b) accept private contributions from an individual in an aggregate greater
 124 than [~~\$150~~] [~~[\$250]]~~ \$500 during a 4-year election cycle, or the maximum
 125 amount of an eligible contribution, as adjusted by Section [16-23(i)] 16-
 126 23(j);
- 127 (c) pay for any campaign expense after filing a notice of intent with the
 128 Board to seek public funding with any campaign finance account other
 129 than the candidate’s publicly funded campaign account;
- 130 (d) be a member of a slate in any election in which the candidate receives
 131 a public contribution;
- 132 (e) accept a loan from anyone other than the candidate or the candidate’s
 133 spouse;

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

136 (g) transfer funds:

137 (1) to the candidate’s publicly funded campaign account from any
 138 other campaign finance entity established for the candidate; and

139 (2) from the candidate’s publicly funded campaign account to any
 140 other campaign finance entity.

141 * * *

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

145 (1) the authorized campaign finance entity makes a direct
 146 disbursement to the payee for its share of the costs of the campaign
 147 material; and

148 (2) the campaign material displays the authority line of the authorized
 149 campaign finance entity.

150 **16-27. Return of unspent funds; retention of funds.**

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

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

157 (2) within 90 days after the County Board certifies the results of the
 158 general election, a participating candidate must return any
 159 unspent money in the candidate’s publicly funded campaign
 160 account to the Fund.

- 161 (b) A certified candidate may retain funds to pay for post-election expenses
 162 if:
 163 (1) the retained funds do not exceed [~~\$5,000~~] \$10,000;
 164 (2) the candidate files a new declaration of intent to participate in the
 165 public campaign financing system for the 4-year next election
 166 cycle by January 31 the year after the election; and
 167 (3) [~~keep~~] the candidate keeps the same campaign finance entity
 168 open.

169 (c) Consumer Price Index adjustment.

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

186 **16-30. Penalties.**

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

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

193 (c) *Additional penalties.*

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

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

204 **16-31. [[Public Election Fund Committee]] Reserved.**

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

212 [[(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:

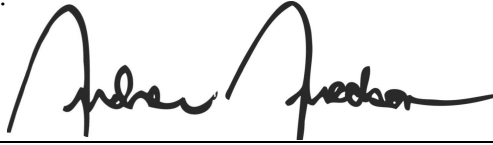
227 (1) identifies the estimated funds necessary to implement the public
 228 campaign financing system;

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

Date

This is a correct copy of Council action.

Sara R. Tenenbaum, Clerk of the Council

Date