



Committee: GO
Committee Review: At a future date
Staff: Christine Wellons, Chief Legislative Attorney
Purpose: To introduce agenda item – no vote expected

AGENDA ITEM #6C
September 17, 2024
Introduction

SUBJECT

Bill 20-24, Public Campaign Financing – Amendments

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

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

Bill 20-24 would:

- (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.

SUMMARY OF KEY DISCUSSION POINTS

- N/A

This report contains:

Staff Report
Bill 20-24

Pages 1-2
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MEMORANDUM

September 12, 2024

TO: County Council

FROM: Christine Wellons, Chief Legislative Attorney

SUBJECT: Bill 20-24, Public Campaign Financing – Amendments

PURPOSE: Introduction – no Council votes required

Bill 20-24, Public Campaign Financing – Amendments is scheduled for introduction on September 17, 2024. Its Lead Sponsors are Councilmember Glass, Council Vice-President Stewart, and Councilmembers Fani-González, Albornoz, Mink, Balcombe, and Sayles. A public hearing is tentatively scheduled for October 8, 2024. The bill will be considered by the Government Operations and Fiscal Policy Committee.

Bill 20-24 would:

- (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.

BACKGROUND

Chapter 16 of the Montgomery County Code governs public campaign financing in the County, in accordance with the Election Law Article of the Maryland Code.

The goals of the County’s campaign finance law include: (1) encouraging greater voter participation in County elections; (2) increasing opportunities for more residents to run for office; and (3) reducing the influence of large contributions from businesses, political action groups and other large organizations. *See* [Public Election Fund Committee - Montgomery County Council, Maryland \(montgomerycountymd.gov\)](https://www.montgomerycountymd.gov/Pages/Public-Election-Fund-Committee-Montgomery-County-Council-Maryland.aspx).

Under Chapter 16, candidates seeking to become the County Executive, or seeking to become a Councilmember, may become certified to receive public matching funds for the small-dollar, individual contributions the candidates receive. Bill 20-24 would amend Chapter 16, including altering the amounts of funds a candidate may receive based on inflation, and increasing the amount of funds that may be retained after an election for post-election expenses.

BILL SPECIFICS

The bill would accomplish three purposes. First, it would increase from \$5,000 to \$10,000 the amount of funds a certified candidate may retain in certain circumstances for post-election expenses. The \$10,000 amount would be increased every four years based upon inflation.

Second, the bill would clarify how to calculate the Consumer Price Index adjustment that already applies to total campaign finance disbursements from the public fund and individual contribution limits, and that will apply to the retention amounts. Beginning in July 2028, and every fourth July thereafter, the adjusted limit would be “the amount of the existing limit increased by the average of the Consumer Price Index for the 4 calendar years preceding the adjustment.” The adjusted limits would be published by the Chief Administrative Officer by March 1 of the year preceding the adjustment.

Third, the bill would provide technical corrections throughout Chapter 16.

This packet contains:
Bill 20-24

Circle #
1

Bill No. 20-24
Concerning: Public Campaign Financing
- Amendments
Revised: 9/9/2024 Draft No. 4
Introduced: September 17, 2024
Expires: December 7, 2026
Enacted: _____
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, 16-23, 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:

1 **Sec. 1. Sections 6-18, 16-23, 16-24, 16-27, 16-30, and 16-31 are amended as**
2 **follows:**

3 **16-18. Definitions.**

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

5 * * *

6 *Campaign finance entity* means a political committee established under Title
7 13 of the Election Law Article of the Maryland Code, as amended.

8 * * *

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

13 * * *

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

20 * * *

21 **16-23. Distribution of public contribution.**

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

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

- 27 (A) \$6 for each dollar of a qualifying contribution received for
- 28 the first \$50 of each qualifying contribution;
- 29 (B) \$4 for each dollar of a qualifying contribution received for
- 30 the second \$50 of each qualifying contribution;
- 31 (C) \$2 for each dollar of a qualifying contribution received for
- 32 the third \$50 of each qualifying contribution; and
- 33 (D) \$0 for each dollar of a qualifying contribution received for
- 34 the remainder of each qualifying contribution[.]; and

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

- 37 (A) \$4 for each dollar of a qualifying contribution received for
- 38 the first \$50 of each qualifying contribution;
- 39 (B) \$3 for each dollar of a qualifying contribution received for
- 40 the second \$50 of each qualifying contribution;
- 41 (C) \$2 for each dollar of a qualifying contribution received for
- 42 the third \$50 of each qualifying contribution; and
- 43 (D) \$0 for each dollar of a qualifying contribution received for
- 44 the remainder of each qualifying contribution.

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

- 47 (A) \$750,000 for a candidate for County Executive;
- 48 (B) \$250,000 for a candidate for At Large Councilmember;
- 49 and
- 50 (C) \$125,000 for a candidate for District Councilmember.

51 * * *

52 (c) *Qualifying contribution limits.* A certified candidate may continue to
53 collect qualifying contributions and submit a request for a matching

54 public contribution up to, and including, the day of a primary or a general
 55 election. A qualifying contribution must not exceed \$250 from any
 56 individual in the aggregate during a 4-year election cycle.

57 * * *

58 (j) *Consumer Price Index adjustment.*

59 (1) [The] Effective July 1, 2028 and July 1 of each subsequent fourth
 60 year, the Chief Administrative Officer must adjust the public
 61 contribution limits established in Subsection (a)(3) and the
 62 eligible contribution limit established in Subsection (c)[,
 63 effective July 1, 2022, and July 1 of each subsequent fourth year,
 64 by the annual average increase, if any, in the Consumer Price
 65 Index for the previous 4 calendar years].

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

70 (3) The adjusted limit must be equal to the amount of the existing
 71 limit increased by the average of the Consumer Price Index for
 72 the 4 calendar years preceding the adjustment.

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

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

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

78 **16-24. Use of public contribution.**

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

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

87 * * *

88 **16-26. Applicant and participating candidate restrictions.**

89 An applicant candidate or a participating candidate must not:

- 90 (a) accept a private contribution from any group or organization, including
 91 a political action committee, a corporation, a labor organization, or a
 92 State or local central committee of a political party, except that an
 93 applicant candidate or a participating candidate may, subject to
 94 subsection (h), accept in-kind contributions from a State central
 95 committee of a political party, and from a Montgomery County central
 96 committee of a political party;
- 97 (b) accept private contributions from an individual in an aggregate greater
 98 than [~~\$150~~] \$250 during a 4-year election cycle, or the maximum
 99 amount of an eligible contribution, as adjusted by Section [16-23(i)]
 100 16-23(j);
- 101 (c) pay for any campaign expense after filing a notice of intent with the
 102 Board to seek public funding with any campaign finance account other
 103 than the candidate’s publicly funded campaign account;
- 104 (d) be a member of a slate in any election in which the candidate receives
 105 a public contribution;
- 106 (e) accept a loan from anyone other than the candidate or the candidate’s
 107 spouse;

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

110 (g) transfer funds:

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

113 (2) from the candidate's publicly funded campaign account to any
114 other campaign finance entity.

115 * * *

116 **16-27. Return of unspent funds; retention of funds.**

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

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

123 (2) within 90 days after the County Board certifies the results of the
124 general election, a participating candidate must return any
125 unspent money in the candidate's publicly funded campaign
126 account to the Fund.

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

129 (1) the retained funds do not exceed [~~\$5,000~~] \$10,000;

130 (2) the candidate files a new declaration of intent to participate in the
131 public campaign financing system for the 4-year next election
132 cycle by January 31 the year after the election; and

133 (3) [~~keep~~] the candidate keeps the same campaign finance entity
134 open.

- 135 (c) Consumer Price Index adjustment.
- 136 (1) Effective July 1, 2028 and July 1 of each subsequent fourth year,
 137 the Chief Administrative Officer must adjust the retention limit
 138 under Subsection (b).
- 139 (2) The Chief Administrative Officer must calculate each adjusted
 140 limit to the nearest multiple of \$10.
- 141 (3) The adjusted limit must be equal to the amount of the existing
 142 limit increased by the average of the Consumer Price Index for
 143 the 4 calendar years preceding the adjustment.
- 144 (4) The Chief Administrative Officer must, by March 1 of the year
 145 preceding an adjustment:
- 146 (A) notify in writing the State Board of Elections and the
 147 County Council of the adjusted limit; and
- 148 (B) publish the adjusted limit on the County website.

149 **16-30. Penalties.**

- 150 (a) *Civil Violations.* Any violation of this Article is a Class A civil
 151 violation. Each day a violation exists is a separate offense.
- 152 (b) *Payment.* A fine may be paid by the campaign only if all public
 153 contributions have been repaid to the Fund. Otherwise, the candidate or
 154 officer found to be responsible for the violation is personally liable for
 155 the fine.
- 156 (c) *Additional penalties.*
- 157 (1) In addition to the penalty specified in Subsection 16-30(a), a
 158 certified or participating candidate must withdraw from the
 159 public campaign financing system if the candidate intentionally
 160 or knowingly provides falsified information, misrepresents a

161 material fact, or conceals relevant information to the Board, the
162 Executive, or the Director under this Article.

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

167 **16-31. Public Election Fund Committee.**

168 * * *

169 (e) *Annual report.* The Committee must issue a report to the Council on or
170 before January 30 each year that:

171 (1) identifies the estimated funds necessary to implement the public
172 campaign financing system;

173 (2) recommends an appropriation to the Public Election Fund for the
174 following fiscal year; and

175 (3) identifies the public outreach and education activities undertaken
176 in the prior calendar year.

177 * * *