## **SENATE BILL 358**

G1 SB 416/21 – EHE & B&T 2lr1261

By: Senators Pinsky, Lam, Kagan, Smith, Waldstreicher, Elfreth, and Guzzone Introduced and read first time: January 21, 2022 Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

## A BILL ENTITLED

1 AN ACT concerning

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2	Public Financing Act – State Senate and House of Delegates
3 4 5	FOR the purpose of altering the candidates authorized to receive public contributions from the Fair Campaign Financing Fund to include candidates for State Senator and member of the House of Delegates; and generally relating to the Public Financing
6	Act.
7	BY repealing and reenacting, with amendments,
8	Article – Election Law
9	Section 13–235, 15–102(d) and (i), 15–103, 15–104, 15–106 through 15–109, 15–111
10	and 15–113(b)
11	Annotated Code of Maryland
12	(2017 Replacement Volume and 2021 Supplement)
13	BY repealing and reenacting, without amendments,
14	Article – Election Law
15	Section 15–102(a) and 15–113(a)
16	Annotated Code of Maryland
17	(2017 Replacement Volume and 2021 Supplement)
1.0	
18 19	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND
19	That the Laws of Maryland read as follows:
20	Article - Election Law
21	13–235.
22	(a) This section applies to the following officials:

the Governor;

(1)



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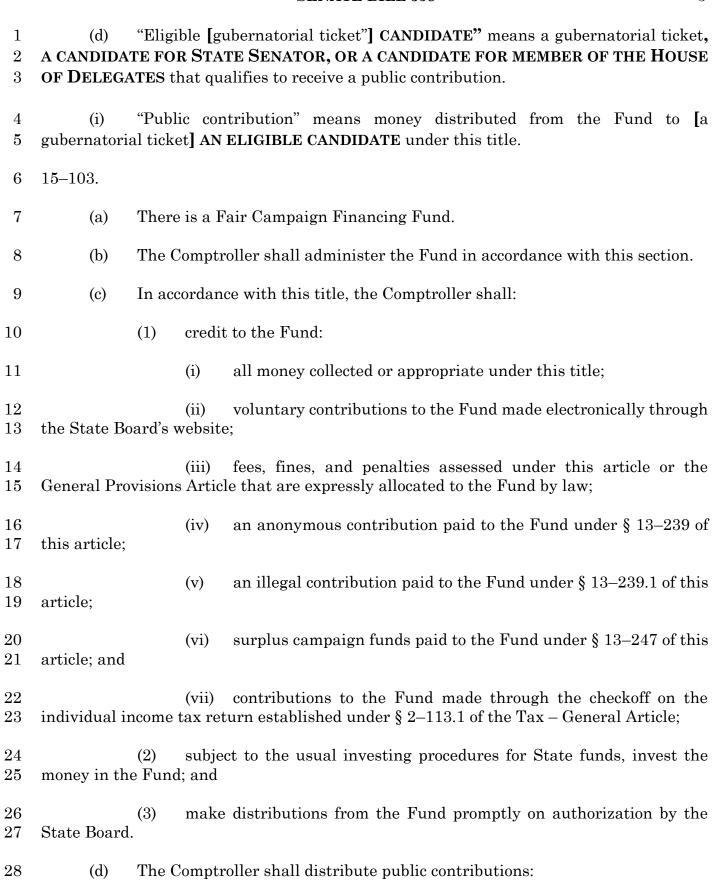
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- 1 (2) the Lieutenant Governor;
- 2 (3) the Attorney General;
- 3 (4) the Comptroller; and
- 4 (5) a member of the General Assembly.
  - (b) Except as provided in subsection (c), (d), or (e) of this section, during a regular session of the General Assembly an official described in subsection (a) of this section, or a person acting on behalf of the official, may not, as to a candidate for federal, State, or local office, or a campaign finance entity of the candidate or any other campaign finance entity organized under this title and operated in coordination with a candidate:
- 10 (1) receive a contribution;
- 11 (2) conduct a fund–raising event;
- 12 (3) solicit a contribution; or
- 13 (4) deposit or use any contribution of money that was not deposited prior 14 to the session.
- 15 (c) An official described in subsection (a) of this section, or a person acting on 16 behalf of the official, is not subject to this section when engaged in activities solely related 17 to the official's election to an elective federal or local office for which the official is a filed 18 candidate.
- 19 (d) Under the Public Financing Act, a gubernatorial ticket **OR A CANDIDATE FOR**20 **STATE SENATOR OR MEMBER OF THE HOUSE OF DELEGATES**, during the year of the
  21 election only, may accept eligible private contributions and any disbursement of funds by
  22 the State Board that is based on the eligible private contributions.
- 23 (e) An official described in subsection (a) of this section, or a person acting on 24 behalf of the official, may deposit a contribution during the legislative session if the 25 contribution was made electronically before the start of the session.
- 26 (f) (1) As to a violation of this section, the campaign finance entity of the 27 official in violation is liable for a civil penalty as provided in § 13–604.1 of this title.
- 28 (2) A civil penalty imposed under this subsection shall be distributed to the 29 Fair Campaign Financing Fund established under § 15–103 of this article.
- 30 15–102.
- 31 (a) In this title the following words have the meanings indicated.



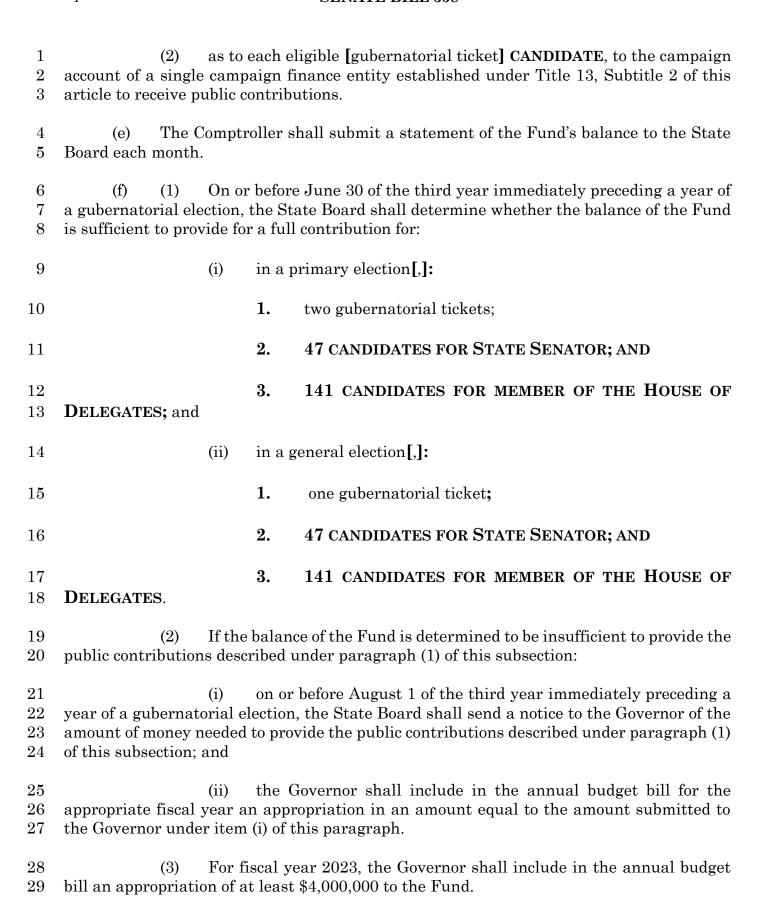
only on authorization of the State Board; and

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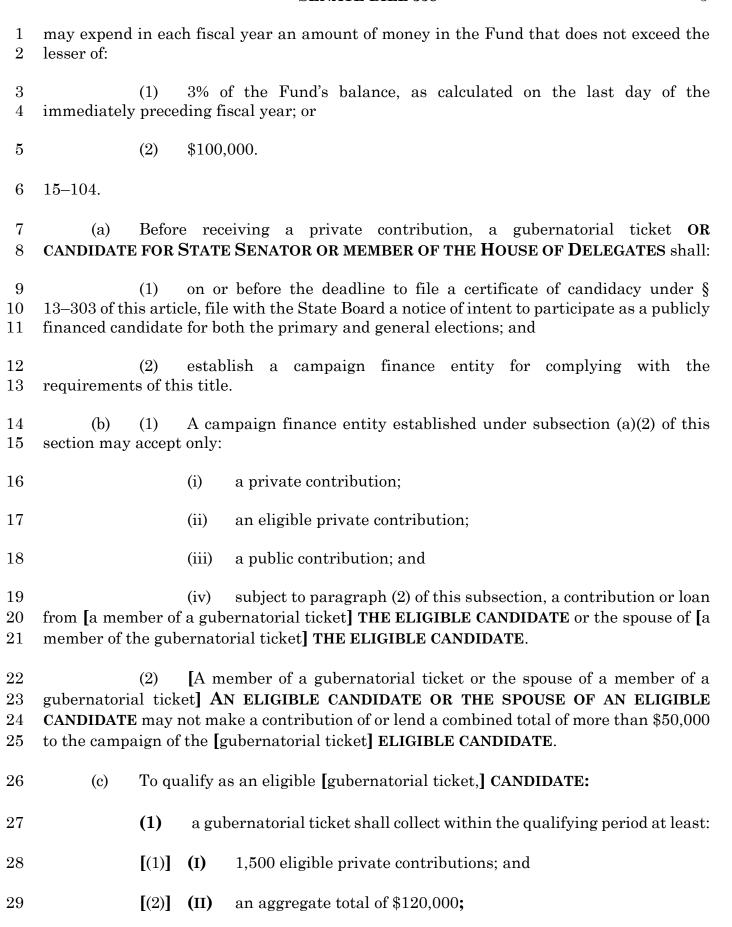
(1)

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(g)



To pay costs directly related to the administration of this title, the State Board



- 1 A CANDIDATE FOR STATE SENATOR SHALL COLLECT WITHIN THE **(2)** 2 **QUALIFYING PERIOD AT LEAST:** 3 (I)250 ELIGIBLE PRIVATE CONTRIBUTIONS; AND 4 (II)AN AGGREGATE TOTAL OF \$15,000; OR A CANDIDATE FOR MEMBER OF THE HOUSE OF DELEGATES SHALL 5 **(3)** 6 COLLECT WITHIN THE QUALIFYING PERIOD AT LEAST: 7 (I)150 ELIGIBLE PRIVATE CONTRIBUTIONS; AND 8 (II)AN AGGREGATE TOTAL OF \$7,500. 9 15-106.10 After filing a notice of intent to qualify for a public contribution under this title, a gubernatorial ticket or a person acting on behalf of the gubernatorial ticket OR A 11 CANDIDATE FOR STATE SENATOR OR MEMBER OF THE HOUSE OF DELEGATES OR A 12 13 PERSON ACTING ON BEHALF OF THE CANDIDATE FOR STATE SENATOR OR MEMBER 14 OF THE HOUSE OF DELEGATES may not, for the benefit of any political committee or any 15 person required to register with the State Board under § 13–306 or § 13–307 of this article 16 or for a participating organization organized under § 13–309.2 of this article: 17 solicit contributions, including the authorized use of the names or (1) images of the gubernatorial ticket OR CANDIDATE FOR STATE SENATOR OR MEMBER 18 OF THE HOUSE OF DELEGATES in the solicitation; or 19 20(2)operate in coordination with any entity for fundraising activities. 21After filing a notice of intent to qualify for a public contribution under this 22 title, the members of a gubernatorial ticket OR A CANDIDATE FOR STATE SENATOR OR 23MEMBER OF THE HOUSE OF DELEGATES may not be a member of a slate that does not 24receive a public contribution. 25Until a final campaign finance report is filed with the State Board and any 26 remaining funds of the public contribution distributed to [a gubernatorial ticket] AN ELIGIBLE CANDIDATE are repaid to the Comptroller for redeposit in the Fund in 27 28 accordance with § 15-109 of this title, any authorized candidate campaign committee 29 organized under Title 13 of this article on behalf of the [members of a gubernatorial ticket] ELIGIBLE CANDIDATE may not engage in campaign finance activity. 30
- 31 15–107.
- 32 (a) (1) In accordance with subsection (c) of this section and regulations

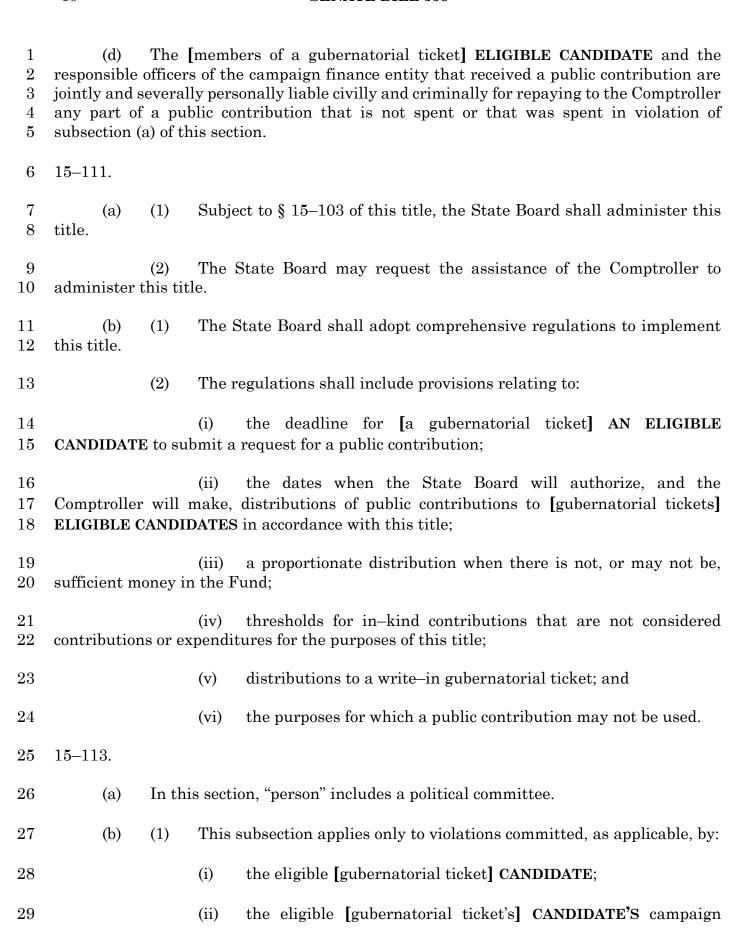
- 1 adopted by the State Board, the State Board shall authorize distribution of money in the
- 2 Fund on a continuing basis on certification that the qualifications under § 15–104 of this
- 3 title have been met.
- 4 (2) Distributions shall begin not earlier than January 1 of the year of the 5 election.
- 6 (b) If the State Board determines that there is not, or may not be, sufficient money
  7 in the Fund to provide a full public contribution to all eligible [gubernatorial tickets]
  8 CANDIDATES, the State Board shall allocate the available money so that each eligible
  9 [gubernatorial ticket] CANDIDATE in that election receives a proportionate share of the
  10 full public contribution to which the [gubernatorial ticket] ELIGIBLE CANDIDATE
  11 otherwise would be entitled.
- 12 (c) (1) The State Board shall authorize distribution of the money that is 13 designated for distribution as provided in this subsection.
- 14 (2) The State Board shall distribute a public contribution from the Fund to each [gubernatorial ticket] ELIGIBLE CANDIDATE during the distribution period [in] AS FOLLOWS:
- 17 (I) FOR EACH GUBERNATORIAL TICKET, matching dollars equal 18 to:
- 19 **[(i)]** 1. \$8 for each dollar of an eligible private contribution 20 received for the first \$50 of each eligible private contribution;
- [(ii)] **2.** \$6 for each dollar of an eligible private contribution received for the second \$50 of each eligible private contribution;
- [(iii)] 3. \$2 for each dollar of an eligible private contribution received for the third \$50 of each eligible private contribution; and
- [(iv)] 4. \$0 for each dollar of an eligible private contribution received for the remaining \$100 of each eligible private contribution;
- 27 (II) FOR EACH ELIGIBLE CANDIDATE FOR STATE SENATOR, 28 MATCHING DOLLARS EQUAL TO:
- 29 1. \$6 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE 30 CONTRIBUTION RECEIVED FOR THE FIRST \$50 OF EACH ELIGIBLE PRIVATE 31 CONTRIBUTION;
- 32 **2.** \$2 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE 33 CONTRIBUTION RECEIVED FOR THE NEXT \$100 OF EACH ELIGIBLE PRIVATE

## 1 CONTRIBUTION; AND

- 3. \$0 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE
- 3 CONTRIBUTION RECEIVED FOR THE REMAINING \$100 OF EACH ELIGIBLE PRIVATE
- 4 CONTRIBUTION; OR
- 5 (III) FOR EACH ELIGIBLE CANDIDATE FOR MEMBER OF THE
- 6 HOUSE OF DELEGATES, MATCHING DOLLARS EQUAL TO:
- 7 \$6 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE
- 8 CONTRIBUTION RECEIVED FOR THE FIRST \$50 OF EACH ELIGIBLE PRIVATE
- 9 CONTRIBUTION;
- 10 **2. \$2** FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE
- 11 CONTRIBUTION RECEIVED FOR THE NEXT \$100 OF EACH ELIGIBLE PRIVATE
- 12 CONTRIBUTION; AND
- 3. **\$0** FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE
- 14 CONTRIBUTION RECEIVED FOR THE REMAINING \$100 OF EACH ELIGIBLE PRIVATE
- 15 CONTRIBUTION.
- 16 (3) The total public contribution payable to [a gubernatorial ticket] AN
- 17 **ELIGIBLE CANDIDATE** for either a primary or general election may not exceed:
- 18 (I) \$3,000,000 FOR A GUBERNATORIAL TICKET;
- 19 (II) \$150,000 FOR A CANDIDATE FOR STATE SENATOR; AND
- 20 (III) \$90,000 FOR A CANDIDATE FOR MEMBER OF THE HOUSE OF
- 21 **DELEGATES**.
- 22 (4) The State Board may not distribute matching dollars from the Fund to
- 23 [a gubernatorial ticket] AN ELIGIBLE CANDIDATE for:
- 24 (i) a contribution or loans from the [gubernatorial ticket] ELIGIBLE
- 25 CANDIDATE or the spouse of [a member of the gubernatorial ticket] THE ELIGIBLE
- 26 **CANDIDATE**; or
- 27 (ii) an in–kind contribution of property, goods, or services.
- 28 (5) [A gubernatorial ticket] AN ELIGIBLE CANDIDATE that is unopposed
- 29 in a primary election shall receive one-third of the public contribution amount the
- 30 [gubernatorial ticket] ELIGIBLE CANDIDATE would otherwise be entitled to receive.

1 15–108.

- 2 (a) [A gubernatorial ticket] **AN ELIGIBLE CANDIDATE** may withdraw from 3 participation as a publicly funded candidate at any time before a public contribution is 4 received by the [gubernatorial ticket's] **ELIGIBLE CANDIDATE'S** campaign finance entity.
- 5 (b) If a public contribution has been received by an eligible [gubernatorial ticket's] **CANDIDATE'S** campaign finance entity, the eligible candidate may withdraw from participating if the [gubernatorial ticket] **ELIGIBLE CANDIDATE**:
- 8 (1) files a statement of withdrawal on a form prescribed by the State Board; 9 and
- 10 (2) repays to the Fund the full amount of any public contribution received, with interest established in regulation by the State Board.
- 12 15–109.
- 13 (a) A public contribution may be spent only:
- 14 (1) in accordance with § 13–218 of this article;
- 15 (2) to further the [gubernatorial ticket's] ELIGIBLE CANDIDATE'S 16 nomination or election;
- 17 (3) for expenses incurred not later than 45 days after the election for which 18 the public contribution was made;
- 19 (4) for purposes that do not violate State law; and
- 20 (5) for an expenditure that is accompanied by a receipt.
- 21 (b) An eligible [gubernatorial ticket] CANDIDATE may not make:
- 22 (1) a transfer; or
- 23 (2) an expenditure relating to fundraising activity by any other political committee organized under this article.
- 25 (c) (1) Any part of a public contribution that is not spent shall be repaid to the Comptroller for redeposit in the Fund not later than 90 days after the election for which the public contribution was made.
- 28 (2) In computing whether part of a public contribution is not spent, all private contributions to the [gubernatorial ticket] ELIGIBLE CANDIDATE shall be treated as spent before the expenditure of any of the public contribution.



- 1 finance entity;
- 2 (iii) the chairman of the eligible [gubernatorial ticket's]
- 3 **CANDIDATE'S** campaign finance entity;
- 4 (iv) the treasurer of the eligible [gubernatorial ticket's]
- 5 **CANDIDATE'S** campaign finance entity; or
- 6 (v) a person acting on behalf of a person listed in item (i), (ii), (iii), or
- 7 (iv) of this paragraph.
- 8 (2) The State Board may impose a civil penalty in accordance with this
- 9 section for the following violations:
- 10 (i) making a disbursement in a manner not authorized under §
- 11 13–218(b)(2), (c), and (d) of this article;
- 12 (ii) failure to maintain a campaign bank account as required under
- 13 § 13–220(a) of this article;
- 14 (iii) making a disbursement by a method not authorized under §
- 15 13–220(d) of this article;
- 16 (iv) failure to maintain detailed and accurate account books and
- 17 records as required under § 13–221 of this article;
- 18 (v) fund-raising during the General Assembly session in a manner
- 19 not authorized in § 13–235 of this article;
- 20 (vi) failure to report all contributions received and expenditures
- 21 made as required in § 13–304(b) of this article;
- (vii) failure to include an authority line on campaign material as
- 23 required in § 13–401 of this article; or
- (viii) failure to retain a copy of campaign material as required in §
- 25 13–403 of this article.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 27 January 1, 2023.