

HOUSE BILL 291

G1
HB 761/21 – W&M

2lr1356
CF SB 101

By: **Delegate Kaiser**

Introduced and read first time: January 17, 2022

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 22, 2022

CHAPTER _____

1 AN ACT concerning

2 **Election Law – Contested Elections**

3 FOR the purpose of altering certain definitions to allow a campaign finance entity to pay
4 expenses associated with contesting an election; ~~prohibiting a recount under certain~~
5 ~~circumstances~~; altering the circumstances under which a petitioner for a recount is
6 not liable for the costs of the recount; providing that a person who accepts certain
7 public campaign financing may accept a donation or make a disbursement related to
8 a contested election only if the person establishes a contested election committee and
9 makes certain disclosures; providing that a certain system of public campaign
10 financing established by the governing body of a county may include public financing
11 of a contested election committee; and generally relating to contested elections.

12 BY repealing and reenacting, without amendments,
13 Article – Election Law
14 Section 1–101(a), 12–101(a), and 12–103(a)
15 Annotated Code of Maryland
16 (2017 Replacement Volume and 2021 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Election Law
19 Section 1–101(o) and (aa), ~~12–101(a)~~, ~~12–103(a)~~, 12–107, 13–233, and 13–505
20 Annotated Code of Maryland
21 (2017 Replacement Volume and 2021 Supplement)

22 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Election Law

Section 12–301 through 12–313 to be under the new subtitle “Subtitle 3. Contested Election Committee”

Annotated Code of Maryland

(2017 Replacement Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That the Laws of Maryland read as follows:

Article – Election Law

1–101.

(a) In this article the following words have the meanings indicated unless a different meaning is clearly intended from the context.

(o) (1) “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:

(I) promote or assist in the promotion of the success or defeat of a candidate, political party, question, or prospective question; AND

(II) ASSIST IN THE PAYMENT OF EXPENSES ASSOCIATED WITH CONTESTING AN ELECTION UNDER TITLE 12 OF THIS ARTICLE.

(2) “Contribution” includes:

(i) proceeds from the sale of tickets to a campaign fund–raising event; and

(ii) a coordinated expenditure as defined in § 13–249 of this article.

(3) “Contribution” does not include the costs associated with the establishment, administration, or solicitation of voluntary contributions to a political action committee established by a corporation, limited liability company, general partnership, limited partnership, membership organization, trade association, cooperative, or corporation without capital stock as long as the political action committee only solicits contributions from employees of the organization that established the political action committee, or members of the organization that established the political action committee, and the employees or members are participating in a payroll deduction program established by the employer of the employee or member.

(aa) “Expenditure” means a gift, transfer, disbursement, or promise of money or a thing of value by or on behalf of a campaign finance entity to:

(1) promote or assist in the promotion of the success or defeat of a candidate, political party, question, or prospective question at an election; [or]

(2) PAY EXPENSES ASSOCIATED WITH CONTESTING AN ELECTION UNDER TITLE 12 OF THIS ARTICLE; OR

[(2)] (3) pay for the publication expense of a legislative newsletter under Title 13, Subtitle 4 of this article.

12-101.

(a) ~~**(1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**~~ A candidate for public or party office who has been defeated based on the certified results of any election conducted under this article may petition for a recount of the votes cast for the office sought.

~~**(2) A CANDIDATE MAY NOT PETITION FOR A RECOUNT IF THE MARGIN OF DIFFERENCE BETWEEN THE NUMBER OF VOTES RECEIVED BY AN APPARENT WINNER AND THE LOSING CANDIDATE WITH THE HIGHEST NUMBER OF VOTES FOR THE OFFICE IS GREATER THAN 5% OF THE TOTAL VOTES CAST FOR THOSE CANDIDATES.**~~

12-103.

(a) ~~**(1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**~~ A petition for a recount based on the certified results of a question on the ballot in an election conducted under this article may be filed by a registered voter eligible to vote for that question.

~~**(2) A REGISTERED VOTER MAY NOT FILE A PETITION FOR A RECOUNT IF THE MARGIN OF DIFFERENCE BETWEEN THE NUMBER OF VOTES CAST FOR AND THE NUMBER OF VOTES CAST AGAINST THE QUESTION IS GREATER THAN 5%.**~~

12-107.

(a) In this section, "petitioner" includes a counterpetitioner.

(b) (1) Except as provided in paragraph (2) of this subsection, each petitioner shall pay the cost of a recount requested under this subtitle and the petitioner's bond is liable for the cost.

(2) The petitioner is not liable for the costs of the recount if:

(i) the outcome of the election is changed;

(ii) the petitioner has gained a number of votes, for the petitioner's candidacy or for or against the question that is the subject of the petition, equal to 2% or more of the total votes cast for the office or on the question, in all precincts being recounted; or

(iii) 1. the margin of difference in the number of votes received by an apparent winner and the losing candidate with the highest number of votes for an office is [0.1%] **0.25%** or less of the total votes cast for those candidates; or

2. in the case of a question, the margin of difference between the number of votes cast for and the number cast against the question is [0.1%] **0.25%** or less.

(c) If the petitioner is not liable for the costs of the recount as provided in subsection (b) of this section, a county shall pay the costs of the recount in that county.

SUBTITLE 3. CONTESTED ELECTION COMMITTEE.

12-301.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) (1) "CONTESTED ELECTION" MEANS AN ELECTION SUBJECT TO:

(I) A RECOUNT UNDER SUBTITLE 1 OF THIS TITLE; OR

(II) A JUDICIAL CHALLENGE UNDER SUBTITLE 2 OF THIS TITLE.

(2) "CONTESTED ELECTION" INCLUDES AN ELECTION THAT MAY BE SUBJECT TO A RECOUNT UNDER SUBTITLE 1 OF THIS TITLE, BUT FOR WHICH A RECOUNT DOES NOT OCCUR BECAUSE NEITHER CANDIDATE FILES A FORMAL RECOUNT PETITION OR INITIATES A JUDICIAL ACTION.

(C) "CONTESTED ELECTION COMMITTEE" MEANS AN ENTITY FORMED FOR THE EXCLUSIVE PURPOSE OF RECEIVING DONATIONS AND MAKING DISBURSEMENTS RELATING TO A CONTESTED ELECTION.

12-302.

(A) THIS SUBTITLE APPLIES ONLY TO A PERSON THAT ACCEPTS PUBLIC CAMPAIGN FINANCING UNDER:

(1) TITLE 15 OF THIS ARTICLE; OR

(2) § 13-505 OF THIS ARTICLE.

(B) A PERSON MAY ACCEPT A DONATION OR MAKE A DISBURSEMENT RELATING TO A CONTESTED ELECTION ONLY IF THE PERSON:

(1) ESTABLISHES A CONTESTED ELECTION COMMITTEE; AND

(2) DISCLOSES THE DONATIONS AND DISBURSEMENTS IN ACCORDANCE WITH THIS SUBTITLE.

12-303.

A PERSON MAY ESTABLISH A CONTESTED ELECTION COMMITTEE AT ANY TIME BY FILING A STATEMENT OF ORGANIZATION WITH THE STATE BOARD THAT INCLUDES:

(1) THE APPOINTMENT OF A TREASURER; AND

(2) ANY OTHER INFORMATION THAT THE STATE BOARD REQUIRES.

12-304.

(A) A CONTESTED ELECTION COMMITTEE SHALL:

(1) DEPOSIT ALL DONATIONS RECEIVED IN A DESIGNATED BANK ACCOUNT; AND

(2) MAKE ALL DISBURSEMENTS FROM THE DESIGNATED BANK ACCOUNT.

(B) DISBURSEMENTS OF A CONTESTED ELECTION COMMITTEE SHALL:

(1) PASS THROUGH THE HANDS OF THE TREASURER; AND

(2) BE IN ACCORDANCE WITH THE PURPOSE OF THE ENTITY.

12-305.

(A) (1) A PERSON THAT ACCEPTS PUBLIC CAMPAIGN FINANCING UNDER TITLE 15 OF THIS ARTICLE MAY NOT SOLICIT OR ACCEPT A DONATION ON BEHALF OF A CONTESTED ELECTION COMMITTEE IN EXCESS OF THE CONTRIBUTION LIMITS ESTABLISHED UNDER TITLE 15 OF THIS ARTICLE.

(2) A PERSON THAT ACCEPTS PUBLIC CAMPAIGN FINANCING UNDER § 13-505 OF THIS ARTICLE MAY NOT SOLICIT OR ACCEPT A DONATION ON BEHALF

1 OF A CONTESTED ELECTION COMMITTEE IN EXCESS OF THE CONTRIBUTION LIMITS
2 ESTABLISHED IN LAW BY THE GOVERNING BODY OF THE COUNTY IN ACCORDANCE
3 WITH § 13-505 OF THIS ARTICLE.

4 (B) (1) A CONTESTED ELECTION COMMITTEE MAY NOT ACCEPT A LOAN
5 OTHER THAN A LOAN FROM:

6 (I) A FINANCIAL INSTITUTION OR OTHER ENTITY IN THE
7 BUSINESS OF MAKING LOANS; OR

8 (II) THE PERSONAL FUNDS OF A CANDIDATE OR THE
9 CANDIDATE'S SPOUSE IF THE CONTESTED ELECTION COMMITTEE WAS ESTABLISHED
10 TO FINANCE A RECOUNT OF AN ELECTION IN WHICH THE CANDIDATE WAS ON THE
11 BALLOT.

12 (2) A LOAN UNDER THIS SUBSECTION MAY BE OF ANY AMOUNT.

13 12-306.

14 (A) THE TREASURER OF A CONTESTED ELECTION COMMITTEE SHALL
15 MAINTAIN DETAILED AND ACCURATE RECORDS OF ALL:

16 (1) DONATIONS RECEIVED BY THE CONTESTED ELECTION
17 COMMITTEE;

18 (2) DISBURSEMENTS MADE BY THE CONTESTED ELECTION
19 COMMITTEE; AND

20 (3) OUTSTANDING OBLIGATIONS OF THE CONTESTED ELECTION
21 COMMITTEE.

22 (B) A CONTESTED ELECTION COMMITTEE SHALL RETAIN THE RECORDS
23 REQUIRED TO BE MAINTAINED UNDER SUBSECTION (A) OF THIS SECTION FOR A
24 PERIOD OF 2 YEARS AFTER FILING A FINAL REPORT.

25 12-307.

26 (A) THE TREASURER OF A CONTESTED ELECTION COMMITTEE SHALL FILE
27 REPORTS WITH THE STATE BOARD AS REQUIRED IN THIS SUBTITLE:

28 (1) USING AN ELECTRONIC FORMAT;

29 (2) WITH THE ELECTRONIC SIGNATURE OF THE TREASURER FILING
30 THE REPORT;

1 **(3) UNDER OATH; AND**

2 **(4) SUBJECT TO THE PENALTIES FOR PERJURY.**

3 **(B) THE STATE BOARD SHALL MAKE THE REPORTS SUBMITTED UNDER THIS**
4 **SUBTITLE PUBLICLY AVAILABLE ON THE INTERNET.**

5 **12-308.**

6 **(A) A REPORT FILED BY THE TREASURER OF A CONTESTED ELECTION**
7 **COMMITTEE UNDER THIS SUBTITLE SHALL INCLUDE THE INFORMATION REQUIRED**
8 **BY THE STATE BOARD WITH RESPECT TO ALL DONATIONS, DISBURSEMENTS, AND**
9 **OUTSTANDING OBLIGATIONS OF THE CONTESTED ELECTION COMMITTEE DURING**
10 **THE REPORTING PERIOD.**

11 **(B) (1) IF THE PERSON WHO ESTABLISHED THE CONTESTED ELECTION**
12 **COMMITTEE HAS FILED A PETITION FOR A RECOUNT UNDER SUBTITLE 1 OF THIS**
13 **TITLE OR HAS FILED A COMPLAINT IN THE CIRCUIT COURT UNDER SUBTITLE 2 OF**
14 **THIS TITLE, THE TREASURER OF THE CONTESTED ELECTION COMMITTEE SHALL**
15 **FILE THE CONTESTED ELECTION COMMITTEE'S FIRST REPORT ON OR BEFORE THE**
16 **FIRST DAY AFTER THE EARLIER OF:**

17 **(I) THE DAY THE PERSON WHO ESTABLISHED THE CONTESTED**
18 **ELECTION COMMITTEE FILED THE PETITION FOR A RECOUNT; OR**

19 **(II) THE DAY THE PERSON WHO ESTABLISHED THE CONTESTED**
20 **ELECTION COMMITTEE FILED THE COMPLAINT IN THE CIRCUIT COURT.**

21 **(2) IF THE PERSON WHO ESTABLISHED THE CONTESTED ELECTION**
22 **COMMITTEE HAS NOT FILED A PETITION FOR A RECOUNT UNDER SUBTITLE 1 OF**
23 **THIS TITLE OR FILED A COMPLAINT IN THE CIRCUIT COURT UNDER SUBTITLE 2 OF**
24 **THIS TITLE, THE TREASURER OF THE CONTESTED ELECTION COMMITTEE SHALL**
25 **FILE THE CONTESTED ELECTION COMMITTEE'S FIRST REPORT ON OR BEFORE THE**
26 **DAY THAT IS 7 DAYS AFTER THE DAY THAT THE CONTESTED ELECTION COMMITTEE**
27 **OF THE OPPOSING CANDIDATE OR OPPOSING PARTY FILED ITS FIRST REPORT**
28 **UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

29 **(C) THE TREASURER OF A CONTESTED ELECTION COMMITTEE SHALL FILE**
30 **SUBSEQUENT REPORTS ON OR BEFORE:**

31 **(1) THE MONDAY THAT IS 30 DAYS AFTER THE DUE DATE OF THE**
32 **FIRST REPORT FILED BY THE CONTESTED ELECTION COMMITTEE UNDER**
33 **SUBSECTION (B) OF THIS SECTION;**

1 **(2) THE MONDAY THAT IS 60 DAYS AFTER THE DUE DATE OF THE**
2 **FIRST REPORT FILED BY THE CONTESTED ELECTION COMMITTEE UNDER**
3 **SUBSECTION (B) OF THIS SECTION; AND**

4 **(3) THE THIRD WEDNESDAY IN JANUARY OF EACH YEAR THAT THE**
5 **CONTESTED ELECTION COMMITTEE REMAINS IN EXISTENCE.**

6 **(D) THE STATE BOARD SHALL, BY REGULATION, ESTABLISH THE**
7 **REPORTING PERIODS FOR EACH OF THE REPORTS REQUIRED UNDER THIS**
8 **SUBTITLE.**

9 **(E) IF THE TREASURER OF A CONTESTED ELECTION COMMITTEE FAILS TO**
10 **PROVIDE ALL THE INFORMATION REQUIRED ON A REPORT UNDER THIS SUBTITLE:**

11 **(1) THE STATE BOARD SHALL NOTIFY THE TREASURER IN WRITING**
12 **OF THE PARTICULAR DEFICIENCIES; AND**

13 **(2) THE TREASURER SHALL FILE AN AMENDED REPORT THAT**
14 **INCLUDES ALL THE INFORMATION REQUIRED WITHIN 30 DAYS AFTER SERVICE OF**
15 **THE NOTICE.**

16 **12-309.**

17 **(A) (1) THE STATE BOARD SHALL ASSESS LATE FILING FEES FOR**
18 **FAILURE TO PROPERLY FILE A REPORT UNDER THIS SUBTITLE.**

19 **(2) THE STATE BOARD SHALL ASSESS THE FEES IN THE FOLLOWING**
20 **AMOUNTS FOR EACH DAY OR PART OF A DAY THAT A REPORT UNDER THIS SUBTITLE**
21 **IS OVERDUE:**

22 **(I) \$20 FOR EACH OF THE FIRST 7 DAYS;**

23 **(II) \$35 FOR EACH OF THE FOLLOWING 7 DAYS; AND**

24 **(III) \$50 FOR EACH DAY THEREAFTER.**

25 **(3) THE MAXIMUM FEE PAYABLE FOR A REPORT IS \$1,000.**

26 **(B) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A**
27 **LATE FILING FEE UNDER THIS SECTION SHALL BE PAID BY THE CONTESTED**
28 **ELECTION COMMITTEE.**

1 (II) IF THE CONTESTED ELECTION COMMITTEE HAS
2 INSUFFICIENT FUNDS WITH WHICH TO PAY THE FULL AMOUNT OF THE LATE FILING
3 FEE IN A TIMELY MANNER, AFTER THE ACCOUNT OF THE CONTESTED ELECTION
4 COMMITTEE IS EXHAUSTED THE BALANCE OF THE LATE FILING FEE IS THE
5 LIABILITY OF THE TREASURER.

6 (2) LATE FILING FEES SHALL BE DISTRIBUTED TO THE FAIR
7 CAMPAIGN FINANCING FUND ESTABLISHED UNDER § 15-103 OF THIS ARTICLE.

8 (3) (I) THE STATE BOARD SHALL ACCEPT AN OVERDUE REPORT
9 THAT IS SUBMITTED WITHOUT PAYMENT OF THE LATE FILING FEE, BUT THE REPORT
10 IS NOT CONSIDERED FILED UNTIL THE FEE HAS BEEN PAID.

11 (II) AFTER AN OVERDUE REPORT IS RECEIVED UNDER
12 SUBPARAGRAPH (I) OF THIS PARAGRAPH, NO FURTHER LATE FILING FEE SHALL BE
13 INCURRED.

14 (4) THE TREASURER OF A CONTESTED ELECTION COMMITTEE THAT
15 FAILS TO PROPERLY FILE A REPORT MAY SEEK RELIEF FROM A LATE FILING FEE
16 IMPOSED UNDER THIS SECTION FOR JUST CAUSE AS PROVIDED IN § 13-337 OF THIS
17 ARTICLE.

18 12-310.

19 (A) (1) IF THE STATE BOARD DETERMINES THAT THERE HAS BEEN FOR
20 MORE THAN 30 DAYS A FAILURE TO FILE A REPORT OR PAY A LATE FILING FEE
21 UNDER THIS SUBTITLE, THE STATE BOARD SHALL ISSUE THE NOTICE REQUIRED
22 UNDER PARAGRAPH (2) OF THIS SUBSECTION TO THE TREASURER OF THE
23 CONTESTED ELECTION COMMITTEE IN VIOLATION.

24 (2) THE NOTICE SHALL DEMAND THAT, WITHIN 30 DAYS AFTER
25 SERVICE OF THE NOTICE, EITHER:

26 (I) THE FAILURE TO FILE BE RECTIFIED AND ANY LATE FILING
27 FEE DUE BE PAID; OR

28 (II) THE TREASURER SHOW CAUSE WHY THE STATE BOARD
29 SHOULD NOT ASK THE APPROPRIATE PROSECUTING AUTHORITY TO PROSECUTE
30 THE TREASURER FOR A VIOLATION OF THIS SUBTITLE.

31 (3) IN ITS DISCRETION, THE APPROPRIATE PROSECUTING
32 AUTHORITY MAY REFER THE MATTER FOR ACTION TO THE CENTRAL COLLECTION
33 UNIT WITHIN THE DEPARTMENT OF BUDGET AND MANAGEMENT.

(B) A TREASURER WHO FAILS, WITHOUT CAUSE, TO FILE THE REPORT AND PAY THE LATE FILING FEE WITHIN 30 DAYS AFTER SERVICE OF THE NOTICE REQUIRED UNDER SUBSECTION (A)(2) OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO THE PENALTIES PRESCRIBED IN § 13-603 OF THIS ARTICLE.

12-311.

(A) A CANDIDATE WHOSE CONTESTED ELECTION COMMITTEE HAS FAILED TO FILE A REPORT OR PAY A LATE FILING FEE THAT IS DUE UNDER THIS SUBTITLE ON OR BEFORE THE DEADLINE FOR DECLINING THE NOMINATION SPECIFIED UNDER § 5-801(B) OF THIS ARTICLE MAY NOT BE ISSUED A CERTIFICATE OF NOMINATION UNDER § 5-705 OF THIS ARTICLE.

(B) A CANDIDATE WHOSE CONTESTED ELECTION COMMITTEE HAS FAILED TO FILE A REPORT OR PAY A LATE FILING FEE THAT IS DUE UNDER THIS SUBTITLE MAY NOT, UNTIL THE REPORT IS FILED OR THE LATE FILING FEE IS PAID:

(1) BE DEEMED TO BE ELECTED TO A PUBLIC OR PARTY OFFICE IN THE STATE;

(2) TAKE THE OATH OR OTHERWISE ASSUME THE DUTIES OF THE OFFICE; OR

(3) RECEIVE A SALARY OR COMPENSATION FOR THE OFFICE.

(C) AN OFFICIAL OF THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS MAY NOT ISSUE A COMMISSION OR ADMINISTER AN OATH OF OFFICE TO AN INDIVIDUAL UNTIL THAT OFFICIAL RECEIVES CERTIFICATION FROM THE STATE BOARD THAT ALL REPORTS DUE UNDER THIS SUBTITLE FROM OR ON BEHALF OF THAT INDIVIDUAL HAVE BEEN FILED.

12-312.

(A) THE STATE BOARD MAY IMPOSE A CIVIL PENALTY ON A CONTESTED ELECTION COMMITTEE IN ACCORDANCE WITH THIS SECTION FOR THE FOLLOWING VIOLATIONS:

(1) MAKING A DISBURSEMENT FOR A PURPOSE NOT RELATED TO A CONTESTED ELECTION;

(2) FAILURE TO DISPOSE OF SURPLUS FUNDS IN ACCORDANCE WITH § 12-313 OF THIS SUBTITLE;

1 **(3) FAILURE TO MAINTAIN THE RECORDS REQUIRED UNDER § 12-306**
2 **OF THIS SUBTITLE; OR**

3 **(4) FAILURE TO REPORT ALL DONATIONS, DISBURSEMENTS, AND**
4 **OUTSTANDING OBLIGATIONS AS REQUIRED UNDER § 12-308 OF THIS SUBTITLE.**

5 **(B) A CIVIL PENALTY IMPOSED UNDER THIS SECTION SHALL BE ASSESSED**
6 **IN THE AMOUNT AND IN THE MANNER SPECIFIED IN § 13-604.1 OF THIS ARTICLE.**

7 **(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A CIVIL**
8 **PENALTY IMPOSED UNDER THIS SECTION SHALL BE PAID BY THE CONTESTED**
9 **ELECTION COMMITTEE.**

10 **(2) IF THE CONTESTED ELECTION COMMITTEE HAS INSUFFICIENT**
11 **FUNDS WITH WHICH TO PAY THE FULL AMOUNT OF THE CIVIL PENALTY IN A TIMELY**
12 **MANNER, AFTER THE ACCOUNT OF THE CONTESTED ELECTION COMMITTEE IS**
13 **EXHAUSTED, THE BALANCE OF THE CIVIL PENALTY IS THE LIABILITY OF THE**
14 **TREASURER.**

15 **12-313.**

16 **(A) (1) ANY PART OF A PUBLIC CONTRIBUTION MADE TO A CONTESTED**
17 **ELECTION COMMITTEE THAT IS NOT SPENT SHALL BE REPAID TO THE APPROPRIATE**
18 **GOVERNMENT ENTITY.**

19 **(2) IN COMPUTING WHETHER PART OF A PUBLIC CONTRIBUTION IS**
20 **NOT SPENT, ALL PRIVATE CONTRIBUTIONS TO THE PERSON SHALL BE TREATED AS**
21 **SPENT BEFORE THE EXPENDITURE OF ANY PUBLIC CONTRIBUTION.**

22 **(B) AFTER REPAYING REMAINING PUBLIC CONTRIBUTIONS UNDER**
23 **SUBSECTION (A) OF THIS SECTION AND BEFORE FILING A FINAL REPORT, A**
24 **CONTESTED ELECTION COMMITTEE SHALL PAY ALL OUTSTANDING OBLIGATIONS**
25 **AND DISPOSE OF ALL ITS REMAINING ASSETS BY RETURNING THE REMAINING**
26 **BALANCE IN THE ACCOUNT OF THE CONTESTED ELECTION COMMITTEE TO THE**
27 **DONORS ON A PRO RATA BASIS.**

28 **13-233.**

29 This Part V of this subtitle does not affect the right of an individual to[:

30 **(1)] volunteer the individual's time or, for transportation incident to an**
31 **election, personal vehicle[; or**

(2) pay reasonable legal expenses associated with maintaining or contesting the results of an election].

13-505.

(a) IN THIS SECTION, "CONTESTED ELECTION COMMITTEE" MEANS A CONTESTED ELECTION COMMITTEE ESTABLISHED UNDER TITLE 12, SUBTITLE 3 OF THIS ARTICLE.

(B) (1) Subject to the provisions of this section, the governing body of a county may establish, by law, a system of public campaign financing for elective offices in the executive or legislative branches of county government.

(2) A SYSTEM OF PUBLIC FINANCING ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY INCLUDE PUBLIC FINANCING OF A CONTESTED ELECTION COMMITTEE.

[(2)] (3) When establishing a system of public campaign financing for elective offices in the executive or legislative branches of county government, the governing body of a county shall:

(i) specify the criteria that [is] ARE to be used to determine whether an individual is eligible for public campaign financing; and

(ii) provide the funding and staff necessary for the operation, administration, and auditing of the system of public campaign financing.

[(b)] (C) A system of public campaign financing enacted under subsection [(a)] (B) of this section:

(1) shall provide for participation of candidates in public campaign financing on a strictly voluntary basis;

(2) may not regulate candidates who choose not to participate in public campaign financing;

(3) shall prohibit the use of public campaign financing for any campaign except a campaign for county elective office;

(4) shall require a candidate who accepts public campaign financing to:

(i) establish a campaign finance entity solely for the campaign for county elective office; and

(ii) use funds from that campaign finance entity only for the campaign for county elective office;

1 (5) shall prohibit a candidate who accepts public campaign financing from
2 transferring funds:

3 (i) to the campaign finance entity established to finance the
4 campaign for county elective office from any other campaign finance entity established for
5 the candidate; and

6 (ii) from the campaign finance entity established to finance the
7 campaign for county elective office to any other campaign finance entity;

8 (6) shall provide for a public election fund for county elective offices that is
9 administered by the chief financial officer of the county; and

10 (7) shall be subject to regulation and oversight by the State Board to ensure
11 conformity with State law and policy to the extent practicable.

12 **[(c)] (D)** A system of public campaign financing enacted under subsection **[(a)]**
13 **(B)** of this section may:

14 (1) provide for more stringent regulation of campaign finance activity by
15 candidates who choose to accept public campaign financing, including contributions,
16 expenditures, reporting, and campaign material, than is provided for by State law; **[and]**

17 (2) provide for administrative penalties for violations, in accordance with §
18 10–202 of the Local Government Article; **AND**

19 **(3) ALLOW A PUBLICLY FINANCED CANDIDATE TO TRANSFER ANY**
20 **AMOUNT OF FUNDS FROM THE CANDIDATE’S CAMPAIGN FINANCE ENTITY TO THE**
21 **CANDIDATE’S CONTESTED ELECTION COMMITTEE.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
23 1, 2022.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.