

HOUSE BILL 536

G1
HB 1351/20 – W&M

1lr1947
CF 1lr1946

By: **Delegate Acevero**

Introduced and read first time: January 15, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Public Financing Act – State Senate and House of Delegates Candidates and**
3 **Matching Fund Revisions**

4 FOR the purpose of altering the candidates authorized to receive public contributions from
5 the Fair Campaign Financing Fund to include candidates for State Senator and
6 member of the House of Delegates; requiring the Comptroller to distribute public
7 contributions to a certain campaign finance entity established to receive public
8 contributions for certain eligible candidates; altering the frequency with which the
9 Comptroller is required to submit a certain statement to the State Board of Elections;
10 requiring the State Board to make a certain determination regarding the balance of
11 the Fund on or before a certain date in certain years; requiring the State Board to
12 provide a certain notice to the Department of Budget and Management on or before
13 a certain date under certain circumstances; requiring the Governor to include a
14 certain appropriation in the budget bill in a certain year under certain
15 circumstances; repealing certain provisions of law regarding the raising of seed
16 money by gubernatorial tickets in order to be eligible to receive a public contribution;
17 requiring certain candidates to take certain actions before receiving public
18 contributions from the Fund; authorizing certain campaign finance entities to accept
19 only certain contributions and loans; establishing requirements that must be met to
20 qualify as an eligible candidate; establishing a qualifying period for certain
21 candidates; repealing certain provisions of law governing campaign expenditure
22 limits for gubernatorial tickets that accept public contributions from the Fund;
23 requiring the State Board to authorize distribution of money in the Fund on
24 certification that certain qualifications have been met and not earlier than a certain
25 date in a certain year; requiring the State Board to distribute public contributions
26 from the Fund during the distribution period in a certain manner; establishing
27 certain limits on the total public contribution payable to eligible candidates for
28 certain elections; repealing certain provisions of law requiring that public
29 contributions be distributed in a certain manner; prohibiting the State Board from
30 distributing matching dollars for certain contributions and loans; requiring that a
31 certain eligible candidate receive a certain proportion of a certain public contribution

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



amount; authorizing an eligible candidate to withdraw under certain circumstances; altering the reasons for which public contributions may be spent to include an expenditure accompanied by a certain receipt; altering the time period within which expenses must be incurred in order to be paid using a public contribution; altering the time period within which a certain part of a public contribution is required to be repaid; providing that certain persons are civilly and criminally liable for the repayment of an unspent public contribution; requiring the State Board to authorize the repayment of certain money to the General Fund of the State from the Fund under certain circumstances; altering the provisions required to be included in certain regulations that the State Board is required to adopt; requiring a person who violates a certain provision of law in a certain manner to pay a certain civil penalty; providing that a certain infraction is a civil offense; authorizing the State Board to impose a certain civil penalty for certain violations of law; establishing procedures for the issuance, service, notice, contents, and prosecution of a certain civil citation; providing for the amount and payment of a certain civil penalty under certain circumstances; establishing certain provisions regarding a District Court proceeding relating to certain violations of law; requiring certain penalties to be distributed to the Fund; defining certain terms; providing for the application of certain provisions of this Act; altering certain defined terms and certain definitions; repealing certain defined terms; making conforming changes; and generally relating to the Public Financing Act.

BY repealing and reenacting, with amendments,

Article – Election Law

Section 13–235, 15–102, 15–103, 15–104.1, and 15–106 through 15–111

Annotated Code of Maryland

(2017 Replacement Volume and 2020 Supplement)

BY repealing

Article – Election Law

Section 15–104 and 15–105

Annotated Code of Maryland

(2017 Replacement Volume and 2020 Supplement)

BY adding to

Article – Election Law

Section 15–104, 15–105, 15–108, and 15–113

Annotated Code of Maryland

(2017 Replacement Volume and 2020 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Election Law

13–235.

(a) This section applies to the following officials:

- (1) the Governor;
- (2) the Lieutenant Governor;
- (3) the Attorney General;
- (4) the Comptroller; and
- (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:

- (1) receive a contribution;
- (2) conduct a fund-raising event;
- (3) solicit a contribution; or
- (4) deposit or use any contribution of money that was not deposited prior to the session.

(c) An official described in subsection (a) of this section, or a person acting on behalf of the official, is not subject to this section when engaged in activities solely related to the official's election to an elective federal or local office for which the official is a filed candidate.

(d) Under the Public Financing Act, a gubernatorial ticket **OR A CANDIDATE FOR STATE SENATOR OR MEMBER OF THE HOUSE OF DELEGATES**, during the year of the election only, may accept eligible private contributions and any disbursement of funds by the State Board that is based on the eligible private contributions.

(e) An official described in subsection (a) of this section, or a person acting on behalf of the official, may deposit a contribution during the legislative session if the contribution was made electronically before the start of the session.

(f) (1) As to a violation of this section, the campaign finance entity of the official in violation is liable for a civil penalty as provided in § 13–604.1 of this title.

(2) A civil penalty imposed under this subsection shall be distributed to the Fair Campaign Financing Fund established under § 15–103 of this article.

1 15–102.

2 (a) In this title the following words have the meanings indicated.

3 (b) “Comptroller” means the Comptroller of the State.

4 (c) **“CONTRIBUTION CARD” MEANS A DOCUMENT SIGNED, INCLUDING BY**
5 **ELECTRONIC SIGNATURE, BY A DONOR ATTESTING THAT THE CONTRIBUTION MADE**
6 **TO A CAMPAIGN IS MADE WITH THE PERSONAL FUNDS OF THE DONOR.**

7 [(c)] (d) **“Eligible [gubernatorial ticket] CANDIDATE”** means a gubernatorial
8 ticket, **A CANDIDATE FOR STATE SENATOR, OR A CANDIDATE FOR MEMBER OF THE**
9 **HOUSE OF DELEGATES** that qualifies to receive a public contribution.

10 [(d)] (E) **“Eligible private contribution”** means [that part of a monetary or
11 in-kind contribution or series of contributions from an individual] **A PRIVATE**
12 **CONTRIBUTION FROM A REGISTERED VOTER** that does not exceed \$250 **IN THE**
13 **AGGREGATE FOR THE ELECTION CYCLE AND IS ACCOMPANIED BY A CONTRIBUTION**
14 **CARD.**

15 [(e)] (F) **“Fund”** means the “Fair Campaign Financing Fund”.

16 [(f)] (G) **“Gubernatorial ticket”** means a Governor–Lieutenant Governor unit.

17 (H) **“PRIVATE CONTRIBUTION” MEANS A MONETARY CONTRIBUTION OR**
18 **SERIES OF MONETARY CONTRIBUTIONS FROM AN INDIVIDUAL THAT DOES NOT**
19 **EXCEED \$250 IN THE AGGREGATE FOR THE ELECTION CYCLE IN WHICH THE**
20 **CONTRIBUTION IS MADE.**

21 [(g)] (I) **“Public contribution”** means money distributed from the Fund to [a
22 gubernatorial ticket] **AN ELIGIBLE CANDIDATE** under this title.

23 [(h) **“Seed money”** means cumulative eligible private contributions equaling 10%
24 or more of the expenditure limit prescribed under § 15–105 of this title for an election.

25 (i) (1) **“Treasurer”** has the meaning stated in § 1–101 of this article.

26 (2) **“Treasurer”** includes a subtreasurer.]

27 15–103.

28 (a) There is a Fair Campaign Financing Fund.

29 (b) The Comptroller shall administer the Fund in accordance with this section.

(c) In accordance with this title, the Comptroller shall:

(1) credit to the Fund:

(i) all money collected under this title;

(ii) voluntary contributions to the Fund made electronically through the State Board's website;

(iii) fees, fines, and penalties assessed under this article or the General Provisions Article that are expressly allocated to the Fund by law;

(iv) an anonymous contribution paid to the Fund under § 13–239 of this article;

(v) an illegal contribution paid to the Fund under § 13–239.1 of this article;

(vi) surplus campaign funds paid to the Fund under § 13–247 of this article; and

(vii) contributions to the Fund made through the checkoff on the individual income tax return established under § 2–113.1 of the Tax – General Article;

(2) subject to the usual investing procedures for State funds, invest the money in the Fund; and

(3) make distributions from the Fund promptly on authorization by the State Board.

(d) The Comptroller shall distribute public contributions:

(1) only on authorization of the State Board; and

(2) as to each eligible [gubernatorial ticket] CANDIDATE, to the [same] campaign account of a single campaign finance entity established under Title 13, Subtitle 2 of this article **TO RECEIVE PUBLIC CONTRIBUTIONS**.

(e) The Comptroller shall submit a statement of the Fund's balance to the State Board [at the State Board's request and on May 15 of each year] **EACH MONTH**.

(F) (1) ON OR BEFORE JUNE 30 OF THE THIRD YEAR IMMEDIATELY PRECEDING A YEAR OF A GUBERNATORIAL ELECTION, THE STATE BOARD SHALL DETERMINE WHETHER THE BALANCE OF THE FUND IS SUFFICIENT TO PROVIDE FOR A FULL CONTRIBUTION FOR:

(I) IN A PRIMARY ELECTION:

- 1. TWO GUBERNATORIAL TICKETS;**
- 2. 47 CANDIDATES FOR STATE SENATOR; AND**
- 3. 141 CANDIDATES FOR MEMBER OF THE HOUSE OF DELEGATES; AND**

(II) IN A GENERAL ELECTION:

- 1. ONE GUBERNATORIAL TICKET;**
- 2. 47 CANDIDATES FOR STATE SENATOR; AND**
- 3. 141 CANDIDATES FOR MEMBER OF THE HOUSE OF DELEGATES.**

(2) IF THE BALANCE OF THE FUND IS DETERMINED TO BE INSUFFICIENT TO PROVIDE THE PUBLIC CONTRIBUTIONS DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) ON OR BEFORE AUGUST 1 OF THE THIRD YEAR IMMEDIATELY PRECEDING A YEAR OF A GUBERNATORIAL ELECTION, THE STATE BOARD SHALL SEND A NOTICE TO THE DEPARTMENT OF BUDGET AND MANAGEMENT OF THE AMOUNT OF MONEY NEEDED TO PROVIDE THE PUBLIC CONTRIBUTIONS DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION; AND

(II) THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL FOR THE APPROPRIATE FISCAL YEAR AN APPROPRIATION IN AN AMOUNT EQUAL TO THE AMOUNT SUBMITTED TO THE DEPARTMENT OF BUDGET AND MANAGEMENT UNDER ITEM (I) OF THIS PARAGRAPH.

[(f)] (G) To pay costs directly related to the administration of this title, the State Board may expend in each fiscal year an amount of money in the Fund that does not exceed the lesser of:

(1) 3% of the Fund's balance, as calculated on the last day of the immediately preceding fiscal year; or

(2) \$100,000.

A gubernatorial ticket is qualified to receive a public contribution for an election on the date specified by regulation adopted under this title if:

(1) the gubernatorial ticket has raised seed money;

(2) the seed money is refundable only if the gubernatorial ticket withdraws as a gubernatorial ticket; and

(3) as certified by the gubernatorial ticket's treasurer on a campaign finance report, the seed money was:

(i) raised in accordance with this title; and

(ii) received after March 1 of the year immediately preceding the year of that election.]

15-104.

(A) BEFORE RECEIVING A PRIVATE CONTRIBUTION, A GUBERNATORIAL TICKET OR CANDIDATE FOR STATE SENATOR OR MEMBER OF THE HOUSE OF DELEGATES SHALL:

(1) ON OR BEFORE THE DEADLINE TO FILE A CERTIFICATE OF CANDIDACY UNDER § 13-303 OF THIS ARTICLE, FILE WITH THE STATE BOARD A NOTICE OF INTENT TO PARTICIPATE AS A PUBLICLY FINANCED CANDIDATE FOR BOTH THE PRIMARY AND GENERAL ELECTIONS; AND

(2) ESTABLISH A CAMPAIGN FINANCE ENTITY FOR COMPLYING WITH THE REQUIREMENTS OF THIS TITLE.

(B) (1) A CAMPAIGN FINANCE ENTITY ESTABLISHED UNDER SUBSECTION (A)(2) OF THIS SECTION MAY ACCEPT ONLY:

(I) A PRIVATE CONTRIBUTION;

(II) AN ELIGIBLE PRIVATE CONTRIBUTION;

(III) A PUBLIC CONTRIBUTION; AND

(IV) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A CONTRIBUTION OR LOAN FROM THE ELIGIBLE CANDIDATE OR THE SPOUSE OF THE ELIGIBLE CANDIDATE.

(2) AN ELIGIBLE CANDIDATE OR THE SPOUSE OF AN ELIGIBLE CANDIDATE MAY NOT MAKE A CONTRIBUTION OF OR LEND A COMBINED TOTAL OF

MORE THAN \$10,000 TO THE CAMPAIGN OF THE ELIGIBLE CANDIDATE.

(C) TO QUALIFY AS AN ELIGIBLE CANDIDATE:

(1) A GUBERNATORIAL TICKET SHALL COLLECT WITHIN THE QUALIFYING PERIOD AT LEAST:

(I) 1,500 ELIGIBLE PRIVATE CONTRIBUTIONS; AND

(II) AN AGGREGATE TOTAL OF \$120,000;

(2) A CANDIDATE FOR STATE SENATOR SHALL COLLECT WITHIN THE QUALIFYING PERIOD AT LEAST:

(I) 250 ELIGIBLE PRIVATE CONTRIBUTIONS; AND

(II) AN AGGREGATE TOTAL OF \$15,000; OR

(3) A CANDIDATE FOR MEMBER OF THE HOUSE OF DELEGATES SHALL COLLECT WITHIN THE QUALIFYING PERIOD AT LEAST:

(I) 150 ELIGIBLE PRIVATE CONTRIBUTIONS; AND

(II) AN AGGREGATE TOTAL OF \$7,500.

15-105.

(A) FOR PRINCIPAL POLITICAL PARTY CANDIDATES, THE QUALIFYING PERIOD IS FROM THE FIRST DAY OF THE ELECTION CYCLE FOR A GUBERNATORIAL ELECTION UNTIL THE FIRST MONDAY IN MAY, BOTH INCLUSIVE, OF THE ELECTION YEAR.

(B) FOR ALL OTHER PARTICIPATING CANDIDATES, THE QUALIFYING PERIOD TO QUALIFY FOR THE GENERAL ELECTION ONLY IS FROM THE FIRST DAY OF THE ELECTION CYCLE FOR A GUBERNATORIAL ELECTION UNTIL THE FIRST MONDAY IN AUGUST, BOTH INCLUSIVE, OF THE ELECTION YEAR.

[15-104.1.] 15-106.

(a) 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 CANDIDATE FOR STATE SENATOR OR MEMBER OF THE HOUSE OF DELEGATES OR A PERSON ACTING ON BEHALF OF THE CANDIDATE FOR STATE SENATOR OR MEMBER OF THE HOUSE OF DELEGATES may not, for the benefit of any political committee or any

1 person required to register with the State Board under § 13–306 or § 13–307 of this article
2 or for a participating organization organized under § 13–309.2 of this article:

3 (1) solicit contributions, including the authorized use of the names or
4 images of the gubernatorial ticket **OR CANDIDATE FOR STATE SENATOR OR MEMBER**
5 **OF THE HOUSE OF DELEGATES** in the solicitation; or

6 (2) operate in coordination with any entity for fundraising activities.

7 (b) After filing a notice of intent to qualify for a public contribution under this
8 title, the members of a gubernatorial ticket **OR A CANDIDATE FOR STATE SENATOR OR**
9 **MEMBER OF THE HOUSE OF DELEGATES** may not be a member of a slate that does not
10 receive a public contribution.

11 (c) Until a final campaign finance report is filed with the State Board and any
12 remaining funds of the public contribution distributed to [a gubernatorial ticket] **AN**
13 **ELIGIBLE CANDIDATE** are repaid to the Comptroller for redeposit in the Fund in
14 accordance with [§ 15–107] **§ 15–109** of this [subtitle] **TITLE**, any authorized candidate
15 campaign committee organized under Title 13 of this article on behalf of the [members of a
16 gubernatorial ticket] **ELIGIBLE CANDIDATE** may not engage in campaign finance activity.

17 [15–105.

18 (a) (1) A gubernatorial ticket that accepts a public contribution from the Fund
19 for an election may not spend, in that election, more than the product of 30 cents, adjusted
20 annually beginning January 1, 1997, in accordance with the Consumer Price Index, times
21 the population of the State as determined under subsection (c) of this section.

22 (2) Paragraph (1) of this subsection:

23 (i) applies separately to each primary and general election; and

24 (ii) does not apply to expenditures made on behalf of a gubernatorial
25 ticket by a State or local central committee.

26 (b) The State Board shall certify the expenditure limit for each election in
27 accordance with subsection (a)(1) of this section.

28 (c) The population of the State shall be determined by the State Board as of
29 January 1 of the year of the election in accordance with the more recent of:

30 (1) the most recent decennial census of the United States; or

31 (2) any population estimate prepared for the State by the Maryland
32 Department of Health.

(d) The members of the gubernatorial ticket and, if associated with the expenditure, the responsible officers of its campaign finance entity are jointly and severally liable civilly and criminally for an expenditure made in violation of this section.]

[15-106.] **15-107.**

(a) (1) [(i)] In accordance with subsection (c) of this section **AND REGULATIONS ADOPTED BY THE STATE BOARD**, the State Board shall authorize distribution **OF MONEY IN THE FUND** on a continuing basis [of one-half of the money in the Fund to eligible gubernatorial tickets in the primary election] **TO ELIGIBLE CANDIDATES ON CERTIFICATION THAT THE QUALIFICATIONS UNDER § 15-104 OF THIS TITLE HAVE BEEN MET.**

[(ii)] **(2)** Distributions shall begin [not later than February] **NOT EARLIER THAN JANUARY 1** of the year of the election.

[(2) Promptly after the primary election, the State Board shall authorize distribution of the remaining money in the Fund in accordance with subsection (d) of this section.]

(b) If the State Board determines that there is not, or may not be, sufficient money in the Fund to provide a full public contribution to all eligible [gubernatorial tickets in a primary or general election] **CANDIDATES**, the State Board shall allocate the available money so that each eligible [gubernatorial ticket] **CANDIDATE** in that election receives a proportionate share of the full public contribution to which the [gubernatorial ticket] **ELIGIBLE CANDIDATE** otherwise would be entitled.

(c) (1) The State Board shall authorize distribution of the money that is designated for distribution [in the primary election] as provided in this subsection.

[(2) An eligible gubernatorial ticket that is opposed in the primary election shall receive \$1 in public contributions for each \$1 in eligible private contributions it has received.

(3) An eligible gubernatorial ticket that is unopposed in the primary election shall receive \$1 in public contributions for each \$3 in eligible private contributions it has received.]

(2) THE STATE BOARD SHALL DISTRIBUTE A PUBLIC CONTRIBUTION FROM THE FUND TO EACH ELIGIBLE CANDIDATE DURING THE DISTRIBUTION PERIOD AS FOLLOWS:

(I) FOR EACH GUBERNATORIAL TICKET, MATCHING DOLLARS EQUAL TO:

1 1. **\$9 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE**
2 **CONTRIBUTION RECEIVED FOR THE FIRST \$50 OF EACH ELIGIBLE PRIVATE**
3 **CONTRIBUTION;**

4 2. **\$5 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE**
5 **CONTRIBUTION RECEIVED FOR THE SECOND \$50 OF EACH ELIGIBLE PRIVATE**
6 **CONTRIBUTION;**

7 3. **\$2 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE**
8 **CONTRIBUTION RECEIVED FOR THE THIRD \$50 OF EACH ELIGIBLE PRIVATE**
9 **CONTRIBUTION; AND**

10 4. **\$0 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE**
11 **CONTRIBUTION RECEIVED FOR THE REMAINING \$100 OF EACH ELIGIBLE PRIVATE**
12 **CONTRIBUTION;**

13 **(II) FOR EACH ELIGIBLE CANDIDATE FOR STATE SENATOR,**
14 **MATCHING DOLLARS EQUAL TO:**

15 1. **\$6 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE**
16 **CONTRIBUTION RECEIVED FOR THE FIRST \$50 OF EACH ELIGIBLE PRIVATE**
17 **CONTRIBUTION;**

18 2. **\$2 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE**
19 **CONTRIBUTION RECEIVED FOR THE NEXT \$100 OF EACH ELIGIBLE PRIVATE**
20 **CONTRIBUTION; AND**

21 3. **\$0 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE**
22 **CONTRIBUTION RECEIVED FOR THE REMAINING \$100 OF EACH ELIGIBLE PRIVATE**
23 **CONTRIBUTION; OR**

24 **(III) FOR EACH ELIGIBLE CANDIDATE FOR MEMBER OF THE**
25 **HOUSE OF DELEGATES, MATCHING DOLLARS EQUAL TO:**

26 1. **\$6 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE**
27 **CONTRIBUTION RECEIVED FOR THE FIRST \$50 OF EACH ELIGIBLE PRIVATE**
28 **CONTRIBUTION;**

29 2. **\$2 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE**
30 **CONTRIBUTION RECEIVED FOR THE NEXT \$100 OF EACH ELIGIBLE PRIVATE**
31 **CONTRIBUTION; AND**

32 3. **\$0 FOR EACH DOLLAR OF AN ELIGIBLE PRIVATE**

1 CONTRIBUTION RECEIVED FOR THE REMAINING \$100 OF EACH ELIGIBLE PRIVATE
2 CONTRIBUTION.

3 (3) THE TOTAL PUBLIC CONTRIBUTION PAYABLE TO AN ELIGIBLE
4 CANDIDATE FOR EITHER A PRIMARY OR GENERAL ELECTION MAY NOT EXCEED:

5 (I) \$3,000,000 FOR A GUBERNATORIAL TICKET;

6 (II) \$150,000 FOR A CANDIDATE FOR STATE SENATOR; AND

7 (III) \$90,000 FOR A CANDIDATE FOR MEMBER OF THE HOUSE OF
8 DELEGATES.

9 (4) THE STATE BOARD MAY NOT DISTRIBUTE MATCHING DOLLARS
10 FROM THE FUND TO AN ELIGIBLE CANDIDATE FOR:

11 (I) A CONTRIBUTION OR LOANS FROM THE ELIGIBLE
12 CANDIDATE OR THE SPOUSE OF THE ELIGIBLE CANDIDATE; OR

13 (II) AN IN-KIND CONTRIBUTION OF PROPERTY, GOODS, OR
14 SERVICES.

15 (5) AN ELIGIBLE CANDIDATE THAT IS UNOPPOSED IN A PRIMARY
16 ELECTION SHALL RECEIVE ONE-THIRD OF THE PUBLIC CONTRIBUTION AMOUNT
17 THE ELIGIBLE CANDIDATE WOULD OTHERWISE BE ENTITLED TO RECEIVE.

18 [(d) (1) The State Board shall authorize distribution for the general election of
19 all money remaining in the Fund, including money remaining from the part designated for
20 the primary election, as provided in this subsection.

21 (2) Each eligible gubernatorial ticket that is a nominee shall receive an
22 equal share of the Fund.

23 (3) An eligible gubernatorial ticket may not receive a public contribution if
24 it is unopposed on the general election ballot.

25 (4) An eligible gubernatorial ticket that did not receive a public
26 contribution in the primary election may receive a public contribution in the general
27 election only if the gubernatorial ticket:

28 (i) is a nominee in the general election; and

29 (ii) did not exceed the expenditure limit for the primary election.

30 (5) The State Board shall authorize distribution of public contributions

1 promptly after the certification of primary election results.]

2 **15-108.**

3 **(A) AN ELIGIBLE CANDIDATE MAY WITHDRAW FROM PARTICIPATION AS A**
4 **PUBLICLY FUNDED CANDIDATE AT ANY TIME BEFORE A PUBLIC CONTRIBUTION IS**
5 **RECEIVED BY THE ELIGIBLE CANDIDATE'S CAMPAIGN FINANCE ENTITY.**

6 **(B) IF A PUBLIC CONTRIBUTION HAS BEEN RECEIVED BY AN ELIGIBLE**
7 **CANDIDATE'S CAMPAIGN FINANCE ENTITY, THE ELIGIBLE CANDIDATE MAY**
8 **WITHDRAW FROM PARTICIPATING IF THE ELIGIBLE CANDIDATE:**

9 **(1) FILES A STATEMENT OF WITHDRAWAL ON A FORM PRESCRIBED BY**
10 **THE STATE BOARD; AND**

11 **(2) REPAYS TO THE FUND THE FULL AMOUNT OF ANY PUBLIC**
12 **CONTRIBUTION RECEIVED, WITH INTEREST ESTABLISHED IN REGULATION BY THE**
13 **STATE BOARD.**

14 **[15-107.] 15-109.**

15 (a) A public contribution may be spent only:

16 (1) in accordance with § 13-218 of this article;

17 (2) to further the [gubernatorial ticket's] **ELIGIBLE CANDIDATE'S**
18 nomination or election;

19 (3) for expenses incurred not later than [30] **45** days after the election for
20 which the public contribution was made; [and]

21 (4) for purposes that do not violate State law; **AND**

22 **(5) FOR AN EXPENDITURE THAT IS ACCOMPANIED BY A RECEIPT.**

23 (b) An eligible [gubernatorial ticket] **CANDIDATE** may not make:

24 (1) a transfer; or

25 (2) an expenditure relating to fundraising activity by any other political
26 committee organized under this article.

27 (c) (1) Any part of a public contribution that is not spent shall be repaid to the
28 Comptroller for redeposit in the Fund not later than [60] **90** days after the election for
29 which the public contribution was made.

(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.

(d) The [members of a gubernatorial ticket] **ELIGIBLE CANDIDATE** and the responsible officers of [its] **THE** campaign finance entity **THAT RECEIVED A PUBLIC CONTRIBUTION** are jointly and severally personally liable **CIVILLY AND CRIMINALLY** for repaying to the Comptroller any part of a public contribution that is not spent or that was spent in violation of subsection (a) of this section.

[15-108.] **15-110.**

(A) [Any] **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ANY** balance in the Fund after a gubernatorial election shall remain in the Fund for the purposes of this title.

(B) **IF GENERAL FUNDS ARE APPROPRIATED TO THE FUND UNDER § 15-103(F)(2) OF THIS TITLE, THE STATE BOARD SHALL AUTHORIZE REPAYMENT TO THE GENERAL FUND OF THE STATE OF THE AMOUNT THAT EXCEEDS THE AMOUNT NECESSARY TO PROVIDE FOR A FULL CONTRIBUTION FOR ELIGIBLE CANDIDATES DESCRIBED UNDER § 15-103(F)(1) OF THIS TITLE.**

[15-109.] **15-111.**

(a) (1) Subject to § 15-103 of this title, the State Board shall administer this title.

(2) The State Board may request the assistance of the Comptroller to administer this title.

(b) (1) The State Board shall adopt comprehensive regulations to implement this title.

(2) The regulations shall include provisions relating to:

(i) [the manner and deadline for a gubernatorial ticket to notify the State Board of its intention to qualify for a public contribution;

(ii)] the deadline for [a gubernatorial ticket] **AN ELIGIBLE CANDIDATE** to submit a request for a public contribution;

[(iii)] **(II)** the dates when the State Board will authorize, and the Comptroller will make, distributions of public contributions to [gubernatorial tickets] **ELIGIBLE CANDIDATES** in accordance with this title;

1 [(iv)] (III) a proportionate distribution when there is not, or may not
2 be, sufficient money in the Fund;

3 [(v)] a formula for distributing a supplementary public contribution
4 to the other eligible gubernatorial tickets if additional money becomes available because:

5 1. an eligible gubernatorial ticket fails to request a public
6 contribution;

7 2. an eligible gubernatorial ticket withdraws as a
8 gubernatorial ticket; or

9 3. an eligible gubernatorial ticket is disqualified;

10 (vi) the standards by which expenditures by campaign finance
11 entities with which an eligible gubernatorial ticket is affiliated are applied to the
12 expenditure limit prescribed in § 15–105 of this title;

13 [(vii)] (IV) thresholds for in-kind contributions that are not
14 considered contributions or expenditures for the purposes of this title;

15 [(viii)] (V) distributions to[:

16 1. an unopposed gubernatorial ticket;

17 2. a gubernatorial ticket composed of members from other
18 than the two principal political parties; and

19 3.] a write-in gubernatorial ticket; and

20 [(ix)] (VI) the purposes for which a public contribution may not be
21 used.

22 [15–110.] **15–112.**

23 A person who violates this title is guilty of a misdemeanor and on conviction is
24 subject to a fine not exceeding \$5,000 or imprisonment not exceeding 1 year or both for each
25 violation.

26 **15–113.**

27 (A) IN THIS SECTION, “PERSON” INCLUDES A POLITICAL COMMITTEE.

28 (B) (1) A PERSON WHO VIOLATES A PROVISION OF THIS TITLE WITHOUT
29 KNOWING THAT THE ACT IS ILLEGAL SHALL PAY A CIVIL PENALTY IN ACCORDANCE

1 WITH THIS SECTION.

2 (2) AN INFRACTION DESCRIBED IN PARAGRAPH (1) OF THIS
3 SUBSECTION IS A CIVIL OFFENSE.

4 (3) THIS SECTION DOES NOT APPLY TO A VIOLATION OF ANOTHER
5 SECTION IN WHICH A PENALTY IS EXPRESSLY PROVIDED.

6 (C) (1) THIS SUBSECTION APPLIES ONLY TO VIOLATIONS COMMITTED, AS
7 APPLICABLE, BY:

8 (I) THE ELIGIBLE CANDIDATE;

9 (II) THE ELIGIBLE CANDIDATE'S CAMPAIGN FINANCE ENTITY;

10 (III) THE CHAIRMAN OF THE ELIGIBLE CANDIDATE'S CAMPAIGN
11 FINANCE ENTITY;

12 (IV) THE TREASURER OF THE ELIGIBLE CANDIDATE'S CAMPAIGN
13 FINANCE ENTITY; OR

14 (V) A PERSON ACTING ON BEHALF OF A PERSON LISTED IN ITEM
15 (I), (II), (III), OR (IV) OF THIS PARAGRAPH.

16 (2) THE STATE BOARD MAY IMPOSE A CIVIL PENALTY IN
17 ACCORDANCE WITH THIS SECTION FOR THE FOLLOWING VIOLATIONS:

18 (I) MAKING A DISBURSEMENT IN A MANNER NOT AUTHORIZED
19 UNDER § 13-218(B)(2), (C), AND (D) OF THIS ARTICLE;

20 (II) FAILURE TO MAINTAIN A CAMPAIGN BANK ACCOUNT AS
21 REQUIRED UNDER § 13-220(A) OF THIS ARTICLE;

22 (III) MAKING A DISBURSEMENT BY A METHOD NOT AUTHORIZED
23 UNDER § 13-220(D) OF THIS ARTICLE;

24 (IV) FAILURE TO MAINTAIN DETAILED AND ACCURATE ACCOUNT
25 BOOKS AND RECORDS AS REQUIRED UNDER § 13-221 OF THIS ARTICLE;

26 (V) FUND-RAISING DURING THE GENERAL ASSEMBLY SESSION
27 IN A MANNER NOT AUTHORIZED IN § 13-235 OF THIS ARTICLE;

28 (VI) FAILURE TO REPORT ALL CONTRIBUTIONS RECEIVED AND

1 EXPENDITURES MADE AS REQUIRED IN § 13-304(B) OF THIS ARTICLE;

2 (VII) FAILURE TO INCLUDE AN AUTHORITY LINE ON CAMPAIGN
3 MATERIAL AS REQUIRED IN § 13-401 OF THIS ARTICLE; OR

4 (VIII) FAILURE TO RETAIN A COPY OF CAMPAIGN MATERIAL AS
5 REQUIRED IN § 13-403 OF THIS ARTICLE.

6 (D) A CIVIL PENALTY IMPOSED UNDER THIS SECTION FOR A VIOLATION
7 SPECIFIED IN SUBSECTION (C) OF THIS SECTION IS IN ADDITION TO ANY OTHER
8 SANCTION PROVIDED BY LAW.

9 (E) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE OR AS
10 PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE AMOUNT OF A CIVIL
11 PENALTY IMPOSED UNDER THIS SECTION MAY NOT EXCEED \$1,000 FOR EACH
12 VIOLATION.

13 (2) AS TO A VIOLATION OF § 13-235 OF THIS ARTICLE, THE CAMPAIGN
14 FINANCE ENTITY THAT RECEIVES A CONTRIBUTION AS A RESULT OF A VIOLATION
15 SHALL:

16 (I) REFUND THE CONTRIBUTION TO THE CONTRIBUTOR; AND

17 (II) PAY A CIVIL PENALTY THAT EQUALS \$1,000 PLUS THE
18 AMOUNT OF THE CONTRIBUTION, UNLESS THE STATE BOARD AT ITS DISCRETION
19 ASSESSES A LESSER PENALTY FOR GOOD CAUSE.

20 (F) THE CIVIL PENALTY IS PAYABLE TO THE STATE BOARD BY THE PERSON
21 CHARGED IN A CITATION WITHIN 20 CALENDAR DAYS AFTER SERVICE OF THE
22 CITATION.

23 (G) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, A
24 CIVIL PENALTY IMPOSED UNDER THIS SECTION SHALL BE PAID BY THE CAMPAIGN
25 FINANCE ENTITY.

26 (2) IF THE CAMPAIGN FINANCE ENTITY HAS INSUFFICIENT FUNDS
27 WITH WHICH TO PAY THE FULL AMOUNT OF THE CIVIL PENALTY IN A TIMELY
28 MANNER, AFTER THE CAMPAIGN ACCOUNT OF THE FINANCE ENTITY IS EXHAUSTED
29 THE BALANCE OF THE CIVIL PENALTY IS THE JOINT AND SEVERAL LIABILITY OF THE
30 RESPONSIBLE OFFICERS.

31 (3) IF A VIOLATION IS COMMITTED BY A PERSON NOT ACTING ON
32 BEHALF OF, OR AT THE REQUEST OR SUGGESTION OF, A CANDIDATE OR A CAMPAIGN

1 FINANCE ENTITY, THE CIVIL PENALTY SHALL BE PAID BY THE PERSON WHO
2 COMMITTED THE VIOLATION.

3 (H) THE STATE BOARD MAY ISSUE A CITATION TO ANY PERSON THE STATE
4 BOARD BELIEVES IS COMMITTING OR HAS COMMITTED A VIOLATION SPECIFIED IN
5 SUBSECTION (C) OF THIS SECTION.

6 (I) THE CITATION SHALL BE SERVED ON THE DEFENDANT IN ACCORDANCE
7 WITH THE MARYLAND RULES.

8 (J) THE CITATION SHALL CONTAIN:

9 (1) THE CERTIFICATION BY THE STATE BOARD ATTESTING TO THE
10 TRUTH OF THE MATTER SET FORTH IN THE CITATION;

11 (2) THE NAME AND ADDRESS OF THE PERSON CHARGED;

12 (3) THE NATURE, TIME, AND PLACE OF THE VIOLATION;

13 (4) THE MANNER IN WHICH THE VIOLATION OCCURRED;

14 (5) THE AMOUNT OF THE PENALTY ASSESSED;

15 (6) THE MANNER, TIME, AND LOCATION TO PAY THE PENALTY;

16 (7) A STATEMENT THAT THE PERSON RECEIVING THE CITATION HAS A
17 RIGHT TO TRIAL IN THE DISTRICT COURT; AND

18 (8) THE EFFECT OF FAILING TO PAY THE ASSESSED FINE OR OF
19 FAILING TO DEMAND A TRIAL WITHIN THE PRESCRIBED TIME.

20 (K) (1) A PERSON CHARGED IN A CITATION MAY ELECT TO STAND TRIAL
21 FOR THE VIOLATION BY NOTIFYING THE STATE BOARD IN WRITING OF THE
22 PERSON'S INTENT TO STAND TRIAL.

23 (2) THE WRITTEN NOTICE SHALL BE GIVEN AT LEAST 5 DAYS BEFORE
24 THE DATE OF PAYMENT AS SET FORTH IN THE CITATION.

25 (L) (1) ON RECEIPT OF THE WRITTEN NOTICE OF INTENT TO STAND
26 TRIAL, THE STATE BOARD SHALL FORWARD TO THE STATE PROSECUTOR A COPY OF
27 THE CITATION AND THE WRITTEN NOTICE.

28 (2) THE STATE PROSECUTOR SHALL FORWARD TO THE DISTRICT

COURT HAVING VENUE A COPY OF THE CITATION AND THE WRITTEN NOTICE.

(3) ON RECEIPT OF THE CITATION AND THE WRITTEN NOTICE:

(I) THE STATE PROSECUTOR SHALL ASSUME RESPONSIBILITY FOR PROSECUTING THE VIOLATION; AND

(II) THE DISTRICT COURT SHALL SCHEDULE THE CASE FOR TRIAL, NOTIFY THE DEFENDANT OF THE TRIAL DATE, AND SUMMON THE DEFENDANT TO APPEAR.

(M) (1) IF A PERSON CHARGED IN A CITATION FAILS TO PAY THE PENALTY BY THE DATE OF PAYMENT SET FORTH IN THE CITATION AND FAILS TO DELIVER TO THE STATE BOARD THE WRITTEN NOTICE OF INTENT TO STAND TRIAL, THE PERSON IS LIABLE FOR THE ASSESSED PENALTY.

(2) THE STATE PROSECUTOR, ON BEHALF OF THE STATE BOARD, MAY DOUBLE THE PENALTY TO AN AMOUNT NOT TO EXCEED \$2,000 AND REQUEST ADJUDICATION OF THE CASE THROUGH THE DISTRICT COURT BY FILING A DEMAND FOR JUDGMENT ON AFFIDAVIT.

(N) THE DEFENDANT'S FAILURE TO RESPOND TO THE SUMMONS OF THE DISTRICT COURT SHALL RESULT IN THE ENTRY OF JUDGMENT AGAINST THE DEFENDANT IN FAVOR OF THE STATE BOARD IN THE AMOUNT SET FORTH IN THE CITATION IF A PROPER DEMAND FOR JUDGMENT ON AFFIDAVIT HAS BEEN MADE.

(O) IF A PERSON IS FOUND BY THE DISTRICT COURT TO HAVE COMMITTED A VIOLATION:

(1) (I) THE DISTRICT COURT SHALL ORDER THE PERSON TO PAY THE PENALTY SET FORTH IN THE CITATION AND MAY DOUBLE THE AMOUNT OF THE PENALTY TO AN AMOUNT NOT TO EXCEED \$2,000;

(II) THE PENALTY IMPOSED SHALL CONSTITUTE A JUDGMENT IN FAVOR OF THE STATE BOARD; AND

(III) IF THE PENALTY REMAINS UNPAID FOR 30 DAYS FOLLOWING THE DATE OF ITS ENTRY, THE JUDGMENT SHALL BE ENFORCEABLE IN THE SAME MANNER AND TO THE SAME EXTENT AS OTHER CIVIL JUDGMENTS FOR MONEY UNLESS THE COURT HAS SUSPENDED OR DEFERRED PAYMENT OF THE PENALTY AS PROVIDED IN ITEM (2) OF THIS SUBSECTION;

(2) THE DISTRICT COURT MAY SUSPEND OR DEFER THE PAYMENT OF

1 ANY PENALTY UNDER CONDITIONS THAT THE COURT SETS;

2 (3) THE DEFENDANT SHALL BE LIABLE FOR THE COSTS OF THE
3 PROCEEDINGS IN THE DISTRICT COURT; AND

4 (4) THE DISTRICT COURT MAY ORDER THE PERSON TO ABATE THE
5 VIOLATION.

6 (P) IF A DEFENDANT FAILS TO PAY ANY PENALTY OR COST IMPOSED BY THE
7 DISTRICT COURT WITHOUT GOOD CAUSE, THE DISTRICT COURT MAY PUNISH THE
8 FAILURE AS CONTEMPT OF COURT.

9 (Q) ADJUDICATION OF A VIOLATION UNDER THIS SECTION:

10 (1) IS NOT A CRIMINAL CONVICTION; AND

11 (2) DOES NOT IMPOSE ANY OF THE CIVIL DISABILITIES THAT ARISE
12 FROM A CRIMINAL CONVICTION.

13 (R) IN A DISTRICT COURT PROCEEDING RELATING TO A VIOLATION UNDER
14 THIS SECTION:

15 (1) THE STATE PROSECUTOR HAS THE BURDEN TO PROVE THAT THE
16 DEFENDANT HAS COMMITTED THE VIOLATION BY CLEAR AND CONVINCING
17 EVIDENCE;

18 (2) THE DISTRICT COURT SHALL APPLY THE EVIDENTIARY
19 STANDARDS AS PROVIDED BY LAW OR RULE FOR THE TRIAL OF CIVIL CAUSES;

20 (3) THE DISTRICT COURT SHALL ENSURE THAT THE DEFENDANT HAS
21 RECEIVED A COPY OF THE CHARGES AGAINST THE DEFENDANT AND THAT THE
22 DEFENDANT UNDERSTANDS THOSE CHARGES;

23 (4) THE DEFENDANT MAY CROSS-EXAMINE ALL WITNESSES WHO
24 APPEAR AGAINST THE DEFENDANT, PRODUCE EVIDENCE OR WITNESSES IN THE
25 DEFENDANT'S OWN BEHALF, OR TESTIFY IN THE DEFENDANT'S OWN BEHALF;

26 (5) THE DEFENDANT SHALL BE ENTITLED TO BE REPRESENTED BY
27 COUNSEL OF THE DEFENDANT'S OWN SELECTION AND AT THE DEFENDANT'S OWN
28 EXPENSE;

29 (6) THE DEFENDANT MAY ENTER A PLEA OF GUILTY OR NOT GUILTY
30 OF THE VIOLATION AS CHARGED; AND

1 **(7) THE VERDICT OF THE DISTRICT COURT SHALL BE GUILTY OF A**
2 **VIOLATION OR NOT GUILTY OF A VIOLATION, OR THE DISTRICT COURT MAY, BEFORE**
3 **RENDERING JUDGMENT, PLACE THE DEFENDANT ON PROBATION.**

4 **(S) PENALTIES COLLECTED UNDER THIS SECTION SHALL BE DISTRIBUTED**
5 **TO THE FAIR CAMPAIGN FINANCING FUND ESTABLISHED UNDER § 15–103 OF THIS**
6 **TITLE.**

7 **[15–111.] 15–114.**

8 This title is the Public Financing Act.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2021.