

HOUSE BILL 1363

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By: **Delegates Mosby, Tarlau, Ali, Barron, Glenn, Haynes, Kelly, Korman, Lewis, McCray, Moon, Morales, Oaks, Pena-Melnyk, Platt, Robinson, Rosenberg, and M. Washington**

Introduced and read first time: February 10, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Small Donor Incentive Act**

3 FOR the purpose of establishing a system of public financing of campaigns for candidates
4 for election to the General Assembly; establishing certain powers and duties of the
5 Campaign Finance Division in the State Board of Elections; requiring a candidate
6 who seeks to qualify for public financing to file a certain notice, establish a certain
7 campaign account, collect certain qualifying contributions, and submit certain
8 information to the Division; establishing certain procedures governing a
9 determination by the Division as to whether a candidate qualifies for public
10 financing; establishing certain requirements and procedures concerning a
11 participating candidate's publicly funded campaign account; prohibiting a
12 participating candidate from being a member of a slate, except under certain
13 circumstances; requiring that certain eligible contributions be matched in a certain
14 manner with money from the Fair Campaign Financing Fund; establishing certain
15 limits on the total amount of matching funds a candidate may receive; authorizing
16 the Division to alter certain qualifying contributions requirements and matching
17 funds limits based on inflation by regulation after a certain date; authorizing a
18 participating candidate to choose an alternative apportionment of the matching
19 funds limits established for the candidate; prohibiting a candidate whose election is
20 uncontested from receiving matching funds; requiring the Division to authorize the
21 disbursement of matching funds at certain times; requiring that matching funds be
22 used only for certain elections; requiring a participating candidate to return to the
23 Fund matching funds not expended on certain elections; authorizing a candidate
24 nominated by petition to receive matching funds under certain circumstances;
25 requiring a candidate who opts out of public financing to take certain actions and
26 pay a certain penalty; providing that this Act may not be construed to prohibit a
27 political party from using its funds for certain expenses; providing for judicial review
28 of actions of the Division; prohibiting certain conduct and establishing certain civil
29 and criminal penalties for certain violations; requiring the Comptroller to credit

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



certain money to the Fund and make certain distributions from the Fund; requiring the State Board to adopt certain regulations; requiring the Governor to include in the State budget a certain appropriation annually beginning in a certain fiscal year; altering a certain exception to the prohibition on campaign fund-raising by certain officials during the General Assembly session; defining certain terms; providing that certain captions included in this Act are not law; making the provisions of this Act severable; and generally relating to public financing of elections.

BY repealing and reenacting, with amendments,
Article – Election Law
Section 13–235 and 15–103
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

BY adding to
Article – Election Law
Section 15.5–101 through 15.5–114 to be under the new title “Title 15.5. Maryland
Small Donor Incentive Act”
Annotated Code of Maryland
(2010 Replacement Volume and 2016 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, 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) UNDER THE MARYLAND SMALL DONOR INCENTIVE ACT, A PARTICIPATING CANDIDATE MAY ACCEPT QUALIFYING CONTRIBUTIONS, ELIGIBLE CONTRIBUTIONS, AND ANY MATCHING FUNDS DISBURSED BY THE CAMPAIGN FINANCE DIVISION IN THE STATE BOARD THAT ARE BASED ON THE ELIGIBLE CONTRIBUTIONS.

[(e)] (F) 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)] (G) (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.

15-103.

(a) There is a Fair Campaign Financing Fund.

(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 **AND TITLE 15.5 OF THIS ARTICLE;**

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

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

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

(VII) MONEY APPROPRIATED TO THE FUND UNDER SUBSECTION (H) OF THIS SECTION;

(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:

(I) the State Board FOR A DISTRIBUTION MADE UNDER THIS TITLE; OR

(II) THE CAMPAIGN FINANCE DIVISION OF THE STATE BOARD FOR A DISTRIBUTION MADE UNDER TITLE 15.5 OF THIS ARTICLE.

(d) The Comptroller shall distribute public contributions:

(1) only on authorization of:

(I) the State Board FOR A DISTRIBUTION MADE UNDER THIS TITLE; OR

(II) THE CAMPAIGN FINANCE DIVISION IN THE STATE BOARD FOR A DISTRIBUTION MADE UNDER TITLE 15.5 OF THIS ARTICLE; [and]

(2) as to each eligible gubernatorial ticket, to the same campaign account of a single campaign finance entity established under Title 13, Subtitle 2 of this article; AND

(3) AS TO EACH PARTICIPATING CANDIDATE RECEIVING PUBLIC CONTRIBUTIONS UNDER TITLE 15.5 OF THIS ARTICLE, TO THE PUBLICLY FUNDED

**CAMPAIGN ACCOUNT OF THE CAMPAIGN FINANCE ENTITY ESTABLISHED UNDER
TITLE 13, SUBTITLE 2 OF THIS ARTICLE FOR THE CANDIDATE.**

(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.

(f) 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.

**(G) THE STATE BOARD SHALL ADOPT REGULATIONS REGARDING THE
DISTRIBUTION OF PUBLIC CONTRIBUTIONS FROM THE FUND TO ELIGIBLE
GUBERNATORIAL TICKETS UNDER THIS TITLE AND TO PARTICIPATING CANDIDATES
FOR ELECTION TO THE GENERAL ASSEMBLY UNDER TITLE 15.5 OF THIS ARTICLE
ON A FIRST-COME, FIRST-SERVED BASIS.**

**(H) BEGINNING WITH FISCAL YEAR 2019, AND FOR EACH FISCAL YEAR
THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN
APPROPRIATION OF \$1,000,000 TO THE FUND TO BE DISTRIBUTED AS PUBLIC
CONTRIBUTIONS UNDER TITLE 15.5 OF THIS ARTICLE.**

TITLE 15.5. MARYLAND SMALL DONOR INCENTIVE ACT.

15.5-101. DEFINITIONS.

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

(B) "COMPTROLLER" MEANS THE STATE COMPTROLLER OF THE TREASURY.

(C) "CONSTITUENCY" MEANS THE DISTRICT THE CANDIDATE SEEKS TO REPRESENT.

(D) "DIVISION" MEANS THE CAMPAIGN FINANCE DIVISION IN THE STATE BOARD OF ELECTIONS.

(E) (1) “ELIGIBLE CONTRIBUTION” MEANS A CONTRIBUTION OR SERIES OF CONTRIBUTIONS NOT EXCEEDING \$250 FROM A SINGLE INDIVIDUAL RESIDING IN A CANDIDATE’S CONSTITUENCY.

(2) “ELIGIBLE CONTRIBUTION” DOES NOT INCLUDE A CONTRIBUTION FROM ANY OF THE FOLLOWING:

(I) A BUSINESS ENTITY;

(II) A POLITICAL PARTY;

(III) A REGULATED LOBBYIST;

(IV) THE CAMPAIGN FINANCE ENTITY OF A CANDIDATE;

(V) A POLITICAL ACTION COMMITTEE; OR

(VI) ANY OTHER POLITICAL COMMITTEE.

(F) “FUND” MEANS THE FAIR CAMPAIGN FINANCING FUND ESTABLISHED UNDER § 15–103 OF THIS ARTICLE.

(G) “MATCHING FUNDS” MEANS MONEY DISBURSED FROM THE FUND TO A PARTICIPATING CANDIDATE IN ACCORDANCE WITH THE PROVISIONS OF THIS TITLE.

(H) “PARTICIPATING CANDIDATE” MEANS A CANDIDATE WHO IS DETERMINED BY THE DIVISION TO BE ELIGIBLE TO RECEIVE MATCHING FUNDS UNDER THIS TITLE.

(I) (1) “QUALIFYING CONTRIBUTION” MEANS THAT PART OF A CONTRIBUTION OR SERIES OF CONTRIBUTIONS FROM A SINGLE INDIVIDUAL RESIDING IN A CANDIDATE’S CONSTITUENCY THAT DOES NOT EXCEED \$250.

(2) “QUALIFYING CONTRIBUTION” DOES NOT INCLUDE A CONTRIBUTION FROM ANY OF THE FOLLOWING:

(I) A BUSINESS ENTITY;

(II) A POLITICAL PARTY;

(III) A REGULATED LOBBYIST;

(IV) THE CAMPAIGN FINANCE ENTITY OF A CANDIDATE;

(V) A POLITICAL ACTION COMMITTEE; OR

(VI) ANY OTHER POLITICAL COMMITTEE.

15.5–102. POWERS AND DUTIES OF THE DIVISION.

(A) THE DIVISION SHALL:

(1) MANAGE AND SUPERVISE THE SYSTEM OF PUBLIC FINANCING OF ELECTIONS ESTABLISHED UNDER THIS TITLE;

(2) ADOPT REGULATIONS AS NECESSARY TO EFFECT THE PURPOSES OF THIS TITLE;

(3) ENSURE THAT THE SYSTEM OF PUBLIC FINANCING OF ELECTIONS:

(I) ACCOMMODATES QUALIFYING CANDIDATES ON A FIRST-COME, FIRST-SERVED BASIS;

(II) ESTABLISHES AN INITIAL LIMIT ON THE NUMBER OF PARTICIPATING CANDIDATES DURING AN ELECTION CYCLE; AND

(III) ALLOWS FOR AN INCREASE OR A DECREASE IN THE NUMBER OF PARTICIPATING CANDIDATES DURING THE ELECTION CYCLE IN CORRELATION TO THE AMOUNT OF MONEY IN THE FUND;

(4) DEVELOP AS PART OF THE CAMPAIGN FINANCE DATABASE AN ELECTRONIC DATABASE THAT IS ACCESSIBLE TO THE PUBLIC ON THE INTERNET AND THAT CONTAINS THE INFORMATION NECESSARY FOR THE PROPER ADMINISTRATION OF THIS TITLE, INCLUDING:

(I) CONTRIBUTIONS TO AND EXPENDITURES BY PARTICIPATING CANDIDATES AND THEIR AUTHORIZED CAMPAIGN FINANCE ENTITIES; AND

(II) MATCHING FUNDS FROM THE FUND THAT ARE DISBURSED TO PARTICIPATING CANDIDATES;

(5) PROVIDE FORMS AND ELECTRONIC SOFTWARE AS NECESSARY TO ENSURE COMPLIANCE WITH THIS TITLE;

(6) DEVELOP AN EDUCATION PROGRAM THAT INCLUDES INFORMATIONAL MATERIALS AND COMPLIANCE MANUALS TO INFORM CANDIDATES AND THE PUBLIC ABOUT THE PURPOSE AND EFFECT OF THIS TITLE; AND

(7) PROVIDE A WRITTEN REPORT AFTER EACH ELECTION CYCLE TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THAT INCLUDES:

(I) AN EVALUATION OF THIS TITLE AND ITS EFFECT ON PARTICIPATING CANDIDATES;

(II) ANY RECOMMENDATIONS TO IMPROVE THIS TITLE;

(III) A DETAILED SUMMARY REGARDING QUALIFYING CONTRIBUTIONS AND ANY BENEFITS RECEIVED OR EXPERIENCED BY PARTICIPATING CANDIDATES;

(IV) EXPENDITURES MADE BY PARTICIPATING CANDIDATES; AND

(V) ANY OTHER INFORMATION THE DIVISION DETERMINES TO BE APPROPRIATE.

(B) THE DIVISION MAY:

(1) EMPLOY STAFF, INCLUDING LEGAL COUNSEL, SUFFICIENT TO PERFORM THE FUNCTIONS OF THE DIVISION UNDER THIS TITLE;

(2) INVESTIGATE MATTERS GOVERNED BY THIS TITLE;

(3) PUBLICIZE THE NAMES OF CANDIDATES WHO VIOLATE THIS TITLE;

(4) ON WRITTEN REQUEST OF A CANDIDATE, A CAMPAIGN FINANCE ENTITY, OR A MEMBER OF THE PUBLIC, RENDER A WRITTEN PUBLIC ADVISORY OPINION REGARDING QUESTIONS THAT ARISE UNDER THIS TITLE;

(5) CONDUCT RANDOM AUDITS OF PARTICIPATING CANDIDATES TO ENSURE COMPLIANCE WITH THIS TITLE;

(6) SUBPOENA DOCUMENTS FROM ANY CANDIDATE OR CAMPAIGN FINANCE ENTITY SUBJECT TO THIS ARTICLE;

(7) IMPOSE FINES AND PENALTIES FOR VIOLATIONS OF THIS TITLE AS SPECIFICALLY PROVIDED IN THIS TITLE;

(8) BE A PARTY TO OR OTHERWISE PARTICIPATE IN ANY CIVIL OR CRIMINAL ACTION FILED FOR A VIOLATION OF THIS TITLE; AND

(9) SEEK AN INJUNCTION IN AN APPROPRIATE COURT IF:

(I) THERE IS A SUBSTANTIAL LIKELIHOOD THAT A VIOLATION OF THIS TITLE IS OCCURRING OR IS ABOUT TO OCCUR;

(II) FAILURE TO ACT IN AN EXPEDITIOUS MANNER WILL RESULT IN IRREPARABLE HARM TO A PARTY AFFECTED BY THE POTENTIAL VIOLATION;

(III) EXPEDITIOUS ACTION WILL NOT CAUSE UNDUE HARM OR PREJUDICE TO THE INTEREST OF ANY OTHER PERSON; AND

(IV) THE PUBLIC INTEREST WILL BE BEST SERVED BY THE ISSUANCE OF THE INJUNCTION.

15.5–103. INTENT TO QUALIFY FOR PUBLIC FINANCING.

A CANDIDATE WHO SEEKS TO QUALIFY FOR PUBLIC FINANCING UNDER THIS TITLE SHALL:

(1) FILE NOTICE OF THE CANDIDATE'S INTENT WITH THE DIVISION NO LATER THAN FEBRUARY 15 OF THE YEAR OF THE ELECTION; AND

(2) BEFORE RAISING ANY CONTRIBUTION GOVERNED BY THIS TITLE, ESTABLISH A PUBLICLY FUNDED CAMPAIGN ACCOUNT FOR THE PURPOSE OF RECEIVING CONTRIBUTIONS AND MAKING EXPENDITURES IN ACCORDANCE WITH THE REQUIREMENTS OF THIS ARTICLE.

15.5–104. QUALIFYING CONTRIBUTIONS.

(A) (1) TO QUALIFY AS A PARTICIPATING CANDIDATE AND BE ELIGIBLE FOR MATCHING FUNDS FROM THE FUND:

(I) A CANDIDATE FOR ELECTION TO THE SENATE OF MARYLAND SHALL COLLECT AT LEAST \$15,000 OF QUALIFYING CONTRIBUTIONS FROM AT LEAST 200 INDIVIDUALS; OR

(II) A CANDIDATE FOR ELECTION TO THE HOUSE OF DELEGATES SHALL COLLECT AT LEAST \$5,000 OF QUALIFYING CONTRIBUTIONS FROM AT LEAST 100 INDIVIDUALS.

(2) THE DIVISION SHALL ALTER, BY REGULATION, THE AMOUNT OF QUALIFYING CONTRIBUTIONS SET FORTH IN THIS SUBSECTION FOR THE ELECTION CYCLE BEGINNING JANUARY 1, 2023, AND FOR EACH SUBSEQUENT ELECTION CYCLE, BASED ON THE RATE OF INFLATION IN THE JUST-CONCLUDED ELECTION CYCLE.

(B) A CANDIDATE WHO SEEKS TO BECOME A PARTICIPATING CANDIDATE SHALL DEPOSIT ALL QUALIFYING CONTRIBUTIONS RECEIVED IN THE CANDIDATE'S PUBLICLY FUNDED CAMPAIGN ACCOUNT.

(C) FOR EACH QUALIFYING CONTRIBUTION A CANDIDATE RECEIVES, THE CANDIDATE SHALL RETAIN A RECEIPT THAT INCLUDES:

(1) THE PRINTED NAME OF THE CONTRIBUTOR;

(2) THE ADDRESS OF THE CONTRIBUTOR; AND

(3) A SIGNED STATEMENT BY WHICH THE CONTRIBUTOR ATTESTS THAT THE CONTRIBUTOR UNDERSTANDS THE PURPOSE OF THE CONTRIBUTION AND THAT THE CONTRIBUTION WAS MADE WITHOUT COERCION OR REIMBURSEMENT.

(D) A CANDIDATE MAY COLLECT QUALIFYING CONTRIBUTIONS ONLY DURING THE PERIOD THAT:

(1) BEGINS ON SEPTEMBER 1 IN THE YEAR PRECEDING THE PRIMARY ELECTION FOR THE OFFICE THE CANDIDATE SEEKS; AND

(2) ENDS ON THE DAY THAT IS 45 DAYS BEFORE THE DATE OF THE PRIMARY ELECTION FOR THE OFFICE THAT THE CANDIDATE SEEKS.

15.5–105. QUALIFICATION OF CANDIDATE.

(A) THE DIVISION SHALL REVIEW AND MAKE A DETERMINATION WHETHER TO CERTIFY A CANDIDATE AS A PARTICIPATING CANDIDATE NO LATER THAN 15 DAYS AFTER RECEIPT OF THE FOLLOWING INFORMATION FROM THE CANDIDATE:

(1) A DECLARATION THAT THE CANDIDATE WILL ABIDE BY THE REGULATIONS AND POLICIES OF THE DIVISION; AND

1 **(2) A CAMPAIGN FINANCE REPORT THAT INCLUDES:**

2 **(I) ALL QUALIFYING CONTRIBUTIONS AND OTHER**
3 **CONTRIBUTIONS RECEIVED BY THE CANDIDATE;**

4 **(II) ALL EXPENDITURES MADE BY THE CANDIDATE; AND**

5 **(III) ALL RECEIPTS ASSOCIATED WITH THOSE CONTRIBUTIONS**
6 **AND EXPENDITURES.**

7 **(B) A CANDIDATE CERTIFIED BY THE DIVISION AS A PARTICIPATING**
8 **CANDIDATE IS ELIGIBLE TO RECEIVE THE MATCHING FUNDS SPECIFIED UNDER THIS**
9 **TITLE FOR THE OFFICE THE CANDIDATE SEEKS.**

10 **(C) FOR ANY ELECTION, A CANDIDATE MAY SUBMIT AN APPLICATION TO**
11 **THE DIVISION TO QUALIFY FOR PUBLIC FINANCING UNDER THIS TITLE ONLY ONCE.**

12 **(D) A DETERMINATION BY THE DIVISION AS TO WHETHER A CANDIDATE IS**
13 **ELIGIBLE FOR PUBLIC FINANCING:**

14 **(1) IS FINAL; AND**

15 **(2) IS NOT SUBJECT TO JUDICIAL REVIEW.**

16 **15.5–106. PUBLICLY FUNDED CAMPAIGN ACCOUNT.**

17 **(A) AFTER THE DIVISION DETERMINES THAT A CANDIDATE HAS SATISFIED**
18 **THE REQUIREMENTS TO BECOME A PARTICIPATING CANDIDATE, THE DIVISION**
19 **SHALL AUTHORIZE THE DISBURSEMENT OF MATCHING FUNDS FROM THE FUND TO**
20 **THE PUBLICLY FUNDED CAMPAIGN ACCOUNT FOR THE PARTICIPATING CANDIDATE**
21 **IN ACCORDANCE WITH THE REQUIREMENTS OF THIS TITLE.**

22 **(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A**
23 **PARTICIPATING CANDIDATE OR A PERSON ACTING ON BEHALF OF A PARTICIPATING**
24 **CANDIDATE MAY NOT MAKE A CAMPAIGN EXPENDITURE FOR THE CANDIDATE OTHER**
25 **THAN FROM THE CANDIDATE'S PUBLICLY FUNDED CAMPAIGN ACCOUNT.**

26 **(C) A PARTICIPATING CANDIDATE MAY MAINTAIN A PETTY CASH FUND IN**
27 **ACCORDANCE WITH § 13–220(C) OF THIS ARTICLE.**

28 **(D) (1) A PARTICIPATING CANDIDATE OR A PERSON ACTING ON BEHALF**
29 **OF A PARTICIPATING CANDIDATE MAY USE THE PUBLICLY FUNDED CAMPAIGN**
30 **ACCOUNT ONLY IN ACCORDANCE WITH THIS ARTICLE.**

1 **(2) THE DIVISION MAY HAVE ACCESS AT ANY TIME TO THE RECORDS**
2 **AND TRANSACTIONS OF A PARTICIPATING CANDIDATE'S PUBLICLY FUNDED**
3 **CAMPAIGN ACCOUNT.**

4 **(3) THE DIVISION MAY TERMINATE A PARTICIPATING CANDIDATE'S**
5 **PUBLICLY FUNDED CAMPAIGN ACCOUNT AS PROVIDED IN REGULATIONS ADOPTED**
6 **BY THE DIVISION.**

7 **15.5-107. JOINING A SLATE PROHIBITED.**

8 **A PARTICIPATING CANDIDATE MAY NOT BE A MEMBER OF A SLATE IN ANY**
9 **ELECTION IN WHICH THE CANDIDATE IS GOVERNED BY THIS TITLE UNLESS ALL**
10 **MEMBERS OF THE SLATE ARE PARTICIPATING CANDIDATES.**

11 **15.5-108. MATCHING FUNDS.**

12 **(A) (1) IN THIS SUBSECTION, AN "UNCONTESTED" ELECTION MEANS AN**
13 **ELECTION IN WHICH:**

14 **(I) ONLY ONE CANDIDATE QUALIFIES TO RUN FOR NOMINATION**
15 **FOR OR ELECTION TO AN OFFICE; OR**

16 **(II) THE NUMBER OF CANDIDATES WHO QUALIFY TO RUN FOR**
17 **NOMINATION FOR OR ELECTION TO AN OFFICE OR MULTIPLE OFFICES OF THE SAME**
18 **CATEGORY EQUALS THE NUMBER OF OFFICES.**

19 **(2) A CANDIDATE WHOSE ELECTION IS UNCONTESTED IS NOT**
20 **ELIGIBLE TO RECEIVE MATCHING FUNDS.**

21 **(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE DIVISION SHALL**
22 **AUTHORIZE THE DISBURSEMENT OF MATCHING FUNDS TO PARTICIPATING**
23 **CANDIDATES AS FOLLOWS:**

24 **(1) AN ELIGIBLE CONTRIBUTION THAT DOES NOT EXCEED \$50 IS**
25 **MATCHED AT A 3-TO-1 RATIO;**

26 **(2) AN ELIGIBLE CONTRIBUTION THAT EXCEEDS \$50 BUT DOES NOT**
27 **EXCEED \$150 IS MATCHED AT A 2-TO-1 RATIO; AND**

28 **(3) FOR AN ELIGIBLE CONTRIBUTION THAT EXCEEDS \$150, THAT**
29 **PART OF THE ELIGIBLE CONTRIBUTION THAT DOES NOT EXCEED \$150 IS MATCHED**
30 **AT A 2-TO-1 RATIO.**

(C) (1) A PARTICIPATING CANDIDATE FOR THE SENATE OF MARYLAND MAY NOT RECEIVE A TOTAL AMOUNT OF MATCHING FUNDS IN EXCESS OF THE FOLLOWING AMOUNTS:

PRIMARY ELECTION	GENERAL ELECTION	TOTAL
\$50,000	\$50,000	\$100,000

(2) A PARTICIPATING CANDIDATE FOR THE HOUSE OF DELEGATES MAY NOT RECEIVE A TOTAL AMOUNT OF MATCHING FUNDS IN EXCESS OF THE FOLLOWING AMOUNTS:

PRIMARY ELECTION	GENERAL ELECTION	TOTAL
\$35,000	\$35,000	\$70,000

(3) THE DIVISION SHALL ALTER, BY REGULATION, THE MATCHING FUNDS LIMITS SET FORTH IN THIS SUBSECTION FOR THE ELECTION CYCLE BEGINNING JANUARY 1, 2023, AND FOR EACH SUBSEQUENT ELECTION CYCLE, BASED ON INFLATION.

(4) WHEN A CANDIDATE APPLIES TO BE CERTIFIED AS A PARTICIPATING CANDIDATE UNDER § 15.5-105(A) OF THIS TITLE, THE CANDIDATE MAY CHOOSE ONE OF THE FOLLOWING ALTERNATIVE APPORTIONMENTS OF THE MATCHING FUNDS LIMITS ESTABLISHED FOR THE CANDIDATE UNDER THIS SUBSECTION:

(I) 1. FOR THE PRIMARY ELECTION, A PARTICIPATING CANDIDATE MAY ELECT TO RECEIVE AN AMOUNT OF MATCHING FUNDS THAT DOES NOT EXCEED 70% OF THE TOTAL COMBINED MATCHING FUNDS LIMITS ESTABLISHED FOR THE CANDIDATE FOR THE PRIMARY ELECTION AND GENERAL ELECTION; AND

2. FOR THE GENERAL ELECTION, THE PARTICIPATING CANDIDATE MAY ELECT TO RECEIVE AN AMOUNT OF MATCHING FUNDS THAT DOES NOT EXCEED 30% OF THE TOTAL COMBINED MATCHING FUNDS LIMITS ESTABLISHED FOR THE CANDIDATE FOR THE PRIMARY ELECTION AND GENERAL ELECTION; OR

(II) 1. FOR THE PRIMARY ELECTION, A PARTICIPATING CANDIDATE MAY ELECT TO RECEIVE AN AMOUNT OF MATCHING FUNDS THAT DOES NOT EXCEED 30% OF THE TOTAL COMBINED MATCHING FUNDS LIMITS ESTABLISHED FOR THE CANDIDATE FOR THE PRIMARY ELECTION AND GENERAL ELECTION; AND

1 **2. FOR THE GENERAL ELECTION, THE PARTICIPATING**
2 **CANDIDATE MAY ELECT TO RECEIVE AN AMOUNT OF MATCHING FUNDS THAT DOES**
3 **NOT EXCEED 70% OF THE TOTAL COMBINED MATCHING FUNDS LIMITS ESTABLISHED**
4 **FOR THE CANDIDATE FOR THE PRIMARY ELECTION AND GENERAL ELECTION.**

5 **15.5-109. MATCHING FUNDS — DISBURSEMENT, USE, AND RETURN.**

6 **(A) (1) BEGINNING ON JANUARY 1 OF THE YEAR OF THE ELECTION, THE**
7 **DIVISION SHALL AUTHORIZE THE COMPTROLLER TO MAKE DISBURSEMENTS OF**
8 **MATCHING FUNDS FROM THE FUND TO PARTICIPATING CANDIDATES AT LEAST FIVE**
9 **TIMES BEFORE THE PRIMARY ELECTION, INCLUDING AT LEAST THREE TIMES IN THE**
10 **30 DAYS BEFORE THE PRIMARY ELECTION.**

11 **(2) A PARTICIPATING CANDIDATE MAY USE THE MATCHING FUNDS**
12 **DISBURSED UNDER THIS SUBSECTION ONLY FOR EXPENSES INCURRED FOR THE**
13 **PRIMARY ELECTION.**

14 **(3) WITHIN 10 DAYS AFTER THE PRIMARY ELECTION, A**
15 **PARTICIPATING CANDIDATE SHALL RETURN TO THE DIVISION FOR DEPOSIT IN THE**
16 **FUND ANY MATCHING FUNDS THAT THE CANDIDATE DID NOT EXPEND ON THE**
17 **PRIMARY ELECTION.**

18 **(B) (1) AFTER THE STATE BOARD CERTIFIES THE RESULTS OF THE**
19 **PRIMARY ELECTION, THE DIVISION SHALL AUTHORIZE THE COMPTROLLER TO**
20 **MAKE DISBURSEMENTS OF MATCHING FUNDS FROM THE FUND TO PARTICIPATING**
21 **CANDIDATES AT LEAST FIVE TIMES BEFORE THE GENERAL ELECTION, INCLUDING**
22 **AT LEAST THREE TIMES IN THE 30 DAYS BEFORE THE GENERAL ELECTION.**

23 **(2) A PARTICIPATING CANDIDATE MAY USE THE MATCHING FUNDS**
24 **DISBURSED UNDER THIS SUBSECTION ONLY FOR EXPENSES INCURRED FOR THE**
25 **GENERAL ELECTION.**

26 **(3) WITHIN 10 DAYS AFTER THE GENERAL ELECTION, A**
27 **PARTICIPATING CANDIDATE SHALL RETURN TO THE DIVISION FOR DEPOSIT IN THE**
28 **FUND ANY MATCHING FUNDS THAT THE CANDIDATE DID NOT EXPEND ON THE**
29 **GENERAL ELECTION.**

30 **(C) A PARTICIPATING CANDIDATE NOMINATED BY PETITION IS ELIGIBLE TO**
31 **RECEIVE MATCHING FUNDS FOR THE GENERAL ELECTION AFTER MARCH 1 OF THE**
32 **YEAR OF THE ELECTION IF:**

33 **(1) THE CANDIDATE'S NOMINATION HAS BEEN CERTIFIED BY THE**
34 **STATE BOARD; AND**

(2) THE CANDIDATE DOES NOT PARTICIPATE IN A PRIMARY ELECTION.

(D) THE COMPTROLLER SHALL DEPOSIT MATCHING FUNDS IN THE PUBLICLY FUNDED CAMPAIGN ACCOUNT OF A PARTICIPATING CANDIDATE AS SOON AS PRACTICABLE AFTER THE DIVISION DIRECTS THAT THE DISBURSEMENT BE MADE.

15.5–110. PARTICIPATING CANDIDATE WHO OPTS OUT.

AFTER BEING CERTIFIED AS A PARTICIPATING CANDIDATE BY THE DIVISION, IF A CANDIDATE ELECTS TO OPT OUT OF THE SYSTEM OF PUBLIC FINANCING OF ELECTIONS ESTABLISHED UNDER THIS TITLE, THE CANDIDATE SHALL:

(1) FILE A STATEMENT OF WITHDRAWAL WITH THE DIVISION; AND

(2) WITHIN 5 BUSINESS DAYS AFTER FILING THE STATEMENT OF WITHDRAWAL, REPAY TO THE DIVISION FOR DEPOSIT IN THE FUND THE FULL AMOUNT OF ANY MATCHING FUNDS THE CANDIDATE RECEIVED, TOGETHER WITH THE INTEREST AND PENALTY PRESCRIBED BY THE DIVISION BY REGULATION.

15.5–111. POLITICAL PARTY CONTRIBUTIONS AND EXPENDITURES.

THIS TITLE MAY NOT BE CONSTRUED TO PREVENT A POLITICAL PARTY FROM USING THE POLITICAL PARTY'S FUNDS FOR EXPENSES FOR:

(1) THE GENERAL OPERATING EXPENSES OF THE POLITICAL PARTY;

(2) A POLITICAL PARTY CONVENTION;

(3) NOMINATING AND ENDORSING CANDIDATES;

(4) IDENTIFYING, RESEARCHING, AND DEVELOPING THE PARTY'S POSITIONS ON ISSUES;

(5) PARTY PLATFORM ACTIVITIES;

(6) VOTER REGISTRATION ACTIVITIES THAT ARE NOT CANDIDATE-SPECIFIC;

(7) GET-OUT-THE-VOTE ACTIVITIES THAT ARE NOT CANDIDATE-SPECIFIC;

(8) TRAVEL EXPENSES FOR LEADERS AND STAFF OF THE POLITICAL PARTY WHO ARE NOT CANDIDATES; OR

(9) OTHER PARTY-BUILDING ACTIVITIES THAT ARE NOT CANDIDATE-SPECIFIC.

15.5-112. JUDICIAL REVIEW.

(A) EXCEPT AS PROVIDED IN § 15.5-105(D) OF THIS TITLE, AN ACTION OF THE DIVISION UNDER THIS TITLE MAY BE REVIEWED BY A CIRCUIT COURT IN ACCORDANCE WITH § 10-222(C) OF THE STATE GOVERNMENT ARTICLE.

(B) A PETITION TO REVIEW AN ACTION OF THE DIVISION UNDER THIS SECTION SHALL BE BROUGHT WITHIN 60 DAYS AFTER THE DIVISION ACTS.

15.5-113. PROHIBITIONS AND PENALTIES.

(A) A PARTICIPATING CANDIDATE OR PERSON ACTING ON BEHALF OF A PARTICIPATING CANDIDATE MAY NOT KNOWINGLY OR INTENTIONALLY:

(1) MAKE AN EXPENDITURE IN EXCESS OF THE AMOUNT AUTHORIZED UNDER THIS TITLE;

(2) EXPEND A CONTRIBUTION OR MATCHING FUNDS FOR ANY PURPOSE NOT AUTHORIZED BY LAW; OR

(3) PROVIDE FALSE INFORMATION TO OR CONCEAL OR WITHHOLD INFORMATION ABOUT A CONTRIBUTION OR AN EXPENDITURE FROM THE DIVISION.

(B) A PARTICIPATING CANDIDATE OR PERSON ACTING ON BEHALF OF A PARTICIPATING CANDIDATE WHO VIOLATES SUBSECTION (A) OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$2,500 OR IMPRISONMENT FOR NOT MORE THAN 1 YEAR OR BOTH.

(C) THE DIVISION MAY IMPOSE A CIVIL PENALTY FOR A VIOLATION OF SUBSECTION (A) OF THIS SECTION:

(1) IN AN AMOUNT NOT EXCEEDING TWICE THE AMOUNT OF THE UNLAWFUL EXPENDITURE OR FALSE DISCLOSURE, UP TO A MAXIMUM OF \$5,000 FOR EACH VIOLATION;

(2) TO BE PAID OUT OF THE PERSONAL FUNDS OF THE VIOLATOR; AND

1 **(3) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, IN**
2 **ACCORDANCE WITH THE PROCEDURES AND REQUIREMENTS OF § 13-604.1 OF THIS**
3 **ARTICLE.**

4 **(D) THE DIVISION MAY BAR AN INDIVIDUAL WHO VIOLATES THIS TITLE**
5 **FROM FURTHER PARTICIPATION AS A PARTICIPATING CANDIDATE UNDER THIS**
6 **TITLE.**

7 **15.5-114. SHORT TITLE.**

8 **THIS TITLE MAY BE CITED AS THE MARYLAND SMALL DONOR INCENTIVE ACT.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That the captions contained in this
10 Act are not law and may not be considered to have been enacted as part of this Act.

11 SECTION 3. AND BE IT FURTHER ENACTED, That, if any provision of this Act or
12 the application thereof to any person or circumstance is held invalid for any reason in a
13 court of competent jurisdiction, the invalidity does not affect other provisions or any other
14 application of this Act that can be given effect without the invalid provision or application,
15 and for this purpose the provisions of this Act are declared severable.

16 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2017.