


**MEMORANDUM**

October 13, 2017

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: **Public Hearing:** Expedited Bill 31-17, Elections – Public Campaign Financing – Contributions - Amendments

Expedited Bill 31-17, Elections – Public Campaign Financing – Contributions - Amendments, sponsored by Lead Sponsors Councilmembers Navarro, Katz and Council Vice President Riemer, was introduced on October 3, 2017. A Government Operations and Fiscal Policy Committee worksession is tentatively scheduled for November 2 at 9:30 a.m.

Bill 31-17 would increase the amount of money an applicant candidate who is not married can donate or loan the candidate's campaign to match the amount permitted for a candidate who is married.

**Background**

Bill 16-14, Elections – Public Campaign Financing, was enacted on September 30, 2014 and signed into law on October 6, 2014. Bill 16-14 established the first public campaign finance system for County elections in Maryland.<sup>1</sup> The law designates the Maryland State Board of Elections to certify candidates and generally administer the public campaign financing system. The Director of Finance is responsible for establishing a Public Election Fund and distributing the public contributions to certified candidates. The Council has appropriated approximately \$11 million to date for the Public Election Fund.

A candidate needs to obtain a specific number of small contributions from a County resident of between \$5 and \$150 to qualify for public funding. Each of these qualifying contributions must be received during the qualifying period.

A candidate for Executive must collect at least 500 qualifying contributions and an aggregate total of at least \$40,000 to qualify. A candidate for At-Large Councilmember must collect at least 250 qualifying contributions and an aggregate total of at least \$20,000. A candidate for District Councilmember must collect at least 125 qualifying contributions and an aggregate total of at least \$10,000.

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<sup>1</sup> On July 3, 2017, the Howard County Council overrode the Executive's veto of a public campaign financing law that will take effect for the 2022 elections.

A candidate for Executive certified to receive public funding will be eligible for a matching contribution of \$6 for each dollar of a qualifying contribution for the first \$50 of the contribution; \$4 for each dollar of the second \$50; and \$2 for each dollar of the third \$50. The match for a candidate for Councilmember is \$4 for each dollar of the first \$50; \$3 for each dollar of the second \$50; and \$2 for each dollar of the third \$50. For example, a candidate for Executive who collects 3 qualifying contributions of \$50 will receive \$900 in matching funds and a candidate who collects 1 qualifying contribution of \$150 would receive \$600 in matching funds. The maximum public contribution for a candidate for Executive is \$750,000 for the primary and \$750,000 for the general election. The maximum public contribution for each election for At-Large Councilmember is \$250,000 and the maximum public contribution for each election for District Councilmember is \$125,000.

A candidate who voluntarily accepts a public contribution must pay for all campaign expenses with the qualifying contributions, the matching public contributions, and a personal loan or contribution from the candidate and the candidate's spouse. Section 16-20 limits personal contributions or loans from the candidate or the candidate's spouse to no more than \$6000 from each. As a result, a candidate who is married may combine with the candidate's spouse to contribute or loan the campaign up to \$12,000 while an unmarried candidate is limited to a personal contribution or loan of up to \$6,000. Bill 31-17 would level the field by permitting any candidate, married or unmarried, to contribute a maximum of \$12,000 to the candidate's campaign.

This packet contains:	<u>Circle #</u>
Expedited Bill 31-17	1
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Expedited Bill No. 31-17  
Concerning: Elections – Public Campaign  
Financing – Contributions –  
Amendments  
Revised: September 19, 2017 Draft No. 1  
Introduced: October 3, 2017  
Expires: April 3, 2019  
Enacted: [date]  
Executive: [date signed]  
Effective: [date takes effect]  
Sunset Date: None  
Ch. [#], Laws of Mont. Co. [year]

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Councilmembers Navarro, Katz and Council Vice President Riemer

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**AN EXPEDITED ACT to:**

- (1) increase the amount of money an applicant candidate who is not married can donate or loan the candidate's campaign to match the amount permitted for a candidate who is married; and
- (2) generally amend the public campaign financing law governing eligible contributions.

By amending

Montgomery County Code  
Chapter 16, Elections  
Section 16-20

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<b>[Single boldface brackets]</b>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
<b>[[Double boldface brackets]]</b>	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

1           **Sec. 1.           Section 16-20 is amended as follows:**

2   **16-20. Collecting qualifying contributions.**

3           (a) Before raising any contribution governed by this Article, an applicant  
4           candidate must:

5                   (1) file notice of intent with the Board on or before April 15 of the year  
6                   of the election on a form prescribed by the Board; and

7                   (2) establish a publicly funded campaign account for the candidate for  
8                   the purpose of receiving eligible contributions and spending funds  
9                   in accordance with this Article.

10          (b) Other than a contribution from an applicant candidate or the candidate's  
11          spouse, an applicant candidate must not accept an eligible contribution  
12          from an individual greater than \$150.

13          (c) An applicant candidate must not accept a loan from anyone other than the  
14          candidate or the candidate's spouse. An applicant candidate [or] and the  
15          candidate's spouse together must not contribute or lend a combined total  
16          of more than [\$6000 each] \$12,000 to the candidate's publicly funded  
17          campaign account.

18          [[c)] (d) Consumer Price Index adjustment. The Chief Administrative  
19          Officer must adjust the contribution limit established in Subsection (b),  
20          effective July 1, 2018, and July 1 of each subsequent fourth year, by the  
21          annual average increase, if any, in the Consumer Price Index for the  
22          previous 4 calendar years. The Chief Administrative Officer must  
23          calculate the adjustment to the nearest multiple of 10 dollars, and must  
24          publish the amount of this adjustment not later than March 1 of each  
25          fourth year.

26          **Sec. 2.           Expedited Effective Date.**

27          The Council declares that this legislation is necessary for the immediate

28 protection of the public interest. This Act takes effect on the date on which it becomes  
29 law.

30 *Approved:*

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Roger Berliner, President, County Council Date

32 *Approved:*

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Isiah Leggett, County Executive Date

34 *This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council Date

## LEGISLATIVE REQUEST REPORT

Expedited Bill 31-17

*Elections – Public Campaign Financing – Contributions – Amendments*

**DESCRIPTION:** Section 16-20 limits personal contributions or loans from the candidate or the candidate's spouse to no more than \$6000 from each. The result is that a candidate who is married may combine with the candidate's spouse to contribute or loan the campaign up to \$12,000 while an unmarried candidate is limited to a personal contribution or loan of up to \$6,000. Bill 31-17 would level the field by permitting any candidate, married or unmarried, to contribute a maximum of \$12,000 to the candidate's campaign.

**PROBLEM:** The law permits a married candidate to contribute \$12,000 to the candidate's campaign while only permitting an unmarried candidate to contribute \$6,000.

**GOALS AND OBJECTIVES:** A level playing field between married and unmarried candidates.

**COORDINATION:** Finance, County Attorney

**FISCAL IMPACT:** To be requested.

**ECONOMIC IMPACT:** To be requested.

**EVALUATION:** N/A

**EXPERIENCE ELSEWHERE:** N/A

**SOURCE OF INFORMATION:** Robert H. Drummer, Senior Legislative Attorney

**APPLICATION WITHIN MUNICIPALITIES:** Not applicable.

**PENALTIES:** Class A Violation