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Public Funding for Campaigns

13.1 Generally

Maryland has a voluntary, public financing system for candidates for Governor and Lieutenant Governor. This program allows candidates for Governor and Lieutenant Governor to use public funds for their campaign if they can show that they have raised a certain amount of funds from a certain number of donors.

Under State law, each county and Baltimore City can establish a public financing program for county or Baltimore City elected offices. To date, Baltimore City and <u>Howard</u>, <u>Montgomery</u>, and Prince George's Counties have approved public financing systems. Currently, Montgomery and Howard have operational programs for the 2022 Election.

13.2 Gubernatorial Public Financing System

A. Initial Requirements

Primary Election

To be eligible to receive public funds for a primary election and before receiving a private contribution, candidates for Governor and Lieutenant Governor (also called a gubernatorial ticket) must:

- 1. File a Certificate of Candidacy for Governor and Lt. Governor;
- We will create this certificate when you file for office. We encourage you to fill out the <u>Candidate Information</u> <u>Sheet</u> before you arrive. It will expedite the filing process.
- 2. Establish a campaign finance entity for the gubernatorial ticket; and
- You can "register your committee" online with SBE's MD CRIS system or file a Statement of Organization.
- 3. File a notice of intent to qualify for public funds.
- This form is generated from MD CRIS. Once you register your committee, you can generate this form.

To obtain public funds for the 2022 Primary Election, the *Certificate of Candidacy* and notice of intent must be filed at SBE no later than 9 pm on Tuesday, February 22, 2022.

General Election

To be eligible to receive public funds for a general election and before receiving a public contribution, candidates for Governor and Lieutenant Governor who are not nominated in a primary election must:

- 1. File a Certificate of Nomination for Governor and Lt. Governor;
- We will create this certificate when you file for office. We encourage you to fill out the <u>Candidate Information</u> <u>Sheet</u> before you arrive. It will expedite the filing process.
- 2. Establish a campaign finance entity for the gubernatorial ticket; and
- You can "register your committee" online with SBE's MD CRIS system or file a Statement of Organization.
- 3. File a notice of intent to qualify for public funds
- This form is generated from MD CRIS, SBE's online filing system. Once you register your committee, you can generate this form.

To obtain public funds for the 2022 General Election, the *Certificate of Nomination* and notice of intent must be filed at SBE no later than 9 pm on Monday, August 1, 2022.

A gubernatorial ticket that received public funds in the primary election and won the primary election does <u>not</u> need to file another notice of intent to receive public funds for the general election. The notice of intent filed before the primary election covers the general election.

Other

A member of the gubernatorial ticket cannot be a member of any slate committee other than the gubernatorial ticket.

B. Acceptable Campaign Funds

An eligible gubernatorial ticket can only accept:

- · Private contributions
- Eligible private contributions
- Public funds
- Some contributions or loans from a member of the gubernatorial ticket or the spouse of a member of a gubernatorial ticket.

These funds must be deposited into the gubernatorial ticket's campaign finance entity.

A "private contribution" is one or more contributions from a single person. A one-time contribution or the total amount of contributions from the person cannot be more than \$250 for the election cycle.

An "eligible private contribution" is one or more contributions from a resident of Maryland. A one-time contribution or the total amount of contributions from the Maryland resident cannot be more than \$250 for the election cycle. The Maryland resident must submit with the contribution a signed document (also called a "contribution card") stating that the contribution is made using the resident's personal funds. The contribution card can be signed with an electronic signature.



An "eligible private contribution" must be from a Maryland resident. A contribution from someone who is not a Maryland resident is a "private contribution" but not an "eligible private contribution."

A member of a gubernatorial ticket or a spouse of a member of a gubernatorial ticket can make a contribution or loan money to the campaign, but the total amount of the contribution and/or loan cannot be more than \$50,000. This contribution or loan is not an "eligible private contribution."

C. Eligible Contributions

To qualify for public funds, the gubernatorial ticket must collect during the qualifying period at least:

- 1. 1.500 eligible private contributions; and
- 2. A total of \$120,000.

The "qualifying period" for the 2022 elections is from:

- January 1, 2019, through May 2, 2022, for Democratic and Republican gubernatorial tickets
- January 1, 2019, through August 1, 2022, for all other gubernatorial tickets

D. Calculating Public Funds

The amount of public funds is based on the amount of each eligible private contribution. An "eligible private contribution" must be from a Maryland resident.

The table below shows the amount of public funds an eligible gubernatorial ticket will receive for each portion of an eligible private contribution.

Eligible Private Contribution Scale	Matching Public Funds
\$50 and less	\$8 for each dollar raised
\$51 - \$100	\$6 for each dollar raised
\$101 - \$150	\$2 for each dollar raised

\$151 - \$250	\$0 for each dollar raised

The table below shows how much an eligible gubernatorial ticket will receive for various eligible private contributions.

Amount of Eligible Private Contribution	Amount of Matching Public Funds
\$25	\$200 (\$25 x \$8)
\$50	\$400 (\$50 x \$8)
\$65	\$490 (\$400 for 1st \$50 + \$90 for next \$15 (\$15 x \$6))
\$100	\$700 (\$400 for 1st \$50 + \$300 for 2nd \$50 (\$50 x \$6))
\$110	\$720 (\$400 for 1st \$50 + \$300 for 2nd \$50 + \$20 for next \$10 (\$10 x \$2))
\$150	\$800 (\$400 for 1st \$50 + \$300 for 2nd \$50 + \$100 for next \$50 (\$50 x \$2))
\$151	\$800 (\$400 for 1st \$50 + \$300 for 2nd \$50 + \$100 for next \$50 + \$0 for next \$1)
\$175	\$800 (\$400 for 1st \$50 + \$300 for 2nd \$50 + \$100 for next \$50 + \$0 for next \$25)
\$250	\$800 (\$400 for 1st \$50 + \$300 for 2nd \$50 + \$100 for next \$50 + \$0 for next \$99)

Some contributions are <u>not</u> "eligible private contributions" and therefore are <u>not</u> eligible for public fund matching. They are:

- Contributions from a member of the gubernatorial ticket or a spouse of a member of a gubernatorial ticket
- Loans from a member of the gubernatorial ticket or a spouse of a member of a gubernatorial ticket
- In-kind contribution of property, goods, or services

An eligible gubernatorial ticket can receive up to \$3,000,000 for each election. If a ticket receives public funds for both the primary and general elections, it can receive up to a total of \$6,000,000 (up to \$3,000,000 for each election) unless the ticket is unopposed in a primary election.

If the ticket is unopposed in a primary election, public funds are reduced by one-third. This means that the unopposed ticket can receive up to \$1,000.000 for that election.

E. Requesting Public Funds

The gubernatorial ticket must use MD CRIS, SBE's online filing system, to file the "Matching Fund Report" and request funds. A representative of the gubernatorial ticket will enter information about contributions and expenditures and links to the contribution cards, and submit the report. The initial request must show that the ticket has received 1,500 eligible private contributions and a total of \$120,000. Subsequent reports will provide information about additional contributions and expenditures and links to the contribution cards. The amount of public funds the ticket will receive is based on the amount of contributions received.

There is a <u>schedule</u> to submit the "Matching Fund Report," but the reports are optional. A gubernatorial ticket only needs to file the report when they would like to receive matching public funds.

There are other reports that the gubernatorial ticket is required to file. A ticket must file the:

- 2022 Annual Report on January 19, 2022
- Pre-Primary Report 1 on May 24, 2022
- Pre-Primary Report 2 on June 17, 2022

- Pre-General Report 1 on August 30, 2022
- Pre-General Report 2 on October 28, 2022
- Post-General Report on November 22, 2022

If the ticket does not win the primary election, the ticket can file its final public funding report and close its campaign committee. If this happens before the pre-general reports are due, the committee does not need to file the pre- and post-general reports.

F. <u>Distributing Public Funds</u>

SBE will start distributing funds to eligible gubernatorial tickets on January 1, 2022.

If SBE determines that there is not enough money in the fund to provide a full disbursement to all eligible gubernatorial tickets, SBE will allocate the available money so that each eligible ticket will receive a pro rata share of the full disbursement to which the ticket would otherwise be entitled.

G. Spending Public Funds

An eligible gubernatorial ticket can only use public funds:

- 1. In accordance with §13-218 of the Election Law Article;
- 2. To further the ticket's nomination in a primary election or candidacy in a general election;
- 3. For expenditures accompanied by a receipt;
- 4. For expenses incurred no later than 45 days after the election for which the public funds were received; and
- 5. For purposes that do not violate State law.

H. Expenditure Limit

There are no expenditure limits. A gubernatorial ticket receiving public funds may spend as much money as it wishes, but it will only receive up to \$3 million in public funds for each election.

I. Withdrawing as Publicly Funded Candidate

A gubernatorial ticket can withdraw its participation as a publicly funded candidate. To withdraw, the ticket must:

- 1. File a Statement of Withdrawal on a form prescribed by the State Board; and
- 2. If the ticket has received public funds, repay the fund the amount of any public funds received plus interest.

J. Post-Election Requirement

There is a post-election filing requirement. More information about that reporting requirement will be posted soon.

Any public funds not spent must be repaid to the Comptroller no later than 90 days after the election for which the public funds were received. To determine whether any public funds must be repaid, the ticket must treat private contributions as spent first before public funds.

For example: A ticket receives \$100,000 in public funds and \$135,000 in private contributions. The ticket spends \$220,000 and has \$15,000 remaining. The \$135,000 in private contributions is "spent" first and then the public funds. The ticket must return \$15,000 of the public funds.

If a ticket has outstanding obligations after the election, the ticket's campaign finance entity can raise private contributions for the sole purpose of paying the outstanding obligation.

K. Prohibited Campaign Activities & Penalties

The gubernatorial ticket committee cannot:

1. Solicit contributions for the benefit of another committee or person required to register with SBE under §13-306 or §13-307 or for a participating organization organized under §13-309.2

This includes authorizing the use of the names or images of the ticket in the solicitation.

- 2. Operate in coordination with any entity for fundraising activities
- 3. Be a member of a slate other than the gubernatorial ticket
- 4. Make a transfer
- 5. Make an expenditure related to fundraising activities by other political committees
- 6. Use public funds to pay an expense incurred more than 45 days after an election

SBE can impose a civil penalty on the eligible gubernatorial ticket, the ticket's campaign finance entity, the chairman or treasurer of the entity, or a person acting on behalf of one of these individuals or entities. Actions that may result in a civil penalty are:

- 1. Making a disbursement in an unauthorized manner;
- 2. Failing to maintain a campaign bank account;
- 3. Making a disbursement by an unauthorized method;
- 4. Failing to maintain detailed and accurate account books and records;
- 5. Unauthorized fundraising during the General Assembly session;
- 6. Failing to report all contributions received and expenditures made;
- 7. Failing to include an authority line on campaign material; or
- 8. Failing to keep a copy of campaign material.

SBE can issue a civil penalty up to \$500 for each violation. SBE will consider the severity of the violation, the good faith of the violator, and any history of prior violations when determining the amount of the violation. If the violation is for unauthorized fundraising during the General Assembly session, the entity must refund the contribution and pay the civil penalty of \$1,000 plus the amount of the contribution. SBE, in its discretion, can issue a lower penalty for good cause.

Generally, the ticket's campaign finance entity pays a civil penalty. If the entity doesn't have enough money to pay the penalty, the responsible officers are jointly and severally liable for the amount the campaign cannot pay. If the violation is committed by someone who is not acting on behalf of or at the request or suggestion of the ticket or ticket's campaign finance entity, this person must pay the penalty.

The penalty must be paid within 20 calendar days after SBE serves the citation, or the person charged in the citation can decide to stand trial for the violation. If the person charged wishes to have a trial, the person must notify SBE in writing at least 5 days before the deadline for payment. If the person charged does not pay the penalty and does not request a trial, the person is liable for the penalty and the penalty can be doubled.

There may be other sanctions applied to these activities.

L. Liabilities and Penalties

The members of the gubernatorial ticket and any chairman or treasurer of the ticket are jointly and severally liable, both civilly and criminally, for:

- 1. Repaying the Comptroller for any public funds that were not spent
- 2. Repaying the Comptroller for any public funds that were not properly spent

Contact SBE

Contact your Local Board of Elections

Privacy

Accessibility

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