

TOWN OF CHESTERTOWN
ORDINANCE 01-2014
ESTABLISHING CHAPTER 71: ELECTIONS

Sec. 1. Purpose.

The intention of this Ordinance is that the conduct of elections should inspire public confidence and trust by assuring that full information on elections is provided to the public, including disclosure of campaign receipts and expenditures. Furthermore, the Mayor and Council of Chestertown believe that the citizens of The Town of Chestertown have the right to know the sources of funding received by candidates for public office. It is also intended to define a process for any election in which there is either a tie between two candidates or there are four (4) or more candidates for a single position and no candidate gains a clear majority of 35% or more of the votes cast in the general election.

Sec. 2. Applicability.

The provisions of this article shall apply to all elections in which ballots are cast pursuant to the provisions of Section 34: Regulation and Control by Council of the Charter of the Town of Chestertown.

Sec. 3. Definitions.

As used in this article, the following terms shall have the meanings indicated unless a contrary meaning is clearly intended from the context in which the term appears:

Board means the Board of Supervisors of Elections of The Town of Chestertown.

Campaign finance entity means the name in which campaign contributions will be received and in which one or more bank accounts will be opened.

Candidate means any person who files a certificate of candidacy for any public office.

Candidate committee means any combination of two (2) or more persons appointed or authorized by a candidate which has as a principal purpose to assist or attempt to assist in any manner the promotion of the success of any candidate. A citizen's association, not otherwise a candidate committee, shall not be deemed a candidate committee if it simply conducts a forum, or sponsors a meeting for candidates to present information and/or express their views on issues to citizens in the community.

Contribution means the gift, transfer or promise of a gift or transfer of money or other thing of value to any candidate, or an agent or treasurer thereof, to promote or assist in the promotion of the success of that candidate at any election.

Election means any general, runoff, or special election of The Town of Chestertown.

Expenditure means any gift, disbursement or promise of money or valuable thing by any candidate, or an agent or treasurer thereof, to promote or assist in the promotion of the success of that candidate in any election.

General election means the election held on the first Tuesday in November, every other year, at which the voters of The Town of Chestertown vote for candidates for Mayor and/or Council members.

Runoff election takes place when the General election had four (4) or more candidates vying for the Mayor and/or Council seat if a candidate did not win by at least a 35% majority of votes. A runoff election will be held the first Tuesday in December, when necessary, between the top two (2) candidates as decided by the General Election.

Tie. In the case of a tie between two candidates gaining the same number of votes, there will be a runoff election.

Sec. 4. Time computation.

In computing the times for the performing of any act under this article, Saturday, Sunday, or a legal holiday shall be included, except when the day on which the act should be performed occurs on a Saturday, Sunday or legal holiday, in which case the act shall be performed on the next regular business day following the Saturday, Sunday or legal holiday. In the computation, the day of performing an act and the day of election shall be excluded.

Sec. 5. Campaign finance entities.

(a) Establishment. Each candidate for election to office, upon or before, and as a condition precedent to becoming a qualified candidate, shall establish one or more campaign finance entities on forms prescribed by the Board, which forms will be substantially similar to those used by the Maryland State Board of Elections. No campaign finance entity may receive or disburse any money or other thing of value until it has been established in accordance with the requirements of this section.

(b) Candidate committees.

- Appointment of treasurer. Every candidate committee shall have a treasurer.
- Resignation treasurer. A treasurer who resigns shall do so with a letter signed by the resigning individual and file it with the Board. The candidate committee immediately shall appoint a new treasurer, as the case may be, in accordance with this section. The

resignation shall not be effective until a successor is registered with the Board. A treasurer, when resigning, shall certify that he has served until all duties have been performed and a successor was duly chosen. If a treasurer should die or become incapacitated, a new treasurer must be appointed. The board shall be immediately informed in writing of the name and address of the new treasurer.

- Qualifications. A treasurer of a candidate shall be a registered voter.
- Joint and several liability. The candidate and treasurer of a candidate committee are jointly and severally responsible for filing all campaign finance reports required under this ordinance.
- Closure. A campaign finance entity may continue in existence in perpetuity. It may be closed, at the option of the candidate.

Sec. 6. Campaign bank account.

- (a) Every campaign finance entity shall maintain a separate bank account for deposit of all campaign contributions. Each such bank account shall be opened in accordance with all applicable state and federal banking laws and shall (i) be in a financial institution; and (ii) be registered in a manner that identifies it as the account of a campaign finance entity.
- (b) The bank account described in subsection (a) of this section shall be administered by the treasurer of the campaign finance entity.
- (c) All assets received by or on behalf of a campaign finance entity shall be delivered to the treasurer, who shall deposit all funds received in a designated campaign account.
- (d) The bank account created pursuant to this section is subject to the reporting requirements set forth in this ordinance.
- (e) The bank account created pursuant to this section need not be closed. It may remain open, and funds accumulated therein may be used, unless or until the associated campaign finance entity is closed in accordance with this ordinance and any surplus funds are disposed of in accordance with this ordinance.

Sec. 7. Personal contributions and expenses of candidates.

The contributions of a candidate or the candidate's spouse to the candidate's own campaign are not subject to the limitations of this article, but must pass through the hands of the candidate's personal treasurer or treasurer of the candidate's candidate committee and be reported as required in other provisions of this article. Personal expenses of the candidate for filing fees, telegrams, telephoning, travel and board shall not be considered contributions if paid for by the candidate or spouse.

Sec. 8. Anonymous contributions.

No campaign finance entity shall accept any contribution from an unidentified person or organization in furtherance of the candidate's nomination or election. Any such contribution received shall not be used for any political purpose whatsoever, but shall be paid by the campaign finance entity to the Town of Chestertown to help defray the expenses of the election. If such contribution is a thing of value rather than actual money, the campaign finance entity shall determine the fair market value of the thing of value and shall pay that amount to the Town of Chestertown. All contributions payable to the Town of Chestertown pursuant to this section shall be paid within ten (10) days of the receipt of the contribution by the campaign finance entity.

Sec. 9. Corporate contributions.

Corporate contributions, as well as contributions from any other business entities, political clubs, political committees, political action committees, federal committees and labor unions, are allowed. If a contribution is from any of the foregoing entities, the name and address of the entity itself - not that of the person who signed the check on its behalf - shall be entered in the treasurer's records and in the campaign finance reports filed pursuant to this ordinance.

Sec. 10. Campaign finance reports required.

- (a) Every campaign finance entity shall file a report of campaign contributions and expenditures in accordance with the provisions of this section on forms as prescribed by the Board. Campaign finance reports are required by all campaign finance entities, regardless of whether or not the candidate withdraws subsequent to filing a certificate of candidacy or the outcome of the election. Each report shall contain all contributions received and expenditures made in furtherance of the candidate's nomination or election by the campaign finance entity, from any other person (including the candidate or his/her spouse) or groups of persons.
- (b) Each report shall contain the following information:
 - (1) The name and address of the candidate and the campaign finance entity's treasurer;
 - (2) The office sought by the candidate;

- (3) The date on which the report is filed;
- (4) The name and current address of each contributor of election campaign contributions;
- (5) The dollar amount of each contribution, or if not money, a description and estimated value of such non-monetary contributions, not including volunteer service;
- (6) The date, dollar amount, and nature of each expenditure made; and
- (7) Written verification by the treasurer of the campaign finance entity.

(c) Campaign finance reports shall be filed with the Board. All reports shall be maintained by the Board for a period of five (5) years. Reports shall be made available for public inspection and copying during normal business hours.

(d) Each report filed shall be completed through and including the fourth day preceding the day by which that report is to be filed. The initial report filed shall indicate the initial balance of the campaign account and shall contain all contributions received and expenditures made since the closing date of the last report in the preceding election to fill the office for which the person is a candidate. Each subsequent report filed shall contain information regarding contributions received and expenditures made since the end of the period for which the last statement was filed.

(1) The first report shall be filed no later than noon of the fifteenth day before the general election.

(2) The second report shall be filed within ten (10) days following the date of the general election. In the case of a runoff election, the candidates in the runoff election shall file their final report within ten (10) days after the runoff election.

(3) Before a campaign finance entity may be closed in accordance with this ordinance, a final report shall be filed. The final report required by subsection (d)(2) of this section may be deemed the final report if it is clearly marked as such and must be filed no more than ten (10) days after the election.

(4) If the campaign finance entity is closed after the final report has been filed, a financial report must be filed with the Board that indicates the final disposition of all funds received and shows that the account has been closed with a balance of \$0.00.

(e) Any person who violates any of the provisions of this section shall be guilty of a misdemeanor, punishable by a fine of five hundred dollars (\$500.00) and/or incarceration of up to ninety (90) days.

Sec. 11. Limit on contributions.

- (a) During any one election cycle, no person, corporation, or any other entity, shall make any contributions that total greater than:
 - (1) Five hundred dollars (\$500.00) to the campaign finance entity of a candidate for councilperson; and
 - (2) One thousand dollars (\$1,000.00) to the campaign finance entity of a mayoral candidate.
- (b) An election cycle shall begin on the thirty-first day following the date of the previous general election and end on the thirtieth day after the next general election.

Sec. 12. Disposition of surplus funds.

Prior to the closure of a campaign finance entity in accordance with this ordinance, any remaining balance in a campaign finance entity's account may be returned pro rata to the contributors or paid to:

- (a) A charitable organization registered or exempt from registration under the Maryland Charitable Solicitations Act;
- (b) The Town of Chestertown;

Sec. 13. Enforcement and penalties.

- (a) Enforcement by Board. The Board shall aid in the prosecution of all offenses under this article. When, in the judgment of the Board, there is probable cause for believing that an offense has been committed, they shall cause a prosecution to be instituted in accordance with this article.
- (b) Except as otherwise provided herein, any person who (1) fails to perform any duty required of him under the provisions of this article; or (2) wilfully violates any provision of this article is guilty of a municipal infraction and shall be punished by a fine of not more than four hundred dollars (\$400.00).

Sec. 14. Runoff Elections.

- (a) In the event of a tie of votes cast between two candidates gaining the most votes for a position in the general election, a runoff election shall be held.
- (b) A runoff election shall also be held when there are four or more candidates for Mayor and/or councilmember, if no candidate gains a majority of at least 35% of all votes case, a runoff election will take place between the two candidates receiving the most votes for the position.
- (c) The runoff election shall take place on the first Tuesday of December in the month following the General Election.

- (d) All provisions set forth above shall apply to the conduct of the runoff election, with the exception that the two candidates in the runoff election shall not be required to submit the final Campaign Contribution and Expenditures Report until ten days after the Runoff Election.
- (e) The winner of the Runoff Election shall be the candidate who gains a simple majority of the votes cast in that election.

This Ordinance 01-2014 Establishing Chapter 71: Elections having been introduced on March 17, 2014 can be adopted on April 7, 2014 becoming effective April 27, 2014.

Chris Cerino, Mayor

Liz Gross, Councilmember

Linda C. Kuiper, Councilmember

Witness:

Samuel T. Shoge, Councilmember

W. S. Ingersoll, Town Manager

Mauritz Stetson, Councilmember

BOARD OF SUPERVISORS OF ELECTIONS FOR THE TOWN OF CHESTERTOWN
Campaign Contributions and Expenditures Report
Summary Sheet

Report Filed Date: _____ Office Sought: _____

Campaign Account: _____

1st Report Due by noon no later than fifteen (15) days before the general election

All transactions from opening of account

2nd Report Due by noon no later than ten (10) days after the general election

All transactions from the last report. This may be deemed final report if it is clearly marked as such

Final Report To close campaign finance entity. All transactions from last report through disposal of remaining funds.

Candidate's Name: _____

Address: _____
Street City Zip Code

Treasurer's Name: _____

Address: _____
Street City Zip Code

Financial Institution: _____

Prior Balance: \$ _____

+ Total Contributions: \$ _____ Total In-Kind Contributions: \$ _____

- Total Expenditures: \$ _____

= Balance: \$ _____ (Carry forward this balance to your next report)

Under penalty of perjury, we declare that we have examined this report, and to the best of our knowledge and belief it is complete and accurate.

Signature of Candidate

Signature of Treasurer

(Date)

(Date)

All Reports must bear original signatures

BOARD OF SUPERVISORS OF ELECTIONS FOR THE TOWN OF CHESTERTOWN

Campaign Contributions and Expenditures Report

Instructions

Step 1 – Summary Sheet

- **Report Filed Date** – The date the report is filed with the Board of Supervisors of Elections
- **Office Sought** – Either Mayor or Councilperson of the Town of Chestertown
- **Campaign Account** – name of the campaign finance entity
- **Report Number** – indicate which report you are filling by checking the appropriate box
- **Candidate and Treasurer Information** – enter names and addresses
- **Financial Institution** – name of bank where account is held
- **Prior Balance** – the prior balance, if any, from the previous report
- **Total Contributions** – all monetary contributions for this reporting period
- **Total Expenditures** – all expenditures for this reporting period
- **Balance** – add Prior Balance and Total Contributions and subtract Total Expenditures to get this figure
- **Total In-Kind Contributions** – all in-kind contributions from this reporting period
- **Candidate and Treasurer Signature** – both the candidate and treasurer must sign and date the report

Step 2 – Contributions

- **Report Number** – 1, 2, or Final
- **Date Received** – enter the date the contribution is received
- **Name and Address of Contributor** – enter the name and address of the contributor (Include contributions from other candidates, political parties, slates, corporations, labor unions or business. If the contribution is not from an individual, enter the name and address of the entity from which it is received.)
- **Contribution Amount** – the amount of the current contribution (**Do not enter In-Kind Contributions on this sheet.**)
- **Totals this Page** – after completing the page, enter in the last row the total cash contribution amount; grand total of all cash contribution pages is entered on the Summary Sheet.

Step 3 – Expenditures

- **Report Number** – 1, 2, or final
- **Date** – enter the date the expenditure was made
- **Name and Address of Payee** – enter the name and address of the payee (The payee is the person who is the recipient of the campaign funds.)
- **Nature of Expenditure** – enter a description that best fits the type of expenditure
- **Amount** – enter the amount of the expenditure
- **Totals this Page** – after completing the page, enter in the last row the total expenditure amount; grand total of all expenditure pages is entered on the Summary Sheet

Step 4 – In-Kind Contributions

- **Report Number** – 1, 2, or final
- **Date Received** – enter the date in-kind contribution was made
- **Name and Address of Contributor** – enter the name and address of the contributor
- **Description of Contribution** – enter a description of the item or event
- **Value of In-Kind Donation** – enter the estimated value of the item or event
- **Totals This Page** – after completing the page, enter in the last row the total in-kind contribution amount

Step 5

- Enter the page numbers and total number of pages for the report

Statement of Organization for Campaign Finance Entities

Name of Campaign Finance Entity:

- The law provides that a committee may not use a name, the intent or effect of which is to deceive people as to the true nature or character of the committee.
- A committee established by and for a single candidate must disclose the name of the candidate within the name of the committee. For example: Citizens for John Smith.
- A non-candidate committee that is sponsored by or affiliated with an entity or group must include the name of the entity or group in the committee name. For example: Health Insurance Corporation PAC or Agriculture Association PAC.

Candidate Committee (committee formed to support a particular candidate)

I hereby authorized the above named committee to raise and spend campaign funds for my candidacy.

Authorization of Candidate:

Signature of the Candidate

Name of Treasurer:

Signature of Treasurer

Election Designation: _____

The committee must indicate the election in which it intends to participate. During a designated election, the committee will be responsible for filing all election related reports, i.e. Pre and Post-General report. Participating in an election means raising or spending money to support a candidate in that election. The committee is always required to file the Annual campaign finance report. If none is selected, the committee is deemed to be participating in all election years.

File this Statement of Organization with: Board of Supervisors of Election
Town of Chestertown
118 N. Cross Street
Chestertown, MD 21620

Questions or Additional Information (410) 778-0500

Please note that all of the information on this form is public information and will be made available upon request.

DRAFT