

ORDINANCE NO. 840

AN ORDINANCE OF THE TOWN OF EASTON AMENDING
CHAPTER 2 OF THE TOWN OF EASTON CODE TO ADD CAMPAIGN
FINANCE PROVISIONS

INTRODUCED BY: _____

WHEREAS, pursuant to Article V, Section 3 of the Town Code all elections shall be conducted in accordance with the provisions of the Town Charter, Town Code and applicable ordinances; and

WHEREAS, pursuant to § 1-101(v)(3) of the Election Law Article of the *Annotated Code of Maryland*, elections under the State law provisions do not include municipal elections; and

WHEREAS, the Town of Easton wishes to adopt campaign finance provisions that are applicable to municipal elections.

NOW, THEREFORE, be it ordained by the Town of Easton:

Section 1. The recitals set forth above are incorporated herein by reference and made a part of this Ordinance.

Section 2. Chapter 2 of the Town of Easton Code is hereby amended to add a new Article XI to read as shown on the Attached Exhibit A.

Section 3. If any section, clause, paragraph, sentence or phrase of the Ordinance or the application thereof to any person, property, or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the invalidity or unconstitutionality shall in no way affect other provisions or any other application of this Ordinance that can be given

effect without the invalid or unconstitutional provision or application, and for this purpose the provisions of this Ordinance are declared severable.

Section 4. In accordance with Article II Section 9 of the Easton Town Charter, this ordinance shall become effective twenty (20) calendar days after approval by the Mayor or passage of this ordinance by the Council over the Mayor's veto.

| | |
|------------|---|
| Curry | - |
| Abbatiello | - |
| Montgomery | - |
| Davis | - |
| Gunsallus | - |

I hereby certify that the above Ordinance was passed by a yea and nay vote of the Council this _____ day of _____, 2025.

Frank Gunsallus, Town Council President

Delivered to the Mayor by me this _____ day of _____, 2025.

Kathy M. Ruf, Town Clerk

APPROVED:

Date: _____
Megan J. M. Cook, Mayor

EFFECTIVE DATE: _____, 2025

EXHIBIT A to Ordinance 840

Article XI. Campaign Finance

Section 2-53. Appointment of Treasurer.

- A. Each candidate shall appoint one treasurer and shall file the name, address and telephone number of the treasurer together with the treasurer's acceptance of the appointment, on a form provided by and returned to the Town Clerk upon or before and as a condition precedent to qualifying as a candidate.
- B. A candidate may not serve as his or her own campaign treasurer, except when the candidate has not received and does not intend to solicit or accept campaign contributions from anyone other than the candidate or the candidate's spouse or domestic partner.
- C. A treasurer who resigns shall do so on a form provided by and returned to the Town Clerk. The candidate shall appoint a new treasurer in accordance with Subsection A of this Section within 72 hours.

Section 2-54. Authority Lines.

- A. Except as otherwise provided in this Section, each item of campaign material shall contain, set apart from any other message, the treasurer's name and/or authority line. For each electronic campaign material, including web pages, social medial and robotic telephone calls, a message acknowledging that the treasurer and candidate approve of the electronic campaign material shall be provided in the electronic campaign material.
- B. Notwithstanding any other provision in this Section, campaign material need not contain an authority line if the item is too small to include all the information required by this Section in a legible form, except that reasonable effort shall be made to include as much legible information as possible, even if in a truncated form.

Section 2-55. Contributions and Expenditures to Pass Through Treasurer.

- A. All contributions received or disbursed by a candidate for any purpose shall be paid over to and made to pass through the hands of the treasurer and shall be disbursed by such person. It shall be a violation of this Article for any candidate to make any expenditure or to disburse or spend any money or any other valuable thing(s) for any purpose until the money or other valuable thing(s) so disbursed or expended shall have passed through the hands of the treasurer.

- B. Notwithstanding the provisions of Subsection A of this Section, it is not a violation of this provision for a candidate to expend such candidate's personal funds in furtherance of his or her own election, provided that such expenditure is reported to the treasurer, and the treasurer's report indicates whether those funds were reimbursed.
- C. Any campaign contributions received by a candidate must be deposited into a separate account with a financial institution. Campaign contributions shall not be commingled with any other funds.

Section 2-56. Restrictions on Campaign Contributions.

- A. Except as provided in Subsection B of this Section, no candidate or treasurer may accept from a single person, business or organization, and no person, business, or organization may give or promise to any single candidate, contributions of money or in-kind things of value that total over Two Hundred Fifty Dollars (\$250) per election.
- B. Contributions by a candidate or a candidate's spouse or domestic partner to the candidate's own campaign shall not be subject to, or included in, the dollar limitations set forth in this Section.
- C. A candidate or treasurer who receives a contribution exceeding the limit specified in Subsection A of this Section shall not use the contribution for any purpose whatsoever, but shall return it immediately to the donor.
- D. For the purpose of this Section, the value of a contribution in kind shall be considered to be a reasonable estimate of its fair market value.
- E. Contributions from political committees are prohibited.
- F. No candidate or treasurer may accept any anonymous contributions in excess of Five Dollars (\$5)
- G. No candidate or treasurer may accept any contributions in the name of someone other than the contributor.
- H. If any candidate or treasurer receives a contribution prohibited by this Section, the candidate or treasurer shall either return the contribution to the contributor promptly or shall forfeit the contribution to the Town promptly, which forfeiture may be used by the Town for any public purpose.
- I. Campaign loans.

- (1) Except as set forth in Subsection B of this Section, the total amount of all loans to a candidate for any election shall not exceed Two Thousand Five Hundred Dollars (\$2,500), and no one person or entity may loan a candidate more than One Thousand Dollars (\$1,000).
- (2) A loan to a candidate shall be considered a contribution unless:
 - (a) The loan is from a financial institution or other entity in the business of making loans; or
 - (b) The loan is to the candidate and repayment is personally guaranteed by the candidate and is due within one year of the date of the loan.
- (3) If the amount of interest actually charged on a loan to a candidate is less than the prime rate on the day the loan is made, the difference between the actual interest charged and that prime rate shall constitute a contribution.
- (4) All campaign loans shall be documented on campaign finance reports in a format provided by the Town Clerk.

Section 2-57. Restrictions on the Use of Campaign Funds.

- A. Campaign contributions may be used only for the following purposes:
 - (1) Print, radio, electronic material production, distribution, and advertisements
 - (2) Website/social media creation and maintenance
 - (3) Meals and clothing for campaign workers
 - (4) Tents and supplies for rallies and poll watching
 - (5) Cost to attend events where exposure will aid in candidate's election process
- B. No candidate may use campaign funds for any personal use, which is an obligation or expense of any person that would exist irrespective of the campaign of a candidate.
- C. Notwithstanding Subsection B of this Section, a candidate may disburse surplus campaign funds by returning them to contributors on a pro rata basis, paying them to the Town to be used for any public purpose, or donating them to a charitable organization. A report of such disbursement shall be filed in accordance with this

Article.

Section 2-58. Campaign Finance Reports.

- A. The treasurer for each candidate shall file reports of contributions received and expenditures made in accordance with this Article.
- B. The Town Clerk shall make all reports and/or affidavits filed pursuant to this Article available for examination by any member of the public.
- C. Any report filed with the Town shall also be filed with the State Board of Elections as required by state law, including pursuant to § 4-108.2 of the Local Government Article of the *Annotated Code of Maryland*, which may be amended from time to time.
- D. Reports required by this Article shall be filed pursuant to the following schedule:
 - (1) Initial report. An initial report shall be filed two (2) months prior to the election
 - (2) Second report. A second report shall be filed one (1) month prior to the election
 - (3) Third report. A third report shall be filed one (1) week prior to the election
 - (4) Final report. A final report shall be filed one (1) week after the election.
 - (5) Surplus Funds Report. The treasurer shall file a report giving a full account of the disposition of any surplus funds within one (1) month after the election.
- E. Each report filed shall include:
 - (1) The total and individual amounts of all contributions received by the treasurer;
 - (2) The total and individual amounts of all expenditures which the candidate, or candidate's treasurer, or any person acting on their behalf made;
 - (3) Receipts and/or other documentation for all expenditures reported, which shall include dates, amounts, and information to identify each contributor and recipient of funds;
 - (4) The total and individual amounts of all loans the candidate or candidate's treasurer received;
 - (5) Documentation indicating the nature, terms, and status of each loan; and

(6) Any balance from the prior reporting period.

- F. Notwithstanding any other provision in this Article, a report need not itemize the campaign contributions made by the candidate or the candidate's spouse or domestic partner but may aggregate those contributions under one line or total.
- G. All reports shall be executed under the penalties of perjury by the treasurer.
- H. Even if no contributions or expenditures have been made during the period covered by the report, a statement to that effect shall be filed by the treasurer.

Section 2-59. Independent Expenditures.

- A. Any person, business, organization, or political committee making aggregate independent expenditures of One Hundred Dollars (\$100) or more in an election cycle for campaign material that is a public communication shall file reports disclosing contributions and expenditures with the Town Clerk.
- B. Such report shall be filed within 48 hours after making an expenditure of One Hundred Dollars (\$100) or more for campaign material that is a public communication.
- C. The independent expenditure report shall include the following information:
 - (1) The identity of the person, business, organization or political committee making the independent expenditures and the person exercising direction or control over the activities of the person, business, organization or political committee making the independent expenditures;
 - (2) The business address of the person making the independent expenditures;
 - (3) The amount and date of each independent expenditures during the period covered by the report and the identity of the recipient of the expenditure;
 - (4) The candidate or ballot issue to which the independent expenditure relates and whether the independent expenditure supports or opposes that candidate or ballot issue; and
 - (5) The identity of each person who made cumulative donations of Fifty Dollars (\$50) or more to the person, business, organization or political committee making the independent expenditure during the period covered by the report.

Section 2-60. Violations and Penalties.

- A. A candidate shall not be seated and sworn as an elected official and shall not receive a salary or other benefits until all reports required by this Article are filed in substantial compliance with the requirements of this article, except that any reports that are not required to be filed until after the candidate is seated and sworn in shall not prevent the seating and swearing in.
- B. Any person who violates the provisions of this Article shall be guilty of a municipal infraction punishable by a fine of Five Hundred Dollars (\$500). Each violation may be considered a separate offense.
- C. In addition to the penalties above, the Town may seek injunctive relief against any violation of the provisions of this Article.