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Joint Audit and Evaluation Committee

Joint Committee on Federal Relations

THE SENATE OF MARYLAND ANNAPOLIS, MARYLAND 21401

Testimony SB65: Exploratory Committees

Senate Education, Energy, and Environment Committee

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Exploratory Committees operate with virtually no statutory oversight. An [Campaign Exploratory Committee](#) is “an entity established by a prospective candidate for a public office to determine the potential candidate’s viability.” Despite functioning as early-stage campaign organizations, they are **exempt from Maryland’s campaign finance disclosure laws**. Marylanders deserve to know who is funding individuals who are testing the waters for public office, and they deserve confidence that these funds are used solely for legitimate campaign purposes.

[Current law](#) provides **no clear guardrails**. In 2022, the State Board of Elections issued [regulations](#) based on an Attorney General’s opinion; those regulations **could not mandate compliance** with our campaign finance transparency and reporting laws. As a result, Exploratory Committees raise and spend money with minimal public visibility or limits.

SB65 corrects this gap with a simple, bipartisan, and long-overdue solution. It is identical to SB17, we have a bill that passed the Senate **unanimously in 2023, 2024, and 2025**-- demonstrating a clear consensus that transparency and accountability should extend to every type of campaign committee.

SB65 establishes three essential safeguards:

- **Disclosure:** Exploratory Committees must follow the same transparency and reporting rules as other campaign committees, allowing Marylanders to see who is contributing and how funds are being spent.
- **Limited Purpose Expenditures:** Funds may only be used for activities related to determining viability.
- **Orderly Dissolution:** Once a potential candidate decides whether to run, any remaining funds must be returned appropriately-- either to contributors, a political party committee, a nonprofit, an authorized campaign, or the Fair Campaign Financing Fund.

Exploratory Committees would be permitted to spend funds only on:

- Conducting surveys or polls
- Establishing a website
- Purchasing basic electronic equipment such as computers and phones
- Employing staff
- Renting or leasing office space

- Direct mailings or communications to potential voters
- Paid digital communications

These guardrails are **reasonable and narrowly tailored**. The bill does **not** eliminate Exploratory Committees, nor does it impose contribution limits-- consistent with relevant judicial decisions. It simply ensures that Exploratory Committees operate transparently and for their intended purpose.

Both Democratic and Republican candidates have used Exploratory Committees, including Michael Steele (R), Tom Hucker (D), Neil Parrott (R), Jill Carter (D), and Tim Adams (D). Disclosure should not be partisan, and SB65 reflects that shared value.

By closing loopholes, clarifying expectations, and reinforcing public accountability, SB65 strengthens the integrity of Maryland's campaign finance system and enhances voters' trust.

I respectfully urge a favorable report on SB65 again this session.