

# HOUSE BILL 111

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(PRE-FILED)

5lr0786  
CF SB 27

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By: **Delegates Palakovich Carr and D. Jones**

Requested: September 9, 2024

Introduced and read first time: January 8, 2025

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Election Law – Campaign Finance – Exploratory Committees**

3 FOR the purpose of applying certain campaign finance requirements for a political  
4 committee to exploratory committees; establishing requirements and prohibitions for  
5 exploratory committees relating to the establishment of the committees, receipt of  
6 funds, and permissible disbursements; requiring an authorized candidate campaign  
7 committee that results from the exploratory committee to make any equipment  
8 purchases from the exploratory committee at the fair market value of the equipment;  
9 requiring an exploratory committee to dispense of remaining funds in a certain  
10 manner in a certain time frame; establishing that an exploratory committee is not  
11 subject to any contribution limit; and generally relating to exploratory committees.

12 BY repealing and reenacting, without amendments,  
13 Article – Election Law  
14 Section 1–101(a), (l), and (gg)  
15 Annotated Code of Maryland  
16 (2022 Replacement Volume and 2024 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Election Law  
19 Section 1–101(k)  
20 Annotated Code of Maryland  
21 (2022 Replacement Volume and 2024 Supplement)

22 BY adding to  
23 Article – Election Law  
24 Section 13–107  
25 Annotated Code of Maryland  
26 (2022 Replacement Volume and 2024 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
2 That the Laws of Maryland read as follows:

3 **Article – Election Law**

4 1–101.

5 (a) In this article the following words have the meanings indicated unless a  
6 different meaning is clearly intended from the context.

7 (k) (1) “Campaign material” means any material that:

8 (i) contains text, graphics, or other images;

9 (ii) relates to a candidate, a [prospective] **POTENTIAL** candidate, or  
10 the approval or rejection of a question or prospective question; and

11 (iii) is published, distributed, or disseminated.

12 (2) “Campaign material” includes:

13 (i) a qualifying paid digital communication;

14 (ii) any other material transmitted by or appearing on the Internet  
15 or other electronic medium;

16 (iii) an oral commercial campaign advertisement; and

17 (iv) an automated or prerecorded oral communication.

18 (l) (1) “Candidate” means an individual who files a certificate of candidacy for  
19 a public or party office.

20 (2) “Candidate” includes:

21 (i) an incumbent justice of the Supreme Court of Maryland or  
22 Appellate Court of Maryland at an election for continuance in office; and

23 (ii) an individual, prior to that individual filing a certificate of  
24 candidacy, if a campaign finance entity has been established on behalf of that individual.

25 (gg) “Political committee” means a combination of two or more individuals that has  
26 as its major purpose promoting the success or defeat of a candidate, political party,  
27 question, or prospective question submitted to a vote at any election.

28 **13–107.**

1           **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
2 **INDICATED.**

3                   **(2) (I) “DONATION” MEANS THE GIFT OR TRANSFER, OR PROMISE**  
4 **OF GIFT OR TRANSFER, OF MONEY OR ANY OTHER THING OF VALUE TO A PERSON**  
5 **THAT MAKES DISBURSEMENTS FOR AN EXPLORATORY COMMITTEE.**

6                           **(II) “DONATION” DOES NOT INCLUDE ANY AMOUNT OF MONEY**  
7 **OR ANY OTHER THING OF VALUE:**

8                                   **1. RECEIVED BY A PERSON IN THE ORDINARY COURSE OF**  
9 **ANY TRADE OR BUSINESS CONDUCTED BY THE PERSON, WHETHER FOR PROFIT OR**  
10 **NOT FOR PROFIT, OR IN THE FORM OF INVESTMENTS IN THE PERSON’S BUSINESS;**  
11 **OR**

12   **2. A. THAT THE DONOR AND THE PERSON RECEIVING**  
13 **THE MONEY OR THING OF VALUE EXPRESSLY AGREE IN WRITING MAY NOT BE USED**  
14 **FOR AN EXPLORATORY COMMITTEE; AND**

15   **B. IN THE CASE OF A MONETARY DONATION, IS**  
16 **DEPOSITED IN A SEPARATE BANK ACCOUNT THAT IS NEVER USED FOR AN**  
17 **EXPLORATORY COMMITTEE.**

18                           **(3) “EXPLORATORY COMMITTEE” MEANS AN ENTITY ESTABLISHED**  
19 **BY A POTENTIAL CANDIDATE FOR A PUBLIC OFFICE TO DETERMINE THE POTENTIAL**  
20 **CANDIDATE’S VIABILITY FOR THAT PUBLIC OFFICE.**

21           **(B) EXCEPT AS OTHERWISE PROVIDED IN §§ 13–220.1 AND 13–220.2 OF THIS**  
22 **TITLE AND SUBTITLE 2, PART V OF THIS TITLE, ALL PROVISIONS OF THIS TITLE**  
23 **THAT APPLY TO A POLITICAL COMMITTEE ALSO APPLY TO AN EXPLORATORY**  
24 **COMMITTEE.**

25           **(C) AN INDIVIDUAL WHO IS A CANDIDATE MAY ESTABLISH AN EXPLORATORY**  
26 **COMMITTEE FOR ANOTHER PUBLIC OFFICE.**

27           **(D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, AN EXPLORATORY**  
28 **COMMITTEE FOR AN INDIVIDUAL MAY RECEIVE FUNDS AND MAKE DISBURSEMENTS**  
29 **TO DETERMINE THE INDIVIDUAL’S VIABILITY FOR A PUBLIC OFFICE.**

30           **(E) AN EXPLORATORY COMMITTEE MAY MAKE A DISBURSEMENT ONLY FOR**  
31 **THE FOLLOWING:**

32                           **(1) CONDUCTING SURVEYS OR POLLS REGARDING VIABILITY OF THE**  
33 **POTENTIAL CANDIDATE FOR A PUBLIC OFFICE;**

1           **(2) DIRECT MAILINGS AND OTHER COMMUNICATIONS TO POTENTIAL**  
2 **VOTERS;**

3           **(3) EMPLOYING STAFF;**

4           **(4) ESTABLISHING A WEBSITE;**

5           **(5) QUALIFYING PAID DIGITAL COMMUNICATIONS;**

6           **(6) RENTING OR LEASING OFFICE SPACE; AND**

7           **(7) PURCHASING ELECTRONIC EQUIPMENT, INCLUDING COMPUTERS**  
8 **AND TELEPHONES.**

9           **(F) AN EXPLORATORY COMMITTEE MAY NOT PAY ANY EXPENSE IN ADVANCE**  
10 **FOR GOODS OR SERVICES TO BE USED BY THE POLITICAL COMMITTEE OF THE**  
11 **POTENTIAL CANDIDATE ONCE THE POTENTIAL CANDIDATE REGISTERS AN**  
12 **AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE.**

13           **(G) IF AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE RESULTS FROM**  
14 **THE EXPLORATORY COMMITTEE, ANY PURCHASES MADE BY THE AUTHORIZED**  
15 **CANDIDATE CAMPAIGN COMMITTEE OF EQUIPMENT FROM THE EXPLORATORY**  
16 **COMMITTEE SHALL BE MADE AT THE FAIR MARKET VALUE OF THE EQUIPMENT.**

17           **(H) (1) AN EXPLORATORY COMMITTEE SHALL RETURN ANY REMAINING**  
18 **FUNDS RECEIVED UNDER SUBSECTION (E) OF THIS SECTION IN ACCORDANCE WITH**  
19 **PARAGRAPH (2) OF THIS SUBSECTION WITHIN 120 DAYS AFTER:**

20                   **(I) A POTENTIAL CANDIDATE:**

21                           **1. TIMELY FILES A CERTIFICATE OF CANDIDACY FOR A**  
22 **PUBLIC OFFICE UNDER TITLE 5, SUBTITLE 3 OF THIS ARTICLE; OR**

23                           **2. PUBLICLY ANNOUNCES THAT THE POTENTIAL**  
24 **CANDIDATE HAS DECLINED TO FILE A CERTIFICATE OF CANDIDACY FOR PUBLIC**  
25 **OFFICE; OR**

26                           **(II) THE DEADLINE FOR FILING A CERTIFICATE OF CANDIDACY**  
27 **UNDER TITLE 5, SUBTITLE 3 OF THIS ARTICLE HAS PASSED.**

28           **(2) AN EXPLORATORY COMMITTEE SHALL RETURN FUNDS UNDER**  
29 **PARAGRAPH (1) OF THIS SUBSECTION:**

1                   **(I)    PRO RATA TO THE CONTRIBUTORS; OR**

2                   **(II)   BY PAYING THE REMAINING FUNDS TO:**

3                   **1.    IF THE POTENTIAL CANDIDATE IS A MEMBER OF A**  
4 **POLITICAL PARTY:**

5                   **A.    THE STATE CENTRAL COMMITTEE OF THE POLITICAL**  
6 **PARTY; OR**

7                   **B.    A LOCAL CENTRAL COMMITTEE OF THE POLITICAL**  
8 **PARTY;**

9                   **2.    IF THE POTENTIAL CANDIDATE ESTABLISHES AN**  
10 **AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE, SUBJECT TO § 13-226 OF THIS**  
11 **TITLE, THE AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE;**

12                   **3.    A NONPROFIT ORGANIZATION EXEMPT FROM**  
13 **TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE; OR**

14                   **4.    THE FAIR CAMPAIGN FINANCING FUND**  
15 **ESTABLISHED UNDER § 15-103 OF THIS ARTICLE.**

16           **(I)    A DONATION TO AN EXPLORATORY COMMITTEE IS NOT SUBJECT TO ANY**  
17 **LIMITS.**

18           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
19 1, 2025.