

SENATE BILL 27

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(PRE-FILED)

5lr0785
CF HB 111

By: **Senator Kagan**

Requested: September 9, 2024

Introduced and read first time: January 8, 2025

Assigned to: Education, Energy, and the Environment

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 11, 2025

CHAPTER _____

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)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to
2 Article – Election Law
3 Section 13–107
4 Annotated Code of Maryland
5 (2022 Replacement Volume and 2024 Supplement)

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

8 **Article – Election Law**

9 1–101.

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

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

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

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

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

17 (2) “Campaign material” includes:

18 (i) a qualifying paid digital communication;

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

21 (iii) an oral commercial campaign advertisement; and

22 (iv) an automated or prerecorded oral communication.

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

25 (2) “Candidate” includes:

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

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

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

4 **13-107.**

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
6 INDICATED.

7 (2) (I) "DONATION" MEANS THE GIFT OR TRANSFER, OR PROMISE
8 OF GIFT OR TRANSFER, OF MONEY OR ANY OTHER THING OF VALUE TO A PERSON
9 THAT MAKES DISBURSEMENTS FOR AN EXPLORATORY COMMITTEE.

10 (II) "DONATION" DOES NOT INCLUDE ANY AMOUNT OF MONEY
11 OR ANY OTHER THING OF VALUE:

12 1. RECEIVED BY A PERSON IN THE ORDINARY COURSE OF
13 ANY TRADE OR BUSINESS CONDUCTED BY THE PERSON, WHETHER FOR PROFIT OR
14 NOT FOR PROFIT, OR IN THE FORM OF INVESTMENTS IN THE PERSON'S BUSINESS;
15 OR

16 2. A. THAT THE DONOR AND THE PERSON RECEIVING
17 THE MONEY OR THING OF VALUE EXPRESSLY AGREE IN WRITING MAY NOT BE USED
18 FOR AN EXPLORATORY COMMITTEE; AND

19 B. IN THE CASE OF A MONETARY DONATION, IS
20 DEPOSITED IN A SEPARATE BANK ACCOUNT THAT IS NEVER USED FOR AN
21 EXPLORATORY COMMITTEE.

22 (3) "EXPLORATORY COMMITTEE" MEANS AN ENTITY ESTABLISHED
23 BY A POTENTIAL CANDIDATE FOR A PUBLIC OFFICE TO DETERMINE THE POTENTIAL
24 CANDIDATE'S VIABILITY FOR THAT PUBLIC OFFICE.

25 (B) EXCEPT AS OTHERWISE PROVIDED IN §§ 13-220.1 AND 13-220.2 OF THIS
26 TITLE AND SUBTITLE 2, PART V OF THIS TITLE, ALL PROVISIONS OF THIS TITLE
27 THAT APPLY TO A POLITICAL COMMITTEE ALSO APPLY TO AN EXPLORATORY
28 COMMITTEE.

29 (C) ~~AN INDIVIDUAL WHO IS A CANDIDATE MAY ESTABLISH AN EXPLORATORY~~
30 ~~COMMITTEE FOR ANOTHER PUBLIC OFFICE.~~

31 ~~(D)~~ SUBJECT TO SUBSECTION ~~(E)~~ (D) OF THIS SECTION, AN EXPLORATORY
32 COMMITTEE FOR AN INDIVIDUAL MAY RECEIVE FUNDS AND MAKE DISBURSEMENTS
33 TO DETERMINE THE INDIVIDUAL'S VIABILITY FOR A PUBLIC OFFICE.

1 ~~(E)~~ (D) AN EXPLORATORY COMMITTEE MAY MAKE A DISBURSEMENT:

2 (1) ONLY FOR PURPOSES RELATED TO DETERMINING THE POTENTIAL
3 CANDIDATE'S VIABILITY FOR A PUBLIC OFFICE; AND

4 (2) ONLY FOR THE FOLLOWING:

5 ~~(1)~~ (I) CONDUCTING SURVEYS OR POLLS REGARDING VIABILITY OF
6 THE POTENTIAL CANDIDATE FOR A PUBLIC OFFICE;

7 ~~(2)~~ (II) DIRECT MAILINGS AND OTHER COMMUNICATIONS TO
8 POTENTIAL VOTERS;

9 ~~(3)~~ (III) EMPLOYING STAFF;

10 ~~(4)~~ (IV) ESTABLISHING A WEBSITE;

11 ~~(5)~~ (V) QUALIFYING PAID DIGITAL COMMUNICATIONS;

12 ~~(6)~~ (VI) RENTING OR LEASING OFFICE SPACE; AND

13 ~~(7)~~ (VII) PURCHASING ELECTRONIC EQUIPMENT, INCLUDING
14 COMPUTERS AND TELEPHONES.

15 ~~(F)~~ (E) AN EXPLORATORY COMMITTEE MAY NOT PAY ANY EXPENSE IN
16 ADVANCE FOR GOODS OR SERVICES TO BE USED BY THE POLITICAL COMMITTEE OF
17 THE POTENTIAL CANDIDATE ONCE THE POTENTIAL CANDIDATE REGISTERS AN
18 AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE.

19 ~~(G)~~ (F) IF AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE RESULTS
20 FROM THE EXPLORATORY COMMITTEE, ANY PURCHASES MADE BY THE AUTHORIZED
21 CANDIDATE CAMPAIGN COMMITTEE OF EQUIPMENT FROM THE EXPLORATORY
22 COMMITTEE SHALL BE MADE AT THE FAIR MARKET VALUE OF THE EQUIPMENT.

23 ~~(H)~~ (G) (1) AN EXPLORATORY COMMITTEE SHALL RETURN ANY
24 REMAINING FUNDS RECEIVED UNDER SUBSECTION ~~(E)~~ (D) OF THIS SECTION IN
25 ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION WITHIN 120 DAYS AFTER:

26 (I) A POTENTIAL CANDIDATE:

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

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

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

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

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

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

10 **1. IF THE POTENTIAL CANDIDATE IS A MEMBER OF A**
11 **POLITICAL PARTY:**

12 **A. THE STATE CENTRAL COMMITTEE OF THE POLITICAL**
13 **PARTY; OR**

14 **B. A LOCAL CENTRAL COMMITTEE OF THE POLITICAL**
15 **PARTY;**

16 **2. IF THE POTENTIAL CANDIDATE ESTABLISHES AN**
17 **AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE, SUBJECT TO § 13-226 OF THIS**
18 **TITLE, THE AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE;**

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

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

23 ~~(H)~~ **(H) A DONATION TO AN EXPLORATORY COMMITTEE IS NOT SUBJECT**
24 **TO ANY LIMITS.**

25 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June**
26 **1, 2025.**