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Uploaded by: Charlie Cooper

Position: FAV



February 16, 2023

Support: SB 111 – Campaign Finance – Draft Committees and Exploratory Committees

Charlie Cooper, Convener

For the People – Maryland is a coalition of nonprofit advocacy and community organizations that stands for political equality. Every citizen should have equal access to the ballot as a voter or as a candidate. District lines should be fair to every voter, regardless of race, ethnicity, or party affiliation. The corruption of big money in politics must be eliminated, and the disproportionate influence of concentrated wealth reduced.

We support Senate Bill 111 because it closes loopholes that may allow big money corruption in Maryland elections. If exploratory committees do not have the same reporting requirements as candidate committees, there may be an incentive to defer declaring candidacy and use the draft committee to hide contributions and spending. Similarly, if draft committees do not have the same reporting requirements as candidate committees, there would be a temptation for the prospective candidate to coordinate efforts with the draft committee and use that committee to avoid reporting.

These loopholes could eventually lead to systematic flouting of Maryland campaign finance law. Professional operatives could help candidates avoid scrutiny by utilizing the draft and exploratory committee ruses. We have seen similar ploys in presidential politics. This bill is remarkably simple and closes the door on potential mischief.

Please promote campaign finance integrity by giving your favorable report to Senate Bill 111.

Get Money Out – Maryland

Baltimore County Progressive Democrats Club

Baltimore Nonviolence Center

Be the Change Bmore

Caucus of African American Leaders of Anne Arundel

Chesapeake Climate Action Network

Common Cause Maryland

Don't Shop on Tuesdays

Indivisible Central Maryland

Indivisible Howard County

Indivisible Montgomery

Indivisible Worcester

J Walkers Action Group

League of Women Voters of Baltimore City

Maryland Legislative Coalition

Maryland Peace Action

Maryland Poor People's Campaign

Maryland United for Peace and Justice

Matthew Henson Community Development Center

National Association of Social Workers - Maryland

Our Revolution Maryland

Progressive Maryland

Randallstown Branch NAACP

Represent Maryland

Represent.US

St. Ignatius Justice & Peace Committee

Southwest Baltimore County Democratic Club

WISE –Women Indivisible Strong Effective

2023-02-16 SB 111 (Support) .pdf

Uploaded by: Hannibal Kemerer

Position: FAV

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February 16, 2023

TO: The Honorable Brian Feldman
Chair, Education, Energy, and the Environment Committee

FROM: Hannibal G. Williams II Kemerer
Chief Counsel, Legislative Affairs, Office of the Attorney General

RE: SB 0111 – Election Law – Campaign Finance – Draft Committees and
Exploratory Committees (**Support**)

The Office of the Attorney General urges a favorable report on Senate Bill 111 to expand transparency within the electoral process.

Generally, there are no statutory provisions that expressly authorize Exploratory and Draft Committees. However, the Office of the Attorney General has advised that some Exploratory Committees are permissible only for non-candidates. These committees may not file a Statement of Organization with the State Board of Elections and may not engage in any campaign finance activities. The funds raised are exclusively for what are considered permissible exploratory activities (conducting surveys on potential candidate viability, direct mailings and communications to potential voters, the employment of staff, and to establish a website). Draft Committees are committees that are organized to encourage potential candidate to run for office but are not authorized by the potential candidate. Their scope of permissible activities is the same as Exploratory Committees. Should a committee exceed the limited scope it would need to register an authorized candidate committee by filing a statement of organization with the State Board of Elections.

This creates concern, as there is a distinct lack of explicit rules that Exploratory and Draft Committees may operate under.

Senate Bill 111 seeks to eliminate this concern by explicitly stating what such committees may expend funds on and prohibiting a committee from making any advance purchase of goods or services for the political committee of a potential candidate. Furthermore, the bill ensures that any equipment purchases by an authorized committee from the Exploratory or Draft committee are made at fair market value. The bill states that, within 120 days after a potential candidate or an individual a Draft Committee intends to encourage to run for office

This bill letter is a statement of the Office of Attorney General's policy position on the referenced pending legislation. For a legal or constitutional analysis of the bill, Members of the Senate and Senate should consult with the Counsel to the General Assembly, Sandy Brantley. She can be reached at 410-946-5600 or sbrantley@oag.state.md.us.

files their certificate of candidacy, or after the filing deadline has passed, all remaining funds must be returned in proportion to the contributors or to an organization as enumerated in the bill, and establishes the committees are not subject to any contribution limit.

Senate Bill 111 ensures there are distinct guardrails for Exploratory and Draft Committees. For the foregoing reasons, the Office of the Attorney General recommends a favorable report of Senate Bill 111.

cc: Vice Chair Kagan and Committee Members

SB 111 - Election Law - Campaign Finance - Draft C

Uploaded by: Morgan Drayton

Position: FAV

February 16, 2023

Testimony on SB 111
Election Law - Campaign Finance - Draft Committees and Exploratory Committees
Education, Energy, and the Environment

Position: Favorable

Common Cause Maryland is in support of SB 111, which would apply certain campaign finance requirements and prohibitions to draft committees and exploratory committees.

Maryland has a well-developed system of campaign finance law, a system that ensures everyday citizens can trace who is making donations and what special interest voices are being heard in that process. Given the amount of money that can be spent testing the feasibility of an individual's candidacy, we believe that both draft and exploratory committees should be required to adhere to the same level of scrutiny - it is critical that citizens be able to see who is funding these efforts.

One change we would ask the Committee to consider would be to consider specifying under section (F) that draft and exploratory committees may also make disbursements for digital outreach (i.e. mass emails, online advertising, text message advertising) as well as hosting large-scale events.

This bill will allow for greater disclosure and transparency around these committees, giving the public the opportunity to see who is spending time and money to influence our elections. For these reasons, we request a favorable report on SB 111.

SB 111 Campaign Finance – Election Law - Campaign

Uploaded by: Ralph Watkins

Position: FAV



TESTIMONY TO THE SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT

SB 111 Campaign Finance – Election Law - Campaign Finance - Draft Committees and Exploratory Committees

POSITION: Support

BY: Nancy Soreng President

Date: February 16, 2023

The League of Women Voters supports campaign finance regulations that enhance political equality for all citizens, ensure transparency, protect representative democracy from distortion by undisclosed contributions and combat corruption.

Exploratory and draft committees have been exempted from the accountability and transparency expectations that other campaign finance committees must follow. This bill would establish reporting requirements and prohibitions for draft committees and exploratory committees. It also defines important safeguards such as regulations for the receipt of funds, permissible expenditures and disbursement of funds and assets once a committee disbands.

We also appreciate the explicit prohibition of coordination or cooperation by a Draft Committee with the individual it intends to encourage to seek office. We have seen the proposed amendments to the bill and they do not diminish our support for the concept.

We urge a favorable report on SB 111.

Election Law - Campaign Finance

Uploaded by: Sen. Cheryl Kagan

Position: FAV

CHERYL C. KAGAN
Legislative District 17
Montgomery County

—
Vice Chair
Education, Energy, and
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—
Joint Audit and Evaluation Committee

Joint Committee on Federal Relations



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SB111: Election Law -- Campaign Finance -- Draft & Exploratory Committees

Education, Energy, Environment (& Elections!) Committee

Thursday, February 16, 2023 1PM

Exploratory and draft committees have been exempt from accountability and transparency laws that govern other campaign committees. [SB111](#) would close this loophole. Marylanders deserve to know who is financing those who may seek elected office.

An [exploratory committee](#) is defined as “an entity established by a prospective candidate for a public office to determine the potential candidate’s viability for that public office.” Similarly, a [draft committee](#) is “an entity that is organized to encourage a potential candidate to run for office but is not authorized by the potential candidate.” [Current MD law fails to provide oversight and transparency](#) for these entities. SB111 would require that these election committees comply with campaign finance disclosure laws; limit the purpose for which funds can be expended; and establish processes for dissolving them.

Candidates who have had exploratory or draft committees come from both parties, including: Laura Neuman (D- Governor 2022); Michael Steele (R- Governor 2021); Jim Shea (D- Governor 2017); Joanna Conti, (D- Anne Arundel County Executive 2012), and Larry Hogan (R-Governor 2010); among others.

An amendment includes provisions for reporting procedures; removing contribution limits; expanding the list of permitted expenditures; clarifying that candidate committees can purchase items from the draft or exploratory committee at fair market value; adding options for the use of any leftover funds; and instituting a 120-day deadline for closing the exploratory or draft committee account after the filing deadline has passed; a certificate of candidacy is filed; or a prospective candidates announces that they will not seek the office.

I urge a favorable report as amended on SB111.



SB0111/263926/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

15 FEB 23
13:46:55

BY: Senator Kagan
(To be offered in the Education, Energy, and the Environment
Committee)

AMENDMENTS TO SENATE BILL 111
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, strike “a political” and substitute “an authorized candidate campaign”; in line 8, after “disbursements;” insert “requiring an authorized candidate campaign committee that results from the draft committee or exploratory committee to make any equipment purchases from the draft committee or exploratory committee at the fair market value of the equipment; requiring a draft committee or an exploratory committee to dispense of remaining funds in a certain manner in a certain time frame; establishing that a draft committee or an exploratory committee is not subject to any contribution limit except under certain circumstances;”; and in line 12, after “1-101(a),” insert “(c).”.

AMENDMENT NO. 2

On page 2, after line 2, insert:

“(c) “Authorized candidate campaign committee” means a political committee established under Title 13 of this article and authorized by a candidate to promote the candidate’s candidacy.”;

and in line 25, strike “A POLITICAL” and substitute “AN AUTHORIZED CANDIDATE CAMPAIGN”.

On page 3, in line 2, after “CANDIDATE” insert “FOR THAT PUBLIC OFFICE”; in line 3, strike “NOT”; in line 4, strike “A” and substitute “ANOTHER”; in line 15, strike “AND”; in line 16, after “WEBSITE” insert “;”

(5) RENTING OR LEASING OFFICE SPACE; AND

(6) ELECTRONIC EQUIPMENT, INCLUDING COMPUTERS AND TELEPHONES”;

and after line 20, insert:

“(H) IF AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE RESULTS FROM THE DRAFT COMMITTEE OR EXPLORATORY COMMITTEE, ANY PURCHASES MADE BY THE AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE OF EQUIPMENT FROM THE DRAFT COMMITTEE OR EXPLORATORY COMMITTEE SHALL BE MADE AT THE FAIR MARKET VALUE OF THE EQUIPMENT.

(I) WITHIN 120 DAYS AFTER A POTENTIAL CANDIDATE OR AN INDIVIDUAL A DRAFT COMMITTEE INTENDED TO ENCOURAGE TO SEEK PUBLIC OFFICE FILES A CERTIFICATE OF CANDIDACY FOR A PUBLIC OFFICE OR ANNOUNCES THAT THE POTENTIAL CANDIDATE OR INDIVIDUAL HAS DECIDED NOT TO RUN FOR THE PUBLIC OFFICE, OR AFTER THE FILING DEADLINE FOR THE PUBLIC OFFICE HAS PASSED, THE DRAFT COMMITTEE OR EXPLORATORY COMMITTEE SHALL RETURN ANY REMAINING FUNDS RECEIVED UNDER SUBSECTION (D) OF THIS SECTION PRO RATA TO THE CONTRIBUTORS OR PAY THE REMAINING FUNDS TO:

(1) IF THE POTENTIAL CANDIDATE OR INDIVIDUAL THE DRAFT COMMITTEE INTENDED TO ENCOURAGE IS A MEMBER OF A POLITICAL PARTY:

(i) THE STATE CENTRAL COMMITTEE OF THE POLITICAL PARTY; OR

(II) A LOCAL CENTRAL COMMITTEE OF THE POLITICAL PARTY;

(2) IF THE POTENTIAL CANDIDATE OR INDIVIDUAL THE DRAFT COMMITTEE INTENDED TO ENCOURAGE ESTABLISHES AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE AS A RESULT OF THE EXPLORATORY COMMITTEE OR DRAFT COMMITTEE AND SUBJECT TO THE LIMITS ESTABLISHED UNDER § 13-227(C) OF THIS TITLE, THE AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE;

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

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

(J) EXCEPT AS PROVIDED IN SUBSECTION (I)(2) OF THIS SECTION, A DRAFT COMMITTEE OR AN EXPLORATORY COMMITTEE IS NOT SUBJECT TO ANY CONTRIBUTION LIMIT.”.