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TO: The Honorable Vanessa Atterbear
Chair, Ways and Means Committee

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

RE: HB 441 - Election Law - Campaign Finance - Draft Committees and
Exploratory Committees (**Support**)

The Office of the Attorney General urges a favorable report on House Bill 441 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.

House Bill 441 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

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 House 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

an individual a Draft Committee intends to encourage to run for office 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.

House Bill 441 ensures there are distinct guardrails for Exploratory and Draft Committees. For the foregoing reasons, the OAG recommends a favorable report of House Bill 441.

cc: The Honorable Dana C. Jones & Committee Members