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Position: FAV



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

March 28, 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 exploratory 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.

SB111_CCK_Testimony.pdfUploaded by: Sen. Cheryl Kagan Position: FAV

CHERYL C. KAGAN

Legislative District 17

Montgomery County

Vice Chair
Education, Energy, and the Environment Committee

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

House Ways and Means Committee Tuesday, March 28, 2023 1PM

Exploratory and draft committees have been exempt from accountability and transparency laws that govern other campaign committees. <u>SB111</u> would close this loophole. Marylanders deserve to know who is financing those who may seek elected office.

An <u>exploratory committee</u> 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 <u>draft committee</u> is "an entity that is organized to encourage a potential candidate to run for office but is not authorized by the potential candidate." <u>Current MD law</u> 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.

SB111 passed the Senate unanimously on March 17, 2023.

I urge a favorable report as amended on SB111.