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THE SENATE OF MARYLAND Annapolis, Maryland 21401

SB27: Exploratory Committees

House Ways & Means Committee Tuesday, March 18, 2025 1:00 PM

An <u>Exploratory Committee</u> is "an entity established by a prospective candidate for a public office to determine the potential candidate's viability;" they are exempt from our campaign finance disclosure laws. Marylanders deserve to know who is financing potential candidates.

<u>Current law</u> fails to **provide adequate guidelines or oversight**. In 2022, the State Board of Elections (SBE) crafted <u>regulations</u> based on the Attorney General's opinion regarding the formation of Exploratory Committees, but these couldn't require compliance with campaign finance transparency laws.

As amended and passed by the Senate, <u>SB27</u> ensures that Exploratory Committees follow disclosure laws; limit the purposes for which funds can be spent; and establish processes for dissolving the committees.

Exploratory Committees would **only** be allowed to spend money on the following:

- Conducting surveys or polls;
- Sending direct mailings and other communications to potential voters;
- Employing staff;
- Establishing a website;
- Creating paid digital communications;
- Renting or leasing office space; and
- Purchasing electronic equipment, including computers and telephones.

This bill would not eliminate these committees nor impose limits on donations, in keeping with court rulings.

Candidates from both parties have created Exploratory Committees, including Michael Steele, Tom Hucker, Neil Parrott, Jill Carter, and Tim Adams.

A broader version of this bill-- including both Exploratory and Draft Committees-- passed the Senate unanimously in 2023 and 2024. This year, it also passed unanimously.

I urge a favorable report on SB27.