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Testimony in Support of HB 111
Election Law - Campaign Finance - Exploratory Committees

For too long, exploratory campaign committees have been exempt from our election accountability and disclosure laws. Marylanders deserve to know who is financing prospective candidates for elected office. HB 111 would close this loophole by codifying existing state regulations.

Prior iterations of this bill passed the Senate unanimously in both 2023 and 2024.

An exploratory committee is an entity established by a prospective candidate for a public office to determine the potential candidate's viability. For instance, a person might want to test the waters of a potential run for office before officially becoming a candidate. Exploratory committees are more typical for higher offices, including statewide offices such as governor.¹

Current law fails to provide oversight for these campaign entities. In 2022, the State Board of Elections crafted [regulations](#) to codify existing State Board policies regarding exploratory committees. The policies have been published in their [Summary Guide](#) since 2014 and were based upon past advice from the Office of the Attorney General. But because no state law exists to formally regulate exploratory committees, the regulations did not require compliance with basic campaign finance transparency laws, including the reporting of contributions.

HB 111 addresses this loophole by requiring that exploratory committees report contributions to the State Board of Elections, bringing them in line with the rules other campaign committees already follow.

This bill does not eliminate exploratory committees nor would it impose limits on contributions. The bill would ensure that exploratory committees follow the same disclosure laws as other political committees.

¹ Examples in Maryland include Laura Neuman (2022), Michael Steele (2021), Jim Shea (2017), and Larry Hogan (2010)

The bill codifies the State Board of Elections' current regulations concerning exploratory committees, including a restriction on the purposes for which funds can be expended and a process for dissolution of a committee. Existing [regulations](#) limit funds raised to certain permissible exploratory activities, such as conducting surveys on potential candidate viability, direct mailings and communications to potential voters, the employment of staff, and to establish a website.

Under the bill, exploratory committees would be allowed to engage in the following types of expenditures:

- Conducting surveys or polls regarding viability of a potential candidate for a public office;
- Direct mailings and other communications to potential voters;
- Employing staff;
- Establishing a website;
- Qualifying paid digital communications;
- Renting or leasing office space; and
- Purchasing electronic equipment, including computers and telephones.