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January 21, 2025

TO: The Honorable Vanessa Atterbeary

Chair, Ways and Means Committee

FROM: Adam Spangler

Legislative Aide, Legislative Affairs Unit

RE: House Bill 111 – Election Law - Campaign Finance - Exploratory

Committees - Favorable

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

COMAR 33.13.23.01 defines an "exploratory committee" as "...an entity established by a prospective candidate for a public office to determine the potential candidate's viability for that public office." While these regulations define "exploratory committees", they do not provide oversight nor require compliance with State campaign finance transparency laws.

The distinct lack of explicit rules which exploratory committees may operate under creates a concern. **House Bill 111** seeks to eliminate this concern by(1) explicitly stating what exploratory committees may expend funds on and (2) prohibiting an exploratory 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 committee are made at fair market value. The bill states that, within 120 days after a potential candidate 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 111 ensures there are guardrails for exploratory committees. For the foregoing reasons, the OAG recommends a **favorable** report of **House Bill 111**.

cc: Ways & Means Committee Members