SB0027 – Unfavorable

Honorable Delegates

I agree with most of the proposed Section 13-107, but I disagree with one section so much that I recommend an unfavorable decision rather than recommending a Favorable action with amendment. I disagree with Subsection G (2) on page 5, lines 6-22 that discuss what to do with any remaining funds once the Exploratory Committee ends.

The proposed process is to return any remaining funds when an exploratory committee ends on a pro rata basis to the contributors **OR** give the remaining funds to the state or local central committee.

I believe that refunds <u>MUST</u> be offered to the contributors first. Only if the refund is refused by the contributor or the committee documents that the contributor did not respond and documents the unsuccessful efforts to contact them, then, and only then, should any funds be donated to either A NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE; OR THE FAIR CAMPAIGN FINANCING FUND ESTABLISHED UNDER § 15–103 OF THIS ARTICLE. <u>No refunds should be donated to a State or County central committee</u>. Some donors may not realize when the exploratory committees have ended and not realize that they could have received a refund until after any remaining funds have been donated to a central committee.

As proposed, an exploratory committee (that has no restrictions on the amounts that can be donated per Section H on page 5, lines 23-24), could be established for a position when the candidate has no real chance of winning or no real desire of running. By not having to refund any leftover funds to the contributors, these iffy exploratory committees that did not spend much money on the effort could then be used as a de facto fund raiser for the central committees. By requiring sufficient record keeping to enable refunds and not allowing the unspent money to be donated to a State or County central committee, it would make it more difficult to use bogus exploratory committees as a de facto source of funding for central committees.

Please enter an unfavorable action on SB0027.

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