

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 529

H.P. 375

House of Representatives, February 11, 1991

Reference to the Committee on Legal Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative MAYO of Thomaston.

Cosponsored by Representative LAWRENCE of Kittery and Representative TUPPER of Orrington.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act to Amend the Campaign Finance Reporting Laws.



Be it enacted by the People of the State of Maine as follows:

2
4 **Sec. 1. 21-A MRSA §1003, sub-§§1 and 2,** as amended by PL 1989,
c. 504, §§1 and 31, are further amended to read:

6 **1. Investigations.** The commission may investigate to
8 determine the facts concerning the registration of any a
candidate, treasurer, political committee or political action
10 committee and contributions by or to and expenditures by any a
person, candidate, treasurer, political committee or political
12 action committee. For this purpose, the commission may subpoena
witnesses and records and take evidence under oath. Any A person
14 or political action committee that fails to obey the lawful
subpoena of the commission or to testify before it under oath
16 shall be punished by the Superior Court for contempt on
application by the Attorney General on behalf of the commission.

18 **2. Investigations requested.** Any A person may apply in
20 writing to the commission requesting an investigation concerning
the registration of any candidate, treasurer, political committee
or political action committee and contributions by or to and
22 expenditures by any a person, candidate, treasurer, political
committee or political action committee. The commission shall
24 review the application and shall make the investigation if the
reasons stated for the request show sufficient grounds for
26 believing that a violation may have occurred.

28 **Sec. 2. 21-A MRSA §1004, sub-§§1 and 2,** as amended by PL 1989,
c. 504, §§2 and 31, are further amended to read:

30 **1. Contributions and expenditures.** No A person, candidate,
32 treasurer, political committee or political action committee may
not knowingly make or accept any contribution or make any
34 expenditure in violation of this chapter.

36 **2. False statements.** No A person, candidate, treasurer,
38 political committee or political action committee may not make a
false statement in any report required by this chapter.

40 **Sec. 3. 21-A MRSA §1013-A, sub-§1,** as amended by PL 1989, c.
42 833, §1, is repealed and the following enacted in its place:

44 **1. Appointment of campaign treasurer or candidate**
committee; registration with commission. Candidates are required
46 to register the candidate's name and the name of a treasurer or
political committee with the commission at least once in each
48 legislative biennium as provided in this section. For the
purpose of this section, "legislative biennium" means the term of
office a person is elected to serve in the Legislature.

50 **A. No later than 10 days after becoming a candidate and**
52 **before accepting contributions, making expenditures or**

2 incurring obligations, every candidate for state or county
4 office shall appoint a treasurer or, in lieu of a treasurer,
6 a political committee. A candidate may serve as treasurer.
8 If the candidate appoints a political committee, the
10 candidate shall appoint a treasurer for the committee. A
12 candidate may not appoint more than one political committee
14 to exist at the same time. A candidate shall register the
16 candidate's name and address and the name and address of
18 each treasurer appointed under this section no later than 10
20 days after the appointment.

22 B. No later than 10 days after appointing a political
24 committee, the candidate shall register with the commission
26 the following information regarding that political committee:

28 (1) The name or title of the committee;

30 (2) The name and address of the committee's treasurer;

32 (3) The name of the candidate who authorized the
34 committee; and

36 (4) The names and addresses of all of the committee's
38 officers.

40 **Sec. 4. 21-A MRS §1013-A, sub-§2, as amended by PL 1989, c.**
42 **833, §1, is repealed.**

44 **Sec. 5. 21-A MRS §1013-A, sub-§4, as enacted by PL 1989, c.**
46 **504, §§4 and 31, is amended to read:**

48 **4. Reporting by registered treasurers and committees.** All
50 contributions accepted and expenditures made or authorized by or
52 on behalf of a candidate registered under this section or
qualified under sections 335 and 336 or sections 354 and 355 must
be recorded and reported as provided in sections 1016 and 1017.

Sec. 6. 21-A MRS §1013-B is enacted to read:

§1013-B. Removal of treasurer; filling vacancy of treasurer;
substantiation of records of treasurer; notification to
commission

44 A candidate may remove any treasurer that the candidate has
46 appointed. In case of a vacancy in the position of treasurer of
48 a candidate or a political committee before all of the
50 obligations of the treasurer have been performed, the candidate
52 shall serve as treasurer from the date of the vacancy until the
candidate appoints a successor and reports the name and address
of the successor to the commission. The candidate shall file a
written statement of resignation of a treasurer of a candidate or
a political committee and until that statement has been filed,

2 the resignation is not effective. An individual who vacates the
3 position of treasurer by reason of removal or resignation shall
4 certify the accuracy of the treasurer's records to the succeeding
5 treasurer. A succeeding treasurer may not be held responsible
6 for the accuracy of the predecessor's records.

7 Sec. 7. 21-A MRSA §1015, sub-§6, as enacted by PL 1985, c.
8 161, §6, is amended to read:

9 6. **Prohibited expenditures.** A candidate, a treasurer, a
10 political committee, a party or party committee, a person
11 required to file a report under this subchapter or their
12 authorized agents may not make any expenditures for liquor to be
13 distributed to or consumed by voters while the polls are open on
14 election day.

15 Sec. 8. 21-A MRSA §1016, sub-§1, as amended by PL 1989, c.
16 504, §§9 and 31, is further amended to read:

17 1. **Segregated funds.** All funds of a political committee
18 and campaign funds of a candidate must be segregated from, and
19 may not be commingled with, any personal funds of the candidate,
20 treasurer, other officers, members or associates of the
21 committee. Personal funds of the candidate used to support the
22 candidacy must be recorded and reported as contributions to the
23 political committee, or the candidate if the candidate has not
24 authorized a political committee.

25 Sec. 9. 21-A MRSA §1016, sub-§2, as enacted by PL 1985, c.
26 161, §6, is amended to read:

27 2. **Account of contributions.** Every person who receives a
28 contribution in excess of \$10 for a candidate or a political
29 committee shall give the treasurer ~~ex--candidate~~ a detailed
30 account of the contribution on demand of the treasurer ~~ex~~
31 ~~candidate~~ and in any event within 5 days after receiving the
32 contribution. This account must include the amount of the
33 contribution, the name and address of the person making the
34 contribution and the date on which the contribution was received.

35 Sec. 10. 21-A MRSA §1016, sub-§3, as amended by PL 1989, c.
36 878, Pt. A, §47 and affected by §48, is further amended to read:

37 3. **Record keeping.** A treasurer ~~ex--a-candidate~~ shall keep a
38 detailed and exact account of:

39 A. All contributions made to or for the candidate or
40 committee, including any contributions by the candidate;

41 B. The name and address of every person making a
42 contribution in excess of \$10, the date and amount of that
43 contribution and, if a person's contributions in any report
44

2 filing period aggregate more than \$50, the account must
include the contributor's occupation and principal place of
4 business, if any. If the contributor is the candidate or a
member of the candidate's immediate family, the account must
6 also state the relationship. For purposes of this
paragraph, "filing period" is as provided in section 1017,
subsections 2 and 3-A;

8
C. All expenditures made by or on behalf of the committee
10 or candidate; and

12 D. The name and address of every person to whom any
expenditure is made and the date and amount of the
14 expenditure.

16 **Sec. 11. 21-A MRSA §1016, sub-§4**, as enacted by PL 1985, c.
161, §6, is amended to read:

18
4. **Receipts preservation.** A treasurer ~~or a candidate~~ shall
20 obtain and keep a receipted bill, stating the particulars, for
every expenditure in excess of \$50 made by or on behalf of a
22 political committee or a candidate and for any such expenditure
in a lesser amount if the aggregate amount of those expenditures
24 to the same person in any election exceeds \$50. The treasurer ~~or~~
candidate shall preserve all receipted bills and accounts
26 required to be kept by this section for 2 years following the
final report required to be filed for the election to which they
28 pertain, unless otherwise ordered by the commission or a court.

30 **Sec. 12. 21-A MRSA §1017, sub-§2**, as amended by PL 1989, c.
833, §2, is further amended to read:

32
2. **Gubernatorial candidates.** Except as provided by
34 subsection 7, each treasurer authorized by a candidate for the
office of Governor or the ~~candidate's treasurer and the~~ treasurer
36 of each political committee authorized by the candidate shall
file reports with the commission as follows. Once the first
38 required report has been filed, each subsequent report must cover
the period from the completion date of the prior report filed.

40
A. In any calendar year, other than a gubernatorial
42 election year, in which the candidate or the candidate's
political committee or committees received contributions in
44 excess of \$1,000 or made expenditures in excess of \$1,000,
reports shall must be filed ~~not~~ no later than 5 p.m. on July
46 15th of that year and January 15th of the following calendar
year. These reports must include all contributions made to
48 and all expenditures made by the candidate or political
committee as of the end of the preceding month, except those
50 covered by a previous report.

2 B. Reports shall must be filed ~~not~~ no later than 5 p.m. on
the 42nd day before the date on which an election is held
and must be complete as of the 49th day before that date.
4 If ~~no~~ a report was not filed under paragraph A, the report
required under this paragraph must cover all contributions
6 and expenditures through the completion date.

8 C. Reports shall must be filed ~~not~~ no later than 5 p.m. on
the 6th day before the date on which an election is held and
10 must be complete as of the 12th day before that date.

12 D. Contributions aggregating \$1,000 or more from any one
contributor or any expenditures of \$1,000 or more, made
14 after the 12th day before the election, and more than 48
hours before 5 p.m. on the day of the election, must be
16 reported within 48 hours of those contributions or
expenditures or by noon of the first business day after the
18 contributions or expenditures, whichever is later.

20 E. Reports shall must be filed ~~not~~ no later than 5 p.m. on
the 42nd day after the date on which an election is held and
22 must be complete for the filing period as of the 35th day
after that date.

24 F. Unless further reports will be filed in relation to a
26 later election in the same calendar year, the disposition of
any surplus or deficit in excess of \$50 shown in the reports
described in paragraph E shall must be reported as follows.
28 A candidate or political committee with a surplus or deficit
in excess of \$50 shall file reports semiannually with the
30 commission within 15 days following the end of the 2nd and
32 4th quarters of the State's fiscal year, until the surplus
is disposed of or the deficit is liquidated. The first
34 report is not required until the 15th day of the period
beginning at least 90 days from the date of the election.
36 The reports may either be filed in person with the
commission on that date or postmarked on that date. The
38 reports must set forth any contributions for the purpose of
liquidating the deficit, in the same manner as contributions
40 are set forth in other reports required in this section.

42 G. Unless otherwise specified in this subsection, reports
must be complete back to the completion date of the previous
44 report. The report described in paragraph E, if filed with
respect to a primary election, is considered a previous
46 report in relation to reports concerning a general election.

48 H. Reports with respect to a candidate who seeks nomination
by petition for the office of Governor shall must be filed
50 on the same dates that reports must be filed with respect to
a candidate who seeks that nomination by primary election.
52

2 **Sec. 13. 21-A MRSA §1017, sub-§3-A**, as amended by PL 1989, c.
833, §3 and affected by §21, is further amended to read:

4 **3-A. Other candidates.** Except as provided in subsection 7,
6 each treasurer authorized by a candidate for state or county
office other than the office of Governor, or the ~~candidate's~~
8 ~~treasurer--and--the~~ treasurer of each political committee
authorized by a candidate, shall file reports with the commission
10 as follows. Once the first required report has been filed, each
subsequent report must cover the period from the completion date
of the prior report filed.

12 A. In any calendar year in which ~~no~~ an election for the
14 candidate's particular office is not scheduled, when any
candidate or candidate's political committee or committees
16 have received contributions in excess of \$500 or made or
authorized expenditures in excess of \$500, reports must be
18 filed no later than 5 p.m. on July 15th of that year and
January 15th of the following calendar year. These reports
20 must include all contributions made to and all expenditures
made or authorized by the candidate, ~~the candidate's~~ or the
22 ~~treasurer or the candidate's authorized~~ political committee
authorized by the candidate as of the end of the preceding
24 month, except those covered by a previous report.

26 B. Reports must be filed no later than 5 p.m. on the 6th
day before the date on which an election is held and must be
28 complete as of the 12th day before that date. If ~~no~~ a
report was not filed under paragraph A, the report required
30 under this paragraph must cover all contributions and
expenditures through the completion date.

32 C. Any contribution of \$1,000 or more from any one
34 contributor or any expenditures of \$1,000 or more made after
the 12th day before any election and more than 48 hours
36 before 5 p.m. on the day of any election shall must be
reported within 48 hours of ~~that--contribution~~ those
38 contributions or expenditures, or by noon of the first
business day after the ~~contribution~~ contributions or
40 expenditures, whichever is later.

42 D. Reports ~~shall~~ must be filed no later than 5 p.m. on the
44 42nd day after the date on which an election is held and
must be complete for the filing period as of the 35th day
after that date.

46 E. Unless further reports will be filed in relation to a
48 later election in the same calendar year, the disposition of
any surplus or deficit in excess of \$50 shown in the reports
50 described in paragraph D ~~shall~~ must be reported as provided
by this paragraph. A candidate or political committee
52 authorized by a candidate with a surplus or deficit in

2 excess of \$50 shall file reports semiannually with the
3 commission within 15 days following the end of the 2nd and
4 4th quarters of the State's fiscal year, until the surplus
5 is disposed of or the deficit is liquidated. The first
6 report is not required until the 15th day of the period
7 beginning at least 90 days from the date of the election.
8 The reports may either be filed in person with the
9 commission on that date or postmarked on that date. The
10 reports must set forth any contributions for the purpose of
11 liquidating the deficit, in the same manner as contributions
12 are set forth in other reports required in this section.

13
14 F. Reports with respect to a candidate who seeks nomination
15 by petition shall must be filed on the same dates that
16 reports must be filed by a candidate for the same office who
17 seeks that nomination by primary election.

18 **Sec. 14. 21-A MRSA §1017, sub-§4,** as amended by PL 1989, c.
19 504, §§15 and 31, is further amended to read:
20

21 **4. New candidate or nominee.** A candidate for nomination or
22 a nominee chosen to fill a vacancy under chapter 5, subchapter
23 III, is subject to section 1013-A, subsection 1, paragraph A.
24 The candidate shall register the name of a treasurer or political
25 committee and all other information required in section 1013-A,
26 subsection 1, paragraphs A and B within 15 days after the
27 candidate's appointment. The treasurer of a candidate shall file
28 a campaign report under this section within 15 days after the
29 candidate's appointment and thereafter on the appropriate
30 schedule under this section. The commission shall send
31 notification of this requirement and registration and report
32 forms to the candidate and the candidate's treasurer immediately
33 upon notice of the candidate's and treasurer's appointment.
34

35 **Sec. 15. 21-A MRSA §1017, sub-§5,** as amended by PL 1989, c.
36 833, §4, is further amended to read:

37 **5. Content.** A report required under this section must
38 contain the itemized accounts of contributions received during
39 that report filing period, including the date a contribution was
40 ~~recorded~~ received, and the name, address, occupation, principal
41 place of business, if any, and the amount of the contribution of
42 each person who has made a contribution or contributions
43 aggregating in excess of \$50. ~~It~~ The report must contain the
44 itemized expenditures made or authorized, the date and purpose of
45 each expenditure and the name of each payee and creditor. Total
46 contributions with respect to an election of less than \$500 and
47 total expenditures of less than \$500 need not be itemized. The
48 report must contain a statement of any loan to a candidate by a
49 financial institution in connection with that candidate's
50 candidacy that is made during the period covered by the report,
51 whether or not the loan is defined as a contribution under
52

2 section 1012, subsection 2, paragraph A. The candidate is and
3 treasurer are jointly responsible for the timely and accurate
4 filing of each required report.

5 **Sec. 16. 21-A MRSA §1017, sub-§5-A, ¶B,** as amended by PL 1989,
6 c. 833, §5 and affected by §21 and as amended by c. 878, Pt. A,
7 §49 and affected by §50, is repealed and the following enacted in
8 its place:

9 B. If the contribution is sold after the termination of the
10 appropriate reporting period specified in subsections 1 to
11 4, the value of the contribution is determined to be the
12 difference between the value of the contribution as
13 originally reported by the treasurer and the amount of the
14 purchase price paid at auction. Unless further reports are
15 filed in relation to a later election in the same calendar
16 year, the disposition of any net surplus or deficit in
17 excess of \$50 resulting from the difference between the
18 auction price and the original contribution value must be
19 reported in the same manner as provided in subsection 2,
20 paragraph F or subsection 3-A, paragraph E, as appropriate.

21 **Sec. 17. 21-A MRSA §1017, sub-§6,** as amended by PL 1989, c.
22 504, §§16 and 31, is further amended to read:

23 **6. Forms.** Reports required by this section must be on
24 forms prescribed, prepared and sent by the commission to the
25 treasurer of each registered candidate at least 7 days before the
26 filing date for the report. Persons filing reports may use
27 additional pages if necessary, but the pages must be the same
28 size as the pages of the form. Although the commission mails the
29 forms for required reports, failure to receive forms by mail does
30 not excuse treasurers, committees,--candidates and other persons
31 who must file reports from otherwise obtaining the forms.

32 **Sec. 18. 21-A MRSA §1017, sub-§7,** as enacted by PL 1989, c.
33 504, §§17 and 31, is repealed.

34 **Sec. 19. 21-A MRSA §1017, sub-§8,** as amended by PL 1989, c.
35 833, §§6 and 7 and affected by §21, is further amended to read:

36 **8. Disposition of surplus.** Candidates A treasurer of a
37 candidate registered under section 1013-A or qualified under
38 sections 335 and 336 or sections 354 and 355 may dispose of a
39 surplus exceeding \$50 solely by:

40 **A.** Pro rata distribution to the candidate's or candidate's
41 authorized political committee's contributors;

42 **B.** A gift to a qualified political party within this the
43 State, including any county or municipal subdivision of such
44 a party;

- 2 C. An unrestricted gift to the State;
- 4 D. Carrying forward the surplus balance to a political
6 committee established to promote the same candidate for a
subsequent election;
- 8 D-1. Carrying forward the surplus balance for use by the
candidate for a subsequent election;
- 10 E. Transferring the surplus balance to one or more other
12 candidates registered under section 1013-A or qualified
under sections 335 and 336 or sections 354 and 355, or to
14 political committees established to promote the election of
those candidates, provided that the amount transferred does
16 not exceed the contribution limits established by section
1015; and
- 18 F. Repaying any loans or retiring any other debts incurred
20 to defray campaign expenses of the candidate.

22 The choice shall ~~shall~~ must be made by the candidate for whose benefit
the contributions were made, and distribution of the entire
24 surplus by one or more of the methods prescribed in this
paragraph subsection must be completed within 4 years of the
26 election for which the contributions were received.

28 **Sec. 20.** 21-A MRSA §1020, sub-§1, as amended by PL 1989, c.
833, §11 and affected by §21, is further amended to read:

30 1. **Registration.** Any candidate or political committee that
32 fails to register the name of a candidate, treasurer or political
committee with the commission, within the time allowed by section
34 1013-A, subsection 1 ~~ex-2~~, must be assessed a penalty of \$50.
The commission shall determine whether a registration satisfies
36 the requirements for timely filing under section 1013-A,
subsection 1.

38 **Sec. 21.** 21-A MRSA §1020, sub-§2, ~~¶B~~, as repealed and replaced
40 by PL 1989, c. 504, §§20 and 31, is amended to read:

42 B. There is a penalty of \$50 for each business day that
reports required under section 1017, subsection 2, paragraph
44 C or ~~D~~, ~~ex-1~~ section 1017, subsection 3-A, paragraph B or ~~C~~,
section 1018, subsection 2, paragraph A; or section 1019,
46 subsection 1 are late..

48

STATEMENT OF FACT

2

This bill makes technical changes to the campaign finance reporting laws and amends the finance reporting laws as follows.

4

6

1. The bill limits each candidate to one filing entity, a treasurer, and extends the deadline for registration to 15 days from the date a candidate qualifies.

8

10

2. The bill requires the candidate to act as treasurer when a vacancy in the office of treasurer occurs.

12

14

3. The bill establishes 48 hours before 5 p.m. on election day as the specific time by which candidates must report contributions aggregating \$1,000 or more and received before the election.

16

18

4. The bill establishes registration procedures, clarifies reporting requirements for new nominees and requires candidates to itemize the date each contribution is received.

20