

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2356

H.P. 1679

House of Representatives, February 18, 1992

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.
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

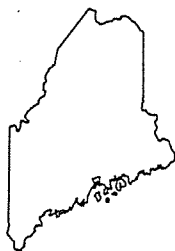
Presented by Representative MAYO of Thomaston.

Cosponsored by Representative GWADOSKY of Fairfield and Representative LAWRENCE of Kittery.

STATE OF MAINE

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

An Act to Strengthen 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 determine the facts concerning the registration of any a candidate, treasurer, political committee or political action committee and contributions by or to and expenditures by any a person, candidate, treasurer, political committee or political action committee. For this purpose, the commission may subpoena witnesses and records and take evidence under oath. Any A person or political action committee that fails to obey the lawful subpoena of the commission or to testify before it under oath shall must be punished by the Superior Court for contempt ~~on~~ upon application by the Attorney General on behalf of the commission.

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

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

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

36 **Sec. 3.** 21-A MRSA §1012, sub-§4, as enacted by PL 1987, c. 160, §1, is repealed.

40 **Sec. 4.** 21-A MRSA §1013-A, sub-§1, as amended by PL 1989, c. 833, §1, is repealed and the following enacted in its place:

42 **1. Candidates, their treasurers and political committees.**
44 A candidate shall register the candidate's name and the name of a
46 treasurer with the commission at least once in each legislative
48 biennium, as provided in this section. A candidate may have only
50 one treasurer, who must be appointed pursuant to paragraph A or
 B. For purposes of this section, "legislative biennium" means
 the term of office a person is elected to serve in the
 Legislature.

2 A. No later than 10 days after becoming a candidate, and
4 before accepting contributions, making expenditures or
6 incurring obligations, a candidate for state or county
8 office shall appoint a treasurer. The candidate may serve
10 as treasurer. The candidate may have only one treasurer,
12 who is responsible for the filing of campaign finance
14 reports under this chapter. A candidate shall register the
16 candidate's name and address and the name and address of the
 treasurer appointed under this section no later than 10 days
 after the appointment of the treasurer. A candidate may
 accept contributions personally or make or authorize
 expenditures personally, as long as the candidate reports
 all contributions and expenditures to the treasurer. The
 treasurer shall make a consolidated report of all income and
 expenditures and provide this report to the commission.

18 (1) A candidate may appoint a deputy treasurer to act
20 in the absence of the treasurer. The deputy treasurer,
22 when acting in the absence of the treasurer, has the
24 same powers and responsibilities as the treasurer.
26 When a treasurer dies or resigns, the deputy treasurer
28 may not assume the position of treasurer unless the
 candidate appoints the deputy treasurer to the position
 of treasurer. The candidate shall report the name and
 address of the deputy treasurer to the commission no
 later than 10 days after the deputy treasurer has been
 appointed.

30 B. A candidate may authorize one political committee to
32 promote the candidate's election. No later than 10 days
34 after appointing a political committee, and before accepting
36 contributions, making expenditures or incurring obligations,
38 a candidate for state or county office shall appoint a
40 treasurer of the political committee. The treasurer of the
 political committee is responsible for filing campaign
 finance reports under this chapter. No later than 10 days
 after appointing a political committee, the candidate shall
 register with the commission the following information
 regarding the political committee:

- 42 (1) The name of the committee;
44 (2) The name and address of the committee's treasurer;
46 (3) The name of the candidate who authorized the
48 committee; and
50 (4) The names and addresses of the committee's
 officers.

2 Sec. 5. 21-A MRSA §1013-A, sub-§1, as amended by PL 1989, c.
3 833, §1, is repealed.

4
5 Sec. 6. 21-A MRSA §1013-A, sub-§3, as amended by PL 1989, c.
6 833, §1, is further amended to read:

7 3. Party committees. The state, district, county and
8 municipal committees of parties shall submit to the commission
9 the names and addresses of all their officers and ~~ef--their~~
10 treasurers and the name and address of the principal paid
11 employee, if any, within 30 days after the appointment, election
12 or hiring of these persons. District, county and municipal
13 committees which that provide their state party committees with
14 the information required by this subsection to be submitted to
15 the commission shall--be are deemed to have submitted that
16 information to the commission. No later than the 2nd Monday in
17 April of each year in which a general election is scheduled, the
18 state committee of a party shall submit a consolidated report,
19 including the information required under this subsection for the
20 district, county and municipal committees of that party.

21
22 A. A party committee shall report all contributions in cash
23 or in kind from an individual contributor that in the
24 aggregate in a campaign total \$250 or more. The party
25 committee shall report the name, mailing address, occupation
26 and place of business of each contributor. Contributions of
27 less than \$250 must be reported, and these contributions may
28 be reported as a lump sum.

29
30 B. A party committee shall report all expenditures in cash
31 or in kind of the committee made on behalf of a candidate,
32 political committee, political action committee or party
33 committee registered under this chapter. The party
34 committee shall report:

35 (1) The name and address of each candidate and the
36 identity and address of a campaign or committee;

37 (2) The office sought by a candidate and the district
38 that the candidate seeks to represent; and

39 (3) The date of each expenditure.

40
41
42 C. Operational expenses and other expenditures in cash or
43 in kind of the party committee that are not made on behalf
44 of a candidate, committee or campaign must be reported as a
45 separate item and may be reported as a lump sum.
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2 D. A party committee shall file its reports according to
4 the following schedule.

6 (1) Reports filed during an election year must be
8 filed with the commission on: July 15th and be complete
10 as of June 30th; October 27th and be complete as of
12 October 22nd; and January 15th and be complete as of
14 December 31st.

16 (2) Reports filed during a nonelection year must be
18 filed on July 15th and be complete as of June 30th and
20 on January 15th and be complete as of December 31st.

22 (3) Any contribution or expenditure of \$1,000 or more
24 made after the 12th day before any election and more
26 than 48 hours before that election must be reported
28 within 48 hours of that contribution or expenditure or
30 by noon of the first business day after the
32 contribution or expenditure, whichever is later.

34 E. A party committee is subject to the penalties in section
36 1020, subsection 2, except that the commission may waive the
38 penalties until January 1994.

40 F. A state party committee shall notify all county,
42 district and municipal party committees of the same
44 political party of the party committee reporting
46 requirements. The party committees shall obtain the
48 necessary forms from the commission to complete the filing
50 requirements.

Any party committee receiving or expending less than \$1,500 in
one calendar year is exempt from the reporting requirements of
this subsection for that year.

Sec. 7. 21-A MRSA §1013-A, sub-§4, as enacted by PL 1989, c.
504, §§4 and 31, is amended to read:

4. Reporting by registered treasurers. All--contributions
Any contribution accepted and expenditures any expenditure made
or authorized by or 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. 8. 21-A MRSA §1013-B is enacted to read:

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

2 A candidate may remove any treasurer that the candidate has
4 appointed. In case of a vacancy in the position of treasurer of
6 a candidate or treasurer of a political committee before the
8 obligations of the treasurer have been performed, the candidate
10 shall serve as treasurer from the date of the vacancy until the
12 candidate appoints a successor and reports the name and address
14 of the successor to the commission. The candidate shall file a
16 written statement of resignation of a treasurer of a candidate or
18 a treasurer of a political committee and until that statement has
20 been filed, the resignation is not effective. An individual who
22 vacates the position of treasurer by reason of removal or
24 resignation shall certify the accuracy of the treasurer's records
26 to the succeeding treasurer. A succeeding treasurer may not be
28 held responsible for the accuracy of the predecessor's records.

30 Sec. 9. 21-A MRSa §1014, sub-§1, as amended by PL 1989, c.
32 504, §§5 and 31, is further amended to read:

34 1. Authorized by candidate. Whenever any a person makes an
36 expenditure to finance ~~communications~~ a communication expressly
38 advocating the election or defeat of a clearly identified
40 candidate through broadcasting stations, newspapers, magazines,
42 outdoor advertising facilities, direct mails and or other similar
44 types of general public political advertising and or through
46 flyers, handbills, ~~bumper stickers~~ and or other nonperiodical
48 publications, the communication, if authorized by a candidate, a
50 candidate's authorized political committee or their agents, must
clearly and conspicuously state that the communication has been
so authorized and must clearly state the name and address of the
person who made or financed the expenditure for the
communication. ~~By rule, the commission may exempt campaign~~
~~articles from the disclosure requirement of this subsection where~~
~~inclusion of the disclosure statement would necessarily be so~~
~~small as to be illegible, or would otherwise be infeasible.~~ The
following forms of political communication do not require the
name and address of the person who made or authorized the
expenditure for the communication because the name or address
would be so small as to be illegible or infeasible: ashtrays,
badges and badge holders, balloons, bumper stickers, campaign
buttons, clothing, coasters, combs, emery boards, envelopes,
erasers, glasses, key rings, letter openers, matchbooks, nail
files, noisemakers, paper and plastic cups, pencils, pens,
plastic tableware, political signs measuring less than 350 square
inches, 12-inch or shorter rulers, swizzle sticks, tickets to
fund-raisers and similar items determined by the commission to be
too small and unnecessary for the disclosures required by this
section.

52 Sec. 10. 21-A MRSa §1014, sub-§4, as amended by PL 1991, c.
54 466, §37, is further amended to read:

2 **4. Enforcement.** An expenditure, communication or broadcast
4 made within 10 days before the election to which it relates that
6 results in a violation of this section may result in a civil
8 penalty forfeiture of no more than \$200. An expenditure,
10 communication or broadcast made more than 10 days before the
12 election that results in a violation of this section may result
14 in a civil penalty forfeiture of no more than \$100 if the
16 violation is not corrected within 10 days after the candidate or
18 other person who committed the violation receives notification of
20 the violation from the commission. Enforcement and collection
22 procedures must be in accordance with section 1020.

24 **Sec. 11. 21-A MRSA §1015, sub-§6,** as enacted by PL 1985, c.
26 161, §6, is amended to read:

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

36 **Sec. 12. 21-A MRSA §1015-A** is enacted to read:

38 **§1015-A. Corporate contributions**

40 Contributions made by a corporation, including a parent,
42 subsidiary, branch, division, department or local unit of a
44 corporation, and contributions made by a political committee or
46 political action committee whose contribution or expenditure
48 activities are financed, maintained or controlled by a
corporation are considered to be made by that corporation,
political committee or political action committee.

50 **1. Single entities.** Two or more entities are treated as a
single entity if the entities:

A. Share the majority of members of their boards of
directors;

B. Share 2 or more officers;

C. Are owned or controlled by the same majority shareholder
or shareholders; or

D. Are in a parent-subsidiary relationship.

Sec. 13. 21-A MRSA §1016, as amended by PL 1989, c. 878, Pt.
A, §47 and affected by §48, is further amended to read:

2 **§1016. Records**

4 Each treasurer ~~ex-each-candidate~~ shall keep detailed records
6 of all contributions received and of each expenditure which that
8 the treasurer or candidate makes or authorizes, as provided in
10 this section. When reporting contributions and expenditures to
the commission as required by section 1017, the ~~candidate-ex~~
treasurer shall certify the completeness and accuracy of the
information reported by that ~~candidate-ex~~ treasurer.

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

20 2. **Report of contributions and expenditures.** A person who
22 receives a contribution or makes an expenditure for a candidate
24 or political committee shall report the contribution or
expenditure to the treasurer within 5 days of the receipt of the
26 contribution or the making of the expenditure. Every A person
who receives a contribution in excess of \$10 for a candidate or a
28 political committee shall give report to the treasurer ~~ex~~
~~candidate-a-detailed-account-of-the-contribution-on-demand-of-the~~
30 ~~treasurer-or-candidate-and-in-any-event-within-5-days-after~~
~~receiving-the-contribution.--This-account-must-include~~ the amount
32 of the contribution, the name and address of the person making
the contribution and the date on which the contribution was
received.

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

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

42 B. The name and address of every person making a
contribution in excess of \$10, the date and amount of that
44 contribution and, if a person's contributions in any report
filing period aggregate more than \$50, the account must
46 include the contributor's occupation and principal place of
business, if any. If the contributor is the candidate or a
48 member of the candidate's immediate family, the account must
also state the relationship. For purposes of this
50 paragraph, "filing period" is as provided in section 1017,
~~subsectien~~ subsections 2 and 3-A;

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

4 D. The name and address of every person to whom any
6 expenditure is made and the date and amount of the
8 expenditure.

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

20 **Sec. 14. 21-A MRSA §1017, sub-§2,** as amended by PL 1989, c.
833, §2, is further amended to read:

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

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

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

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

6 D. Contributions aggregating \$1,000 or more from any one
8 contributor or any single expenditures of \$1,000 or more,
made after the 12th day before the election, and more than
10 48 hours before 5 p.m. on the day of the election, must be
reported within 48 hours of those contributions or
12 expenditures or by noon of the first business day after the
contributions or expenditures, whichever is later.

14 E. Reports shall must be filed ~~not~~ no later than 5 p.m. on
16 the 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.

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

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

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

2 **Sec. 15. 21-A MRSA §1017, sub-§3-A**, as amended by PL 1989, c.
3 833, §3 and affected by §21, is further amended to read:

4
5 **3-A. Other candidates.** ~~Except as provided in subsection 7,~~
6 each A treasurer of a candidate for state or county office other
7 than the office of Governor, ~~or the candidate's treasurer and the~~
8 ~~treasurer of each political committee authorized by a candidate,~~
9 shall file reports with the commission as follows. Once the
10 first required report has been filed, each subsequent report must
11 cover the period from the completion date of the prior report
12 filed.

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

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

31 C. ~~Any contribution of~~ Contributions aggregating \$1,000 or
32 more from any one contributor or single expenditures of
33 \$1,000 or more, made after the 12th day before any election
34 and more than 48 hours before 5 p.m. on the day of any
35 election shall must be reported within 48 hours of that
36 contribution those contributions or expenditures, or by noon
37 of the first business day after the ~~contribution~~
38 contributions or expenditures, whichever is later.

39 D. Reports shall must be filed no later than 5 p.m. on the
40 42nd day after the date on which an election is held and
41 must be complete for the filing period as of the 35th day
42 after that date.

43 E. Unless further reports will be filed in relation to a
44 later election in the same calendar year, the disposition of
45 any surplus or deficit in excess of \$50 shown in the reports
46 shall be as follows:

2 described in paragraph D shall must be reported as provided
3 by this paragraph. ~~A--candidate--or--political--committee~~
4 ~~authorized by The treasurer of~~ a candidate with a surplus or
5 deficit in excess of \$50 shall file reports semiannually
6 with the commission within 15 days following the end of the
7 2nd and 4th quarters of the State's fiscal year, complete as
8 of the last day of the quarter, until the surplus is
9 disposed of or the deficit is liquidated. The first report
10 under this paragraph is not required until the 15th day of
11 the period beginning at least 90 days from the date of the
12 election. The reports may either be filed in person with
13 the commission on that date or postmarked on that date. The
14 reports must set forth any contributions for the purpose of
15 liquidating the deficit, in the same manner as contributions
16 are set forth in other reports required in this section.

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

21 Sec. 16. 21-A MRSA §1017, sub-§4, as amended by PL 1989, c.
22 504, §§15 and 31, is further amended to read:

23 4. New candidate or nominee. A candidate for nomination or
24 a nominee chosen to fill a vacancy under chapter 5, subchapter
25 III, is subject to section 1013-A, subsection 1, except that the
26 candidate shall register the name of a treasurer or political
27 committee and all other information required in section 1013-A,
28 subsection 1, paragraphs A and B within 7 days after the
29 candidate's appointment or at least 6 days before the election,
30 whichever is earlier. The treasurer of a candidate shall file a
31 campaign report under this section within--15--days--after--the
32 candidate's--appointment--and--thereafter--on--the--appropriate
33 schedule--under--this--section 15 days after the candidate's
34 appointment or 6 days before the election, whichever is earlier.
35 The report must include all contributions received and
36 expenditures made through the completion date. The report must
37 be complete as of 4 days before the report is due. Subsequent
38 reports must be filed on the schedule set forth in this section.
39 The commission shall send notification of this requirement and
40 registration and report forms to the candidate and the
41 candidate's treasurer immediately upon notice of the candidate's
42 appointment and treasurer's appointments.

43 Sec. 17. 21-A MRSA §1017, sub-§5, as amended by PL 1989, c.
44 833, §4, is further amended to read:

45 5. Content. A report required under this section must
46 contain the itemized accounts of contributions received during
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2 that report filing period, including the date a contribution was
3 recorded received, and the name, address, occupation, principal
4 place of business, if any, and the amount of the contribution of
5 each person who has made a contribution or contributions
6 aggregating in excess of \$50. ~~It~~ The report must contain the
7 itemized expenditures made or authorized during the report filing
8 period, the date and purpose of each expenditure and the name of
9 each payee and creditor. Total contributions with respect to an
10 election of less than \$500 and total expenditures of less than
11 \$500 need not be itemized. The report must contain a statement
12 of any loan to a candidate by a financial institution in
13 connection with that candidate's candidacy that is made during
14 the period covered by the report, whether or not the loan is
15 defined as a contribution under section 1012, subsection 2,
16 paragraph A. The candidate ~~is~~ and the treasurer are jointly
17 responsible for the timely and accurate filing of each required
18 report.

19 **Sec. 18. 21-A MRSA §1017, sub-§5-A, ¶B**, as amended by PL 1989,
20 c. 833, §5 and affected by §21 and amended by c. 878, Pt. A, §49
21 and affected by §50, is repealed and the following enacted in its
22 place:

23 B. If the contribution is sold after the termination of the
24 appropriate reporting period specified in subsections 1 to
25 4, the value of the contribution is the difference between
26 the value of the contribution as originally reported by the
27 treasurer and the amount of the purchase price paid at
28 auction. Unless further reports are filed in relation to a
29 later election in the same calendar year, the disposition of
30 any net surplus or deficit in excess of \$50 resulting from
31 the difference between the auction price and the original
32 contribution value must be reported in the same manner as
33 provided in subsection 2, paragraph F or subsection 3-A,
34 paragraph E, as appropriate.

35 **Sec. 19. 21-A MRSA §1017, sub-§6**, as amended by PL 1989, c.
36 504, §§16 and 31, is further amended to read:

37 **6. Forms.** Reports required by this section must be on
38 forms prescribed, prepared and sent by the commission to the
39 treasurer of each registered candidate at least 7 days before the
40 filing date for the report. Persons filing reports may use
41 additional pages if necessary, but the pages must be the same
42 size as the pages of the form. Although the commission mails the
43 forms for required reports, failure to receive forms by mail does
44 not excuse treasurers, committees,--candidates and other persons
45 who must file reports from otherwise obtaining the forms.
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2 Sec. 20. 21-A MRSA §1017, sub-§7, as enacted by PL 1989, c.
504, §§17 and 31, is repealed.

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

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

12 A. Pro rata distribution to the candidate's or candidate's
14 authorized political committee's contributors;

16 B. A gift to a qualified political party within ~~this~~ the
18 State, including any county or municipal subdivision of such
a party;

20 C. An unrestricted gift to the State;

22 D. Carrying forward the surplus balance to a political
24 committee established to promote the same candidate for a
subsequent election;

26 D-1. Carrying forward the surplus balance for use by the
28 candidate for a subsequent election;

30 E. Transferring the surplus balance to one or more other
32 candidates registered under section 1013-A or qualified
under sections 335 and 336 or sections 354 and 355, or to
34 political committees established to promote the election of
those candidates, provided that the amount transferred does
36 not exceed the contribution limits established by section
1015; and

38 F. Repaying any loans or retiring any other debts incurred
to defray campaign expenses of the candidate; and

40 G. Paying for any expense incurred in the proper
42 performance of the office to which the candidate is elected,
as long as each expenditure is itemized on expenditure
44 reports.

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

2 **Sec. 22. 21-A MRSA §1017, sub-§9** is enacted to read:

4 9. Campaign termination report forms. The commission shall
6 provide each candidate required to report campaign contributions
8 and expenditures with a campaign termination report form. A
10 candidate shall file the campaign termination report with the
12 commission as required in this subsection. The campaign
termination report must be complete as of June 30th of the year
following the campaign of the previous year. This form must show
any deficits or surpluses to be carried over to the next
campaign. Campaign reporting is as follows.

14 A. Candidates with surplus campaign funds following an
16 election shall file termination reports no later than July
15th of the year following the campaign of the previous year.

18 B. Candidates with a campaign deficit following an election
20 shall file termination reports no later than July 15th of
the year following the campaign of the previous year.

22 C. Candidates with a deficit who will not participate in
24 the next election for the same office shall file semiannual
reports until the deficit is liquidated.

26 D. Candidates who collect funds subsequent to an election
28 for purposes other than retiring campaign debt shall
register with the commission pursuant to section 1013-A.

30 **Sec. 23. 21-A MRSA §1020, sub-§1**, as amended by PL 1989, c.
32 833, §11 and affected by §21, is further amended to read:

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

42 **Sec. 24. 21-A MRSA §1020, sub-§2, ¶B**, as repealed and replaced
by PL 1989, c. 504, §§20 and 31, is amended to read:

44 B. ~~There is a penalty~~ A forfeiture of \$50 must be adjudged
46 for each business day that reports required under section
48 1017, subsection 2, paragraph C or D, ~~or~~; section 1017,
subsection 3-A, paragraph B or C, ~~or~~; section 1018, subsection
2, paragraph A; or section 1019, subsection 1 are late.

2 **Sec. 25. 21-A MRSA §1051, first ¶,** as amended by PL 1989, c.
3 833, §12, is further amended to read:

4
5 This subchapter applies to the activities of political
6 action committees organized in and outside this State that accept
7 contributions, incur obligations or make expenditures in an
8 aggregate amount in excess of \$50 in any one calendar year for
9 the election of state or county officers, or for the support or
10 defeat of any campaign, as defined in this subchapter.

11 **Sec. 26. 21-A MRSA §1052, sub-§5,** as amended by PL 1989, c.
12 833, §13 and affected by §21, is further amended to read:

13 **5. Political action committee.** The term "political action
14 committee":
15 committee":

16
17 A. Includes:

18
19 (1) Any separate or segregated fund established by any
20 corporation, membership organization, cooperative or
21 labor organization whose purpose is to influence the
22 outcome of an election, including a candidate or
23 question;

24
25 (2) Any person who serves as a funding and transfer
26 mechanism and spends money to initiate, advance,
27 promote, defeat or influence in any way a candidate,
28 campaign, political party, referendum or initiated
29 petition in this State; and
30 petition in this State; and

31 (3) Any person who makes expenditures other than by
32 contribution to a political action committee, for the
33 purpose of the initiation, promotion or defeat of any
34 question; and
35 question; and

36 (4) A political action committee organized inside or
37 outside this State that accepts contributions, incurs
38 obligations or makes expenditures in an aggregate
39 amount in excess of \$50 in any one calendar year for
40 the election of state or county officers or for the
41 support or defeat of any campaign; and
42 support or defeat of any campaign; and

43 B. Does not include:

44
45 (1) A candidate or a candidate's treasurer under
46 section 1013-A, subsection 1;

47 (2) A candidate's authorized political committee under
48 section 1013-A, subsection 2 1; or
49 section 1013-A, subsection 2 1; or
50 section 1013-A, subsection 2 1; or

2 (3) A party committee under section 1013-A, subsection
3.

4
6 **Sec. 27. 21-A MRSA §1058**, as amended by PL 1989, c. 833,
§15, is further amended to read:

8 **§1058. Reports; qualifications for filing**

10 Any A political action committee that is registered with the
12 commission or that accepts contributions, incurs obligations or
14 makes expenditures in an aggregate amount in excess of \$50 on any
16 one or more campaigns for the office of Governor, for state or
18 county office or for the support or defeat of a referendum or
20 initiated petition shall file a report on its activities in that
22 campaign with the commission on forms as prescribed by the
24 commission. Any A political action committee required under this
26 section to file a report shall file the report for each filing
period under section 1059, whether or not the expenditures are in
excess of \$50 in any one period. Any person or organization
organized to oppose a question to be voted on by the electorate
at referendum shall report, within 10 days following the drafting
of the question by the Secretary of State and prior to the
distribution of any petitions for voter signatures pursuant to
chapter 11, to the commission as required in this section and
sections 1059 and 1060.

28 **Sec. 28. 21-A MRSA §1059, sub-§2, ¶D**, as enacted by PL 1989,
30 c. 504, §§28 and 31, is repealed and the following enacted in its
place:

32 D. A committee that files an election report under
34 paragraph B or C is not required to file a quarterly report
when the deadline for that quarterly report falls within 10
36 days of the filing deadline established in paragraph B or C.

38 **Sec. 29. 21-A MRSA §1062, sub-§1**, as repealed and replaced by
PL 1989, c. 504, §§29 and 31, is further amended to read:

40 **1. Registration.** Any A political action committee required
42 to register under section 1053 that fails to do so ~~within 5~~
~~business days after making expenditures in excess of \$50, in~~
44 accordance with section 1053 or which that fails to provide the
46 information required by the commission for registration, ~~shall~~
must be assessed a penalty forfeiture of \$250.

2

STATEMENT OF FACT

4

This bill makes several changes in the laws governing campaign finance reporting. These reforms include:

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1. The appointment of a treasurer for each candidate's campaign;

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2. The reporting of a contribution or expenditure to the campaign treasurer and clarification regarding semiannual reports of surpluses and deficits and expenditure reports;

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3. The appointment of a deputy treasurer;

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4. The reporting by a party committee that receives or expends \$1,500 or more in one calendar year;

18

5. Disclaimers regarding campaign items;

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6. Criteria determining when corporations, subsidiaries and units of corporations are considered the same entity with respect to campaign contributions;

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7. The reporting of contributions aggregating \$1,000 or more from any one contributor or any single expenditures of \$1,000 or more that are made 11 days or more before an election;

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8. The requirement that candidates file a campaign financing termination report to the Commission on Governmental Ethics and Election Practices that shows any deficits or surpluses carried over to the next campaign;

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34

9. The requirement that a political action committee organized to oppose a question must report expenditures from the time that the question is completed by the Secretary of State and declared satisfactory for distribution for signatures;

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38

40

10. The filing of finance reports by new candidates or nominees chosen to fill a vacancy;

42

11. The limitation of spending and the reporting of surplus campaign funds by a candidate; and

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46

12. The requirement that political action committees organized outside the State that make contributions or expenditures in the aggregate of \$50 or more on any one or more campaigns for the office of Governor, for a state or county office or for the support or defeat of a question are subject to the registration and reporting requirements governing political action committees in Maine.

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