

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

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Legislative Document

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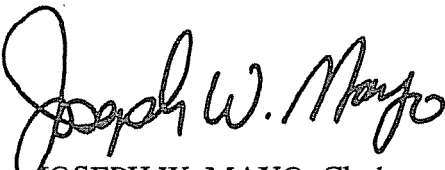
H.P. 647

House of Representatives, March 12, 1993

**An Act to Reduce the Influence of Money in Elective Politics.**

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

  
JOSEPH W. MAYO, Clerk

Presented by Representative MICHAEL of Auburn.  
Cosponsored by Representatives: AHEARNE of Madawaska, BOWERS of Washington,  
BRUNO of Raymond, COFFMAN of Old Town, HILLOCK of Gorham, JOY of Island Falls,  
KUTASI of Bridgton, LINDAHL of Northport, TUFTS of Stockton Springs, VIGUE of  
Winslow, YOUNG of Limestone.

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

2  
4       **Sec. 1. 21-A MRSA §1015, sub-§1**, as enacted by PL 1985, c. 161, §6, is amended to read:

6       **1. Individuals.** No individual may make contributions to a  
8 candidate in support of the candidacy of one person, aggregating  
10 more than \$1,000 in any election. This limitation does not apply  
12 to contributions in support of a candidate by that candidate or  
his that candidate's spouse. Any person may collect  
contributions for a candidate from individuals, provided that the  
following conditions are met.

14       A. The money collected must be in the form of a check, a  
money order or a cashier's check.

16       B. The money collected may not be deposited in a political  
18 action committee account or other fund, but instead must be  
20 directly forwarded to the candidate or the candidate's  
political committee.

22       **Sec. 2. 21-A MRSA §1015, sub-§2**, as enacted by PL 1985, c.  
24 161, §6, is repealed.

26       **Sec. 3. 21-A MRSA §1015, sub-§§7 and 8** are enacted to read:

28       7. Political action committees. All political action  
30 committee funds are prohibited. The term "political action  
committee" includes:

32       A. Any separate or segregated fund established by any  
34 individual, corporation, partnership, association,  
36 membership organization, cooperative or labor organization,  
38 other than a political party, party committee as defined  
under section 1013-A, subsection 3, or a candidate's  
authorized political committee, whose purpose is to  
influence the outcome of an election, including a candidate  
or question; and

40       B. Any person who serves as a funding and transfer  
42 mechanism and spends money to initiate, advance, promote,  
44 defeat or influence in any way a candidate, campaign,  
political party, referendum or initiated petition in this  
State.

46       8. Exceptions. The term political action committee does  
48 not include:

50       A. A candidate or a candidate's treasurer under section  
1013-A, subsection 1;

2 B. A candidate's authorized political committee; or

4 C. A party committee under section 1013-A, subsection 3.

6 **Sec. 4. 21-A MRSA §1015-A**, as enacted by PL 1991, c. 839,  
§12, is repealed and the following enacted in its place:

8 **§1015-A. Corporate contributions**

10 Contributions may not be made by a membership organization,  
12 association, partnership, cooperative, labor organization,  
14 for-profit or nonprofit corporation or partnership, other than a  
16 political party, party committee as defined under section 1013-A,  
18 subsection 3, or a candidate's authorized political committee,  
20 including a parent, subsidiary, branch, division, department or  
local unit of a corporation or partnership. Contributions may  
not be made by a political committee or political action  
committee whose contribution or expenditure activities are  
financed, maintained or controlled by a corporation, partnership,  
membership organization, association, cooperative or labor  
organization.

22 **Sec. 5. 21-A MRSA c. 13, sub-c. III**, as repealed by PL 1985, c.  
24 614, §24, is reenacted to read:

26 **SUBCHAPTER III**

28 **REPORTS ON REFERENDUM CAMPAIGN**

30 **§1031. Application**

32 This subchapter applies to campaigns for the initiation,  
34 promotion or defeat of questions.

36 **§1032. Definitions**

38 As used in this subchapter, unless the context otherwise  
indicates, the following terms have the following meanings.

40 **1. Campaign.** "Campaign" means a campaign for the  
initiation, promotion or defeat of a question, including:

42 A. The referendum procedure under the Constitution of  
44 Maine, Article IV, Part Third, Section 17;

46 B. The initiative procedure under the Constitution of  
48 Maine, Article IV, Part Third, Section 18;

50 C. An amendment to the Constitution of Maine under the  
Constitution of Maine, Article X, Section 4;

2 D. Legislation expressly conditioned upon ratification by a  
3 referendum vote under the Constitution of Maine, Article IV,  
4 Part Third, Section 19; and

5 E. The ratification of the issue of bonds by the State or  
6 any agency of the State.

7 **2. Contribution. The term "contribution:"**

8 **A. Includes:**

9 (1) A gift, subscription, loan, advance or deposit of  
10 money or anything of value made for the purpose of  
11 influencing a campaign or referendum;

12 (2) A contract, promise or agreement, expressed or  
13 implied, whether or not legally enforceable, to make a  
14 contribution for such purposes;

15 (3) Funds received by a person for the purpose of  
16 influencing a campaign or referendum which are  
17 transferred to that person from another person, a  
18 political committee or other source; and

19 (4) The payment, by any person other than a person  
20 required to make a report under this chapter, of  
21 compensation for the personal services of other persons  
22 which are rendered to a campaign without charge for any  
23 such purpose; and

24 **B. Does not include:**

25 (1) The value of services provided without  
26 compensation by individuals who volunteer a portion or  
27 all of their time on behalf of a campaign;

28 (2) The use of real or personal property and the cost  
29 of invitations, food and beverages, voluntarily  
30 provided by an individual in rendering voluntary  
31 personal services for campaign related activities, if  
32 the cumulative value of these activities by the  
33 individual on behalf of any campaign does not exceed  
34 \$50 with respect to any campaign;

35 (3) The sale of any food or beverage by a vendor for  
36 use in a campaign at a charge less than the normal  
37 comparable charge, if the charge for use in a campaign  
38 is at least equal to the cost of the food or beverages  
39 to the vendor and if the cumulative value of the food  
40 and beverages exceeds the charge for use in a campaign;

2                   or beverages does not exceed \$50 with respect to any  
3                   campaign; or

4                   (4) Any unreimbursed travel expenses incurred and paid  
5                   for by an individual who volunteers his personal  
6                   services to a campaign if the cumulative amount of  
7                   these expenses does not exceed \$50 with respect to any  
8                   campaign.

10           3. Expenditure. The term "expenditure:"

12           A. Includes:

14                   (1) A purchase, payment, distribution, loan, advance,  
15                   deposit or gift of money or anything of value made for  
16                   the purpose of influencing a campaign or referendum;

18                   (2) A contract, promise or agreement, expressed or  
19                   implied, whether or not legally enforceable, to make  
20                   any expenditures; and

22                   (3) The transfer of funds to another person for  
23                   purposes of influencing a campaign or referendum; and

24           B. Does not include:

26                   (1) Nonpartisan activity designed to encourage  
27                   individuals to register to vote, or to vote;

30                   (2) Any communication by any membership organization  
31                   or corporation to its members or stockholders, if the  
32                   membership organization or corporation is not organized  
33                   primarily for the purpose of influencing a campaign or  
34                   referendum;

36                   (3) The use of real or personal property and the cost  
37                   of invitations, food and beverages, voluntarily  
38                   provided by an individual in rendering voluntary  
39                   personal services for campaign-related activities, if  
40                   the cumulative value of these activities by the  
41                   individual on behalf of any campaign does not exceed  
42                   \$50 with respect to any campaign; or

44                   (4) Any unreimbursed travel expenses incurred and paid  
45                   for by an individual who volunteers his personal  
46                   services to a campaign if the cumulative amount of  
47                   these expenses does not exceed \$50 with respect to any  
48                   campaign.

50           §1033. Committee

2           Any political committee which is formed with respect to a  
4           campaign must appoint a treasurer before accepting any  
6           contributions or making any expenditures. Within 7 days after  
8           that appointment, the committee must inform the commission of the  
10           name and address of its treasurer, the name or title of the  
          committee making the appointment and the treasurer's term of  
          office. In addition to the registration of its treasurer, the  
          committee shall submit the names and addresses of all of its  
          officers to the commission.

12           **§1034. Publication or distribution of statements**

14           Whenever any person makes an expenditure to finance  
16           communications expressly advocating the initiation, promotion or  
18           defeat of a question through broadcasting stations, newspapers,  
20           magazines, outdoor advertising facilities, direct mails and other  
22           similar types of general public political advertising and through  
          flyers, handbills, bumper stickers and other nonperiodical  
          publications, the communication must clearly and conspicuously  
          state the name and address of the person who made or financed the  
          expenditure for the communication.

24           No person operating a broadcasting station within this State  
26           may broadcast any such communication without an oral or visual  
          announcement of the name of the person who made or financed the  
          expenditure for the communication.

28           **§1035. Records**

30           Any person who accepts contributions aggregating in excess  
32           of \$50 or makes expenditures in excess of \$50 with respect to any  
34           campaign shall keep records as provided in this section.

36           1. Segregated funds. All funds of a committee must be  
38           segregated from, and may not be commingled with, any personal  
          funds of officers, members or associates of the committee.

40           2. Account of contributions. Every person who receives a  
42           contribution in excess of \$10 for a political committee shall  
44           give the treasurer a detailed account of the contribution on  
46           demand of the treasurer, and in any event within 5 days after  
          receiving the contribution. This account must include the amount  
          of the contribution, the name and address of the person making  
          the contribution and the date on which the contribution was  
          received.

48           3. Record keeping. It is the duty of a person or a  
50           treasurer to keep a detailed and exact account of:

- 2           A. All contributions made to or for a campaign or to or for  
          a committee;
- 4           B. The name and address of every person making a  
6           contribution in excess of \$10, and the date and amount of  
8           the contribution. If a person's contributions in any  
          campaign aggregate more than \$50, the account must also  
          include the contributor's occupation and principal place of  
          business, if any;
- 10           C. All expenditures made by or on behalf of the campaign or  
12           committee; and
- 14           D. The name and address of every person to whom any  
16           expenditure is made and the date and amount of the  
          expenditure.

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

28           **§1036. Reports**

30           1. Who must file. Any person who accepts contributions  
32           aggregating in excess of \$50 or makes expenditures in excess of  
34           \$50 with respect to any campaign shall file a report with the  
36           commission, as provided in this section. Any person who is  
38           required under this subsection to file a report shall file a  
          report for each filing period in subsection 2, whether or not  
          contributions or expenditures are in excess of \$50 in any one  
          period.

40           2. Filing dates. Reports shall be filed with the  
42           commission according to the schedule in this section. A report  
44           must cover the 6 months immediately preceding the reporting date  
          or the period since the completion date of a previous report on  
          the same campaign.

46           A. In the case of the referendum procedure under the  
48           Constitution of Maine, Article IV, Part Third, Section 17,  
          and of the initiative procedure under the Constitution of  
          Maine, Article IV, Part Third, Section 18, a report shall be  
50           filed with the commission not later than 5 p.m. on the 14th



2 day after the final date provided in the Constitution of  
3 Maine for filing petitions under the appropriate procedure  
4 and must be complete as of that final date.

5 B. A report shall be filed with the commission not later  
6 than 5 p.m. on the 42nd day before the date of the  
7 referendum and must be complete as of the 49th day before  
8 the date of the referendum. This requirement applies to  
9 each campaign defined in section 1032.

10 C. A report shall be filed with the commission not later  
11 than 5 p.m. on the 7th day before the date of the referendum  
12 and must be completed as of the 11th day before the date of  
13 the referendum. This requirement applies to each campaign  
14 defined in section 1032.

15 D. Any contribution or expenditure of \$1,000 or more, made  
16 after the 11th day and more than 48 hours before any  
17 referendum, shall be reported within 48 hours of the  
18 contribution or expenditures. This requirement applies to  
19 each campaign defined in section 1032.

20 E. A report shall be filed not later than 5 p.m. on the  
21 42nd day after the date on which a referendum is held and  
22 must be complete for the entire campaign as of the 35th day  
23 after that date. This requirement applies to each campaign  
24 defined in section 1032.

25 F. The disposition of any surplus or deficit in excess of  
26 \$50 shown in the reports described in paragraph E shall be  
27 reported to the commission on the first day of each quarter  
28 of this State's fiscal year, until the surplus is disposed  
29 of or the deficit is liquidated. The first report is not  
30 required until the first day of the quarter beginning at  
31 least 90 days from the date of the election. The reports  
32 must set forth any contributions for the purpose of  
33 liquidating the deficit, in the same manner as contributions  
34 are set forth in other reports required in this section.

35 3. Content. A report required under this section must  
36 contain the itemized accounts of contributions received and the  
37 name, address, occupation and principal place of business, if  
38 any, of each person, who has made a contribution aggregating in  
39 excess of \$50 for that campaign. It must contain the itemized  
40 expenditures made or authorized, the purpose of each expenditure  
41 and the name of each payee and creditor. Total contributions of  
42 less than \$500, except when contributions in any campaign by one  
43 person aggregating in excess of \$50 are included, and total  
44 expenditures of less than \$500 need not be itemized.

2        4. Forms. Reports required by this subchapter must be on  
3        forms prescribed by the commission and prepared by the Secretary  
4        of State. Persons filing reports may use additional pages if  
5        necessary, but those pages must be the same size as the pages of  
6        the form. Although the commission mails the forms for required  
7        reports, failure to receive forms by mail does not excuse persons  
8        required to file reports from otherwise obtaining the forms.

9        **§1037. Failure to file report on time**

10        The commission shall determine whether a report received  
11        after the date required by this subchapter is late and, if  
12        determined to be late, the number of days of lateness.

13        1. Penalty. There is a penalty of \$10 for each business  
14        day that a report required to be filed under this subchapter is  
15        late.

16        2. Enforcement and collection. The commission, upon  
17        determining that a report is late, shall notify the Secretary of  
18        State of the lateness. The Secretary of State has the initial  
19        responsibility for collecting the full amount of any penalty  
20        within 30 days after receiving notice of a report's lateness from  
21        the commission. The Secretary of State shall have all necessary  
22        powers to carry out this responsibility.

23        Failure to pay the full amount of any penalty levied under the  
24        provisions of this section is a civil violation. Thirty days  
25        after receiving notice of the lateness of any report, the  
26        Secretary of State shall report to the Attorney General the name  
27        of any person who has failed to pay the full amount of any  
28        penalty. The Attorney General shall enforce the violation in a  
29        civil action to collect the full amount outstanding of the  
30        penalty. The action shall be brought in the Superior Court for  
31        the County of Kennebec or the District Court, 7th District,  
32        Division of Southern Kennebec.

33        **Sec. 6. 21-A MRSA c. 13, sub-c. IV, as amended, is repealed.**

34        **Sec. 7. 30-A MRSA §2502, sub-§2, as amended by 1989, c. 104,**  
35        **Pt. C, §10 and Pt. D, §2, is repealed.**

36        **STATEMENT OF FACT**

37        This bill prohibits all political action committee funds and  
38        corporate political contributions and reenacts law regulating  
39        reporting of referendum campaigns.  
40

2           The bill also clarifies that anyone may collect  
contributions for a candidate from individuals as long as the  
money collected is directly forwarded to the candidate.  
4 Political parties may collect contributions and deposit them in  
an account for unrestricted party contributions to candidates.