

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

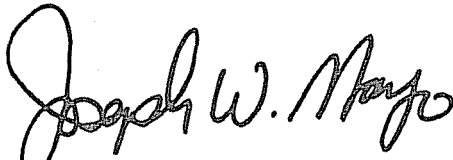
No. 1466

H.P. 1087

House of Representatives, May 6, 1993

An Act Making Campaign Finance Reforms.

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


JOSEPH W. MAYO, Clerk

Presented by Speaker MARTIN of Eagle Lake.

Cosponsored by Representative MARSH of West Gardiner, Senator BUTLAND of Cumberland and

Representatives: AULT of Wayne, CARROLL of Gray, CATHCART of Orono, CHONKO of Topsham, CLARK of Millinocket, FAIRCLOTH of Bangor, GEAN of Alfred, JOSEPH of Waterville, KERR of Old Orchard Beach, MORRISON of Bangor, ST. ONGE of Greene, Senator: HANDY of Androscoggin.

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

2
3 Sec. 1. 1 MRSA §1001, as enacted by PL 1975, c. 621, §1, is
4 amended to read:

6 **§1001. Statement of purpose**

8 It is essential under the American system of representative
9 government that the people have faith and confidence in the
10 integrity of the election process and the members of the
11 Legislature. In order to strengthen this faith and confidence
12 that the election process reflects the will of the people and
13 that each Legislator considers and casts his-vote votes on the
14 enactment of laws according to the best interests of the public
15 and his that Legislator's constituents, there is created an
16 independent and adequately funded commission on governmental
17 ethics and election practices to guard against corruption or
18 undue influencing of the election process and against acts or the
19 appearance of misconduct by Legislators.

20
21 Sec. 2. 1 MRSA §1002, sub-§1, as amended by PL 1991, c. 880,
22 §1, is further amended to read:

24 1. **Membership.** The Commission on Governmental Ethics and
25 Election Practices, established by Title 5, section 12004-G,
26 subsection 33, called the "commission," consists of 9 7 members
27 to be appointed as follows:

28
29 ~~A.--The President of the Senate, the floor leaders of the 2~~
30 ~~major parties and the assistant minority leader in the~~
31 ~~Senate shall each appoint one member, with the concurrence~~
32 ~~of 2/3 vote of the Senate. Each member must be appointed in~~
33 ~~January as provided in this subsection and shall serve a~~
34 ~~term of 2 years from the date of appointment or until a~~
35 ~~successor is appointed and qualified;~~

36
37 A-1. The Governor shall appoint 6 members of the commission
38 from nominations submitted by state political parties'
39 chairs, statewide governmental reform organizations and
40 religious organizations. The Governor shall appoint an even
41 number of members from the 2 major political parties. The
42 appointees are subject to review by the joint standing
43 committee of the Legislature having jurisdiction over legal
44 affairs and confirmation by the Senate;

45
46 ~~B.--The Speaker of the House, the floor leaders of the 2~~
47 ~~major parties and the assistant minority leader in the House~~
48 ~~of Representatives shall each appoint one member, with the~~
49 ~~concurrence of 2/3 vote of the House of Representatives.~~
50 ~~Each member must be appointed in January as provided in this~~
51 ~~subsection and shall serve a term of 2 years from the date~~
52 ~~of appointment or until a successor is appointed and~~
53 ~~qualified;~~

2 C. The 8 6 members so appointed shall, by an affirmative
4 vote of at least 6 4 members, elect a 9th 7th member, who
shall act as ~~ehairman~~ chair, and who shall serve a term of 2
years, or until a successor is appointed and qualified; and

6 D. The terms of the members of the commission must be
8 staggered. With respect only to the Senate first 3
10 appointments that are made in 1992 1994, the appointments
12 appointees shall serve until January 1995 1996 or until
14 successors are appointed. Thereafter, ~~Senate~~ appointments
successors to these appointees must be made appointed in
January of each odd-numbered year and shall serve 3 years.
House All other appointments must be made in January of each
even-numbered year.

16 The appropriate appointing authority shall appoint members to
18 vacancies on the commission as they occur or upon expiration of
terms. Any vacancy must be filled for the unexpired portion of
the term in which such vacancy occurs.

20 **Sec. 3. 1 MRSA §1002, sub-§2**, as amended by PL 1991, c. 86, is
22 further amended to read:

24 **2. Qualifications.** The members of the commission must be
26 persons of recognized judgment, probity and, objectivity and
integrity. A person may not be appointed to this commission who
28 is a member of the Legislature or who was a member of the
previous Legislature, or who was a declared candidate for an
30 elective office in a city with a population of 10,000 or more or
for an elective county, state or federal office within 2 4 years
32 prior to the appointment, or who now holds an elective city,
county, state or federal office, or who is an officer or member
34 of a political committee, party committee or political action
committee. A commissioner may not contribute funds to a
36 candidate for statewide office in this State nor otherwise
volunteer or participate in partisan politics while serving as
commissioner.

38 **Sec. 4. 1 MRSA §1008, sub-§2**, as amended by PL 1989, c. 561,
40 §2, is further amended to read:

42 **2. Election practices.** To administer and investigate any
44 violations of the requirements for campaign reports and campaign
financing and to investigate and make findings of fact and
46 opinion on the final determination of the results, within the
limits of the Constitution of Maine and the Constitution of the
48 United States, of any contested county, state or federal election
within this State; and

50 **Sec. 5. 1 MRSA §1008, sub-§3**, as enacted by PL 1989, c. 561,
52 §3, is amended to read:

2 **3. Ethics seminar.** To conduct, in conjunction with the
4 Attorney General and the Chair of the Legislative Council or
6 their designees, an ethics seminar for Legislators after the
8 general election and before the convening of the Legislature, in
every even-numbered year. The Attorney General shall provide
each Legislator with a bound compilation of the laws of this
State pertaining to legislative ethics and conduct.

10 **Sec. 6. 1 MRSA §1008, sub-§§4 and 5** are enacted to read:

12 **4. Lobbyists.** To oversee lobbyist disclosure procedures as
provided in Title 3, chapter 15; and

14 **5. Campaign Financing Trust Fund.** To administer the
Campaign Financing Trust Fund established in Title 21-A, section
1014-A.

16 **Sec. 7. 3 MRSA §312-A, sub-§1-A** is enacted to read:

18 **1-A. Commission.** "Commission" means the Commission on
20 Governmental Ethics and Election Practices established in Title
22 1, chapter 25, subchapter I.

24 **Sec. 8. 3 MRSA §313**, as amended by PL 1991, c. 465, §1, is
26 further amended to read:

28 **§313. Registration of lobbyists and employers**

30 Any person acting as a lobbyist and the person who employs
32 that lobbyist shall jointly register at the office of the
34 ~~Secretary-of-State~~ commission no later than 15 business days
after the commencement of activities constituting lobbying and a
joint annual fee, ~~as determined by the Secretary-of-State,~~ of
\$300 must be paid to the commission for such joint registration.

36 **Sec. 9. 3 MRSA §314, 2nd ¶**, as enacted by PL 1979, c. 632, §1,
38 is amended to read:

40 A joint registration shall ~~expire~~ expires if the employer
42 notifies the ~~Secretary-of-State~~ commission in writing that the
44 lobbyist is no longer engaged by the employer to lobby. If
termination occurs prior to December 31st, the notification shall
must be given within 30 days of the termination.

46 **Sec. 10. 3 MRSA §315, first ¶**, as reenacted by PL 1975, c. 724,
is amended to read:

48 The ~~Secretary-of-State~~ commission shall prepare and maintain
50 a docket for the registration of lobbyists and employers of
52 lobbyists required to register pursuant to this chapter. The
registration docket and all supplementary files of information
and materials filed pursuant to this chapter shall must be open

2 to public inspection during the office hours of the Secretary-of
3 State commission. Such docket shall must contain the name of the
4 lobbyist and the person employing the lobbyist; the business
5 address of each; the nature of the business of the person
6 employing the lobbyist; and a statement as to the compensation
7 which that the lobbyist will receive for his that lobbyist's
8 services or, if an exact amount is unascertainable, the basis
9 upon which the lobbyist will charge for his those services. This
10 docket shall must be updated on a weekly basis and shall be
11 arranged and indexed as follows:

12 **Sec. 11. 3 MRSA §315, last ¶**, as enacted by PL 1975, c. 724, is
13 amended to read:

14 Such docket shall must be reestablished annually by the
15 Secretary-of-State commission and the docket for any year shall
16 must be maintained and be available for public inspection in the
17 office of the Secretary-of-State commission for 4 years from the
18 expiration of such docket.

19 **Sec. 12. 3 MRSA §316, first ¶**, as reenacted by PL 1975, c. 724,
20 is amended to read:

21 The Secretary-of-State commission shall prepare and make
22 available registration forms for the registration of lobbyists
23 and employers required to register pursuant to section 313. These
24 forms shall require the following information:

25 **Sec. 13. 3 MRSA §316, last ¶**, as reenacted by PL 1975, c. 724,
26 is amended to read:

27 These forms shall must be signed and dated by both the
28 lobbyist and the employer and the signatures contained thereon
29 shall serve as a certificate that the information contained on
30 such form is true, correct and complete.

31 **Sec. 14. 3 MRSA §317**, as amended by PL 1989, c. 732, §1, is
32 further amended to read:

33 **§317. Reports**

34 Reports required by this section shall must be on forms
35 prescribed by the Secretary-of-State commission. The forms shall
36 must provide for a sworn statement that the persons signing the
37 report acknowledge the truth and completeness of all the
38 information contained therein in the report.

39 **1. Monthly session reports.** During the period in which the
40 Legislature is in session, every registered lobbyist shall file
41 with the Secretary-of-State commission, no later than 15 calendar
42 days subsequent to the conclusion of the preceding month, a
43 report concerning the lobbyist's activities for the previous
44 month regarding each employer.

45

2 Every lobbyist shall report his that lobbyist's lobbying
activities for each month that the Legislature is in session,
4 even if no lobbying has been performed or compensation or
reimbursement for expenses received. In the case of a lobbyist
6 representing multiple employers, if no lobbying or services in
support of lobbying were performed, one report listing each
8 employer on whose behalf no lobbying was conducted, may be
submitted. The monthly report shall must contain the following
information:

10 A. The month to which the report pertains;

12 B. The name and address of the lobbyist and employer;

14 C. The names of the individuals who lobbied during the
16 month;

18 D. The specific dollar amount of compensation received for
the preparation of documents and research for the primary
20 purpose of influencing legislative action and for lobbying;

22 In the case of a regular employee, the specific dollar
amount shall must be computed by multiplying the number of
24 hours devoted to the preparation of documents and research
for the primary purpose of influencing legislative action
26 and to lobbying by the employee's regular rate of pay based
on a 40-hour week;

28 E. The specific dollar amount of expenditures made during
30 the month which that is the subject of the report with
regard to the preparation of documents and research for the
32 primary purpose of influencing legislative action and to
lobbying for which the lobbyist has been or expects to be
34 reimbursed;

36 F. The total amount of money expended directly to or on
behalf of one or more officials of the Legislative Branch,
38 including members of the official's immediate family, as
defined in Title 1, section 1012, subsection 2, and the
40 amount, if any, which the lobbyist has been or expects to be
reimbursed;

42 G. The name of any officials in the Legislative Branch, or
44 their immediate family, on whose behalf an expenditure, or
expenditures, totaling \$25 or more was made in one calendar
46 month, and the date, amount and purpose of the expenditure
or expenditures;

48 H. A list of each legislative action, Legislative Document,
50 Senate Paper, House Paper or nomination in connection with
which the lobbyist is engaged in lobbying; and
52

2 I. A list specifically identifying each legislative action,
Legislative Document, Senate Paper, House Paper or
4 nomination for which the lobbyist was compensated, expects
to be compensated or expended in excess of \$1,000 for
6 lobbying activities related thereto and a statement of the
amounts compensated or expended for each.

8 2. **Annual report.** On or before January 30th following the
end of the year in which any person lobbied pursuant to section
10 313, the lobbyist and his the lobbyist's employer shall file with
the ~~Secretary--of--State~~ commission a joint report dated and
12 signed, which shall must contain the information required in
subsection 1, except that the report shall must summarize all
14 lobbying activities for the calendar year and report in detail
only those legislative actions not previously reported, as
16 required by subsection 1, paragraphs H and I.

18 The reports required by subsection 1 shall must be signed by the
lobbyist. The reports required by this subsection shall must be
20 signed by both the lobbyist and employer.

22 If the date any report required by this section is due falls on a
day other than a regular business day, the report shall ~~be~~ is due
24 on the first regular business day next following the due date.

26 In addition to the amounts identified in subsection 1 as
compensation received or expenditure made for the primary purpose
28 of lobbying, this annual report shall must also include the total
amount of compensation received by the lobbyist or the lobbying
30 firm, or expended by the employer, except compensation received
or expended for purposes not related to lobbying.

32 3. **Facsimile copies.** The ~~Secretary--of--State~~ commission
may, by rules adopted pursuant to the Maine Administrative
34 Procedure Act, Title 5, chapter 375, establish procedures and
fees by which facsimile copies of duly executed reports required
36 by this section may be received and filed with the office of the
Secretary-of-State commission.
38

40 **Sec. 15. 3 MRSA §319**, as amended by PL 1991, c. 465, §2, is
further amended to read:

42 **§319. Penalty**

44 1. **Failure to file registration or report.** Any person who
46 fails to file a registration or report as required by this
chapter shall must be assessed a fine of \$50 a day and additional
48 penalties as determined by the commission. Penalties may be
assessed at a maximum of \$2,000 for monthly reports and \$3,000
50 for annual reports.

2 1-A. **Notice of suspension.** Any person who fails to file a
report or pay a fee as required by this chapter may be suspended
4 from further lobbying by written notice of the ~~Secretary-of-State~~
commission until such failure is corrected.

6 3. **Exemption.** Notwithstanding section 317, subsection 1, a
registered lobbyist is exempt from the penalty imposed under this
8 section if, while the Legislature is convened in special session,
the lobbyist failed to file a report with the ~~Secretary-of-State~~
10 commission pursuant to section 317 provided that no lobbying has
been performed during that special session.

12 **Sec. 16. 3 MRSA §320**, as amended by PL 1981, c. 82, §2, is
14 further amended to read:

16 **§320. Disposition of fees**

18 All fees collected pursuant to this chapter shall ~~must~~ be
used by the ~~Secretary-of-State~~ commission for the administration
20 of this chapter. The ~~Secretary-of-State~~ commission may use these
fees to hire personnel to serve at ~~his~~ the commission's pleasure
22 and to assist ~~him~~ the commission in administering this chapter.

24 The ~~Secretary--of--State~~ commission shall, no later than
December 15th of the year prior to any proposed change, establish
26 the amount of the registration fee required to be paid pursuant
to section 313 for the subsequent year. ~~Such~~ The fees shall ~~must~~
28 be established on a basis that will generate sufficient revenue
to administer the filing and reporting requirements of this
30 chapter but ~~such~~ the fees shall ~~may~~ not, in any case,
unreasonably exceed the amount necessary to administer the filing
32 and reporting requirements of this chapter. All fees collected
under this chapter as in effect on December 31, 1975, are to be
34 used in all respects as though they were originally collected
pursuant to this chapter. Fees collected in any one year may be
36 used in the same or any succeeding year to administer this
chapter and such funds shall ~~may~~ not lapse.

38 **Sec. 17. 3 MRSA §321**, as amended by PL 1989, c. 732, §2, is
40 further amended to read:

42 **§321. Powers and duties of the commission**

44 In order to carry out the purposes of this chapter, the
~~Secretary-of-State-shall-have~~ commission has the following powers
46 and duties.

48 1. **Furnishing of forms.** The ~~Secretary-of-State~~ commission
shall furnish forms to persons required to register or file
50 reports.

2 2. **Availability of copying facilities.** The Secretary--of
3 State commission shall make copying facilities available to the
4 public during regular office hours and, notwithstanding any other
5 provisions of law fixing the cost of such services, shall charge
6 the actual cost of such services.

7 3. **Filing of voluntary information.** The Secretary--of--State
8 commission may accept and file any information voluntarily
9 supplied which that exceeds the requirements of this chapter.
10

11 4. **Preservation of registrations and reports.** The
12 Secretary--of--State commission shall preserve all registrations
13 and reports filed pursuant to this chapter for 4 years from date
14 of receipt and thereafter may dispose of same.

15 5. **Acceptance or rejection of forms.** The Secretary--of
16 State commission may prescribe forms for all documents required
17 or permitted to be filed with the office of the Secretary--of
18 State commission and may refuse to accept documents not filed on
19 those forms.
20

21 6. **Refusal of filing.** The Secretary--of--State commission
22 may refuse to accept any document that is not legible or that may
23 not be clearly reproduced photographically.
24

25 Sec. 18. 3 MRSA §322, as reenacted by PL 1975, c. 724, is
26 amended to read:
27

28 **§322. Enforcement**
29

30 The provisions of this chapter may be enforced by the
31 Attorney General upon the request of the Secretary--of--State
32 commission.
33

34 Sec. 19. 21-A MRSA §1004, sub-§§5 and 6 are enacted to read:
35

36 5. **Illegal transfer of funds.** A candidate or political
37 committee may not transfer funds to another candidate, political
38 committee or political action committee. A political action
39 committee may not transfer funds to another political action
40 committee.
41

42 6. **Prohibited contributions.** A candidate or political
43 official may not accept contributions from individuals or
44 organizations contributing in behalf of specific legislation or
45 governmental action. A political official may not accept
46 contributions from lobbyists during the legislative session. A
47 candidate for public office may not accept contributions from an
48 organization, firm or individual with which the State has a
49 contract for purchases of services or products.
50

2 Sec. 20. 21-A MRSA §1005 is enacted to read:

4 §1005. Violations of the Campaign Financing Trust Fund process

6 1. Fines. A person who violates any procedure prescribed
8 by the Campaign Financing Trust Fund process is subject to a fine
 not to exceed \$25,000 for candidates for Governor and \$10,000 for
 candidates for the Maine Senate or Maine House of Representatives.

10 2. Commission review. A person who violates any procedure
12 prescribed by the Campaign Financing Trust Fund process is
14 subject to recommendations made by the commission to the
 Legislature. Recommendations may include removal of the violator
 from elective office.

16 3. Publication. The commission shall publicize all
18 violations in a newspaper of widespread circulation, as
 prescribed by Title 1, section 601, prior to the election.

20 Sec. 21. 21-A MRSA §1012, sub-§§5 and 6 are enacted to read:

22 5. Family. "Family" means a candidate and the candidate's
24 spouse.

26 6. Fund. "Fund" means the Campaign Financing Trust Fund
 established in section 1014-A.

28 Sec. 22. 21-A MRSA §1014-A is enacted to read:

30 §1014-A. Campaign Financing Trust Fund; campaign expenditure
32 limitation

34 1. Establishment. The Campaign Financing Trust Fund
36 overseen by the commission is established. Money for the fund is
38 generated as follows:

40 A. From taxpayers who designate up to \$50 of their tax
42 dollars;

44 B. From taxpayers designating a portion of their refund to
46 be paid to the fund as provided in Title 36, section 5286;

48 C. From candidates, political committees referred to in
50 section 1013-A, subsection 1, paragraph B and political
52 action committees as defined in section 1052, subsection 5
 pertaining to campaigns for candidates only; and

D. From individual private donations.

Within 42 days following a campaign for a candidate, candidates'
 political committees and political action committees involved in
 the campaign shall file a termination report with the

2 commission. The report must show any deficits or surpluses based
3 upon campaign contributions and expenditures. Surplus funds must
4 be transferred to the commission for placement in the fund.

5 2. Declaration of campaign expenditure limitation. On a
6 form prescribed by the commission, to be filed with the
7 commission no later than 14 days after the filing of a primary
8 petition under section 335, each candidate may submit to the
9 commission a written declaration of intent to limit that
10 candidate's campaign expenditures to the following amounts:

11 A. For a candidate for Governor, \$350,000 for the primary
12 election campaign and \$750,000 for the general election
13 campaign;

14 B. For a candidate for the Maine Senate, \$7,000 for the
15 primary election campaign and \$15,000 for the general
16 election campaign; and

17 C. For a candidate for the Maine House of Representatives,
18 \$2,500 for the primary election campaign and \$7,500 for the
19 general election campaign.

20 If all candidates for an office file their declaration and abide
21 by it throughout the campaign, the commission may not disburse
22 funds to those candidates under subsection 4. If any candidate
23 for an office does not file this declaration while any other
24 candidate for that office does, the candidate failing to file
25 shall file with the commission a written reasonable estimation of
26 that candidate's anticipated maximum campaign expenditures. That
27 candidate shall file a full expenditure report with the
28 commission no later than 5:00 p.m. on the 14th day before the
29 date on which the election is held.

30 3. Affidavit. A candidate for Governor, the state Senate
31 or the state House of Representatives who chooses to limit
32 campaign expenditures must file with the commission an affidavit
33 whereby the candidate swears to the following:

34 A. The candidate knows the voluntary expenditure
35 limitations pursuant to subsection 2;

36 B. The candidate voluntarily agrees to limit expenditures
37 from personal funds and expenditures on the candidate's
38 behalf by the candidate's spouse, political party and
39 authorized political committee to the limits established; and

40 C. The candidate does not condone and will not solicit any
41 independent expenditures in support of the candidate's
42 campaign.

2 4. Disbursements. The commission shall disburse money from
4 the fund to any candidate who has declared an intent to limit
6 campaign expenditures as provided in subsection 2 and who abides
8 by those limitations, if that candidate's opponent has not so
10 declared or, having declared, does not abide by the limitations.
Money must be disbursed to a candidate in a timely manner as
determined by the commission. The amount disbursed to a
candidate may not exceed the difference between the candidate's
actual expenditures at the time of the disbursement and those of
the candidate's opponent.

12 5. Use of campaign funds. Campaign funds may only be used
14 for campaign purposes and may not be used for private purposes.
The commission shall adopt rules and penalties governing the use
of public campaign funds.

16 **Sec. 23. 21-A MRSA §1015, sub-§1, as enacted by PL 1985, c.**
18 **161, §6, is amended to read:**

20 1. Individuals. ~~No individual~~ Individuals, except a
22 candidate or a candidate's family, may make contributions to a
24 candidate in support of the candidacy of one person, aggregating
no more than \$1,000 \$500 to a candidate for Governor, \$300 to a
candidate for the Maine Senate and \$200 to a candidate for the
26 Maine House of Representatives in any election cycle. This
limitation ~~does not apply to contributions in support of a~~
candidate ~~by that candidate or his spouse.~~ An individual may
28 contribute up to \$1,000 in additional funds to a state political
party.

30 **Sec. 24. 21-A MRSA §1015, sub-§1-A is enacted to read:**

32 1-A. Candidates, families. Candidates abiding within
34 voluntary limits may contribute no more than 50% of the salary of
the position sought in any election cycle. Families may make
36 unlimited contributions to candidates.

38 **Sec. 25. 21-A MRSA §1015, sub-§2, as enacted by PL 1985, c.**
40 **161, §6, is amended to read:**

42 2. Committees; corporations; associations; unions;
lobbyists. ~~No~~ A political committee, other committee,
44 corporation ~~or,~~ the corporation's agents or subsidiaries,
association, union or lobbyist may not make contributions to a
46 candidate, ~~in support of the candidacy of one person,~~ aggregating
mere ~~than~~ \$5,000 ~~in any election~~ an elected official or a
48 political party without first establishing a political action
committee pursuant to chapter 13, subchapter IV. Political
50 action committees are the sole vehicle for these groups
soliciting and disbursing campaign contributions. Corporations
52 are prohibited from contributing corporate money.

2 **Sec. 26. 21-A MRSA §1015, sub-§2-A** is enacted to read:

4 **2-A. Regulated industries.** Regulated industries are
6 prohibited from establishing political action committees and are
 prohibited from contributing to political action committees,
 candidates and campaigns.

8 **Sec. 27. 21-A MRSA §1015, sub-§3,** as enacted by PL 1985, c.
10 161, §6, is amended to read:

12 **3. Aggregate contributions.** No An individual may not make
14 contributions to candidates aggregating more than \$25,000 \$2,000
 in any calendar year. This limitation does not necessarily apply
16 to contributions in support of a candidate by that candidate or
 his-spouse that candidate's family.

18 **Sec. 28. 21-A MRSA §1015, sub-§§7 and 8** are enacted to read:

20 **7. Political action committees.** A candidate may not
 receive more than 35% of the candidate's total aggregate
22 contributions from political action committees.

24 **8. Soliciting and collecting.** A candidate may not commence
 soliciting or collecting funds prior to the first calendar day of
26 the year of an election.

28 **Sec. 29. 21-A MRSA §1015-A,** as enacted by PL 1991, c. 839,
 §12, is repealed.

30 **Sec. 30. 21-A MRSA §1017, sub-§2, ¶F,** as amended by PL 1991,
32 c. 839, §14 and affected by §34, is further amended to read:

34 F. Unless further reports will be filed in relation to a
 later election in the same calendar year, the disposition of
36 any ~~surplus-or~~ deficit in excess of \$50 shown in the reports
 described in paragraph E must be reported as provided in
38 this paragraph. The treasurer of a candidate or political
 committee with a ~~surplus-or~~ deficit in excess of \$50 shall
40 file reports semiannually with the commission within 15 days
 following the end of the 2nd and 4th quarters of the State's
42 fiscal year, complete as of the last day of the quarter,
 until the ~~surplus--is--disposed--of--or--the~~ deficit is
44 liquidated. The first report under this paragraph is not
 required until the 15th day of the period beginning at least
46 90 days from the date of the election. The reports may
 either be filed in person with the commission on that date
48 or postmarked on that date. The reports must set forth any
 contributions for the purpose of liquidating the deficit, in
50 the same manner as contributions are set forth in other
 reports required in this section. There may be no continued
52 collection of money after an election except for the purpose
 of paying off a deficit. If no deficit exists, a campaign

2 account must be closed out within 60 days after an election
3 and all surplus campaign funds must be transferred to the
4 commission for placement in the fund, pursuant to section
5 1014-A, subsection 1.

6 **Sec. 31. 21-A MRSA §1017, sub-§2, ¶I** is enacted to read:

8 I. Candidates who do not file a statement of intent with
9 the commission must file a full report of campaign
10 contributions and expenditures with the commission 14 days
11 before the election.

12 **Sec. 32. 21-A MRSA §1017, sub-§3-A, ¶E**, as amended by PL 1991,
14 c. 839, §15 and affected by §34, is further amended to read:

16 E. Unless further reports will be filed in relation to a
17 later election in the same calendar year, the disposition of
18 any surplus-~~or~~ deficit in excess of \$50 shown in the reports
19 described in paragraph D must be reported as provided by
20 this paragraph. The treasurer of a candidate with a surplus
21 ~~or~~ deficit in excess of \$50 shall file reports semiannually
22 with the commission within 15 days following the end of the
23 2nd and 4th quarters of the State's fiscal year, complete as
24 of the last day of the quarter, until the surplus--is
25 ~~disposed of or~~ the deficit is liquidated. The first report
26 under this paragraph is not required until the 15th day of
27 the period beginning at least 90 days from the date of the
28 election. The reports may either be filed in person with
29 the commission on that date or postmarked on that date. The
30 reports must set forth any contributions for the purpose of
31 liquidating the deficit, in the same manner as contributions
32 are set forth in other reports required in this section.
33 There may be no continued collection of money after an
34 election except for the purpose of paying off a deficit. If
35 no deficit exists, a campaign account must be closed out
36 within 60 days after an election and all surplus campaign
37 funds must be transferred to the commission for placement in
38 the fund, pursuant to section 1014-A, subsection 1.

40 **Sec. 33. 21-A MRSA §1017, sub-§3-A, ¶G** is enacted to read:

42 G. Candidates who do not file a statement of intent with
43 the commission must file a full report of campaign
44 contributions and expenditures with the commission 14 days
45 before the election.

2 **Sec. 34. 21-A MRSA §1017, sub-§8**, as amended by PL 1991, c.
839, §21 and affected by §34, is further amended to read:

4 **8. Transferral of surplus.** A treasurer of a candidate
6 registered under section 1013-A or qualified under sections 335
and 336 or sections 354 and 355 ~~may dispose of a~~ must transfer
8 surplus exceeding \$50 by; campaign funds to the commission as
prescribed in section 1014-A, subsection 1.

10 ~~A. Pro-rata distribution to the candidate's or candidate's~~
~~authorized political committee's contributors;~~

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

16 ~~C. An unrestricted gift to the State;~~

18 ~~D. Carrying forward the surplus balance to a political~~
20 ~~committee established to promote the same candidate for a~~
~~subsequent election;~~

22 ~~D-1. Carrying forward the surplus balance for use by the~~
24 ~~candidate for a subsequent election;~~

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

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

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

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

48 **Sec. 35. 21-A MRSA §1017, sub-§9**, as enacted by PL 1991, c.
839, §22, is amended to read:

50 **9. Campaign termination report forms.** The commission shall
52 provide each candidate required to report campaign contributions

2 and expenditures with a campaign termination report form. A
3 candidate shall file the campaign termination report with the
4 commission as required in this subsection. The campaign
5 termination report must be complete as of June 30th of the year
6 following the campaign of the previous year. This form must show
7 any deficits ~~or surpluses~~ to be carried over to the next campaign
8 or surpluses to be transferred to the fund within 60 days after
9 the election pursuant to section 1014. ~~Funds not carried forward~~
10 ~~to the next campaign must be disposed of as provided in section~~
11 ~~1017, subsection 8.~~ Campaign reporting is as follows.

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

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

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

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

28 **Sec. 36. 21-A MRSA §1020, sub-§4 is enacted to read:**

30 4. Fees and penalties. All late fees, registration fees,
31 copying fees and penalties levied on candidates, political
32 committees, political action committees and lobbyists are used to
33 assist in funding the commission's work related to administrative
34 oversight and reporting.

36 **Sec. 37. 21-A MRSA §1053, first ¶, as amended by PL 1989, c.**
37 **833, §14, is further amended to read:**

38 Every political action committee that accepts contributions,
39 incurs obligations or makes expenditures in the aggregate in
40 excess of \$50 in any single calendar year to initiate, support,
41 defeat or influence in any way a campaign, referendum, initiated
42 petition, candidate, political committee or another political
43 action committee must register with the commission, within 7 days
44 of accepting those contributions, incurring those obligations or
45 making those expenditures, on forms prescribed by the commission;
46 pay an annual registration fee of 5% of gross collected funds to
47 the commission; and fully comply with reporting requirements
48 established by the commission. A minimum payment of \$25 must be
49 paid at registration. Political action committees must pay any
50 additional fees due to the commission at the time campaign
51 expenditure reports are filed. These The registration forms must
52

2 include the following information and any additional information
3 reasonably required by the commission to monitor the activities
4 of political action committees in this State under this
subchapter:

6 **Sec. 38. 21-A MRSA §1056**, as enacted by PL 1985, c. 161, §6,
7 is amended to read:

8 **§1056. Expenditure limitations**

10 Any committee required to register under this chapter shall
12 comply with the following expenditure limitations.

14 **1. Aggregate expenditures.** No A committee may not make
16 expenditures in support of or opposition to the candidacy of one
17 person or to a political committee in an aggregate amount greater
18 than \$5,000 \$2,000 to a candidate for Governor, \$1,000 to a
19 candidate for the Maine Senate and \$500 to a candidate for the
20 Maine House of Representatives in any election. A committee may
21 not make more than \$10,000 in total campaign contributions in any
22 election cycle.

24 **2. Prohibited expenditures.** No A committee may not make
25 any expenditure for liquor to be distributed to or consumed by
26 voters while the polls are open on election day.

28 **3. Prohibited contributions.** Political action committees
29 may not receive money from corporations, their agents or
30 subsidiaries, or unions, except for in-kind administrative
31 support. Political action committees may not receive money from
32 regulated industries.

34 All limits will be periodically reviewed and adjusted by the
35 commission in order to reflect the cost-of-living index.

36 **Sec. 39. 36 MRSA §5286** is enacted to read:

38 **§5286. Campaign Financing Trust Fund; checkoff**

40 **1. Campaign Financing Trust Fund.** Taxpayers who when
41 filing their returns are entitled to a refund under this Part may
42 designate a portion of that refund, to be paid to the Campaign
43 Financing Trust Fund established in Title 21-A, chapter 13. Each
44 individual income tax form must contain a designation in
45 substantially the same form: "Contributions to the Campaign
46 Financing Trust Fund: () \$1, () \$5, () \$10 or () other
47 \$."

48 **2. Contributions credited to the Campaign Financing Trust**
49 **Fund.** The State Tax Assessor shall determine annually the total
50 amount contributed pursuant to subsection 1. Prior to the
51 beginning of the next year, the State Tax Assessor shall deduct
52 the amount from the tax liability of the contributor.

2 the cost of administering the Campaign Financing Trust Fund
3 checkoff, but not exceeding \$2,000 annually, and report the
4 remainder to the Treasurer of State, who shall credit that amount
5 to the Campaign Financing Trust Fund, established in Title 21-A,
6 chapter 13. Interest earned by contributions in the fund must be
7 credited to the fund.

8 **Sec. 40. Transition provision.** The current members of the
9 Commission on Governmental Ethics and Election Practices shall
10 remain commission members and perform the duties of the
11 commission until all of the members described in section 2 of
12 this Act, which amends the Maine Revised Statutes, Title 1,
13 section 1002, subsection 1, are appointed and confirmed.

14 **Sec. 41. Study.** The Joint Standing Committee on Legal Affairs
15 shall study possible sources of funds for the Campaign Financing
16 Trust Fund and shall report its findings, along with any
17 implementing legislation, to the Second Regular Session of the
18 116th Legislature by January 1, 1994.

22 STATEMENT OF FACT

24 This bill establishes a system for voluntary compliance with
25 campaign expenditure limits; establishes a public Campaign
26 Financing Trust Fund; prescribes limitations for political action
27 committees and lobbyists; prescribes regulations on accessing
28 public funds for campaign expenditures related to gubernatorial
29 and state legislative campaigns; and decreases the membership of
30 the Commission on Governmental Ethics and Election Practices and
31 revises the appointment process to establish it as an independent
32 commission; and increases the reviewing and reporting
responsibilities of the commission.