

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 1246

H.P. 893

House of Representatives, April 11, 1995

An Act to Implement Campaign Finance Reforms.

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

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MARTIN of Eagle Lake.
Cosponsored by Representative: NADEAU of Saco.

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

2
4 **Sec. 1. 1 MRSA §1008, sub-§2**, as amended by PL 1993, c. 691, §1, is further amended to read:

6 **2. Election practices.** To administer and investigate any
8 violations of the requirements for campaign reports and campaign
financing, to administer the Maine Campaign Fund created in Title
10 21-A, section 1073 and to investigate and make findings of fact
and opinion on the final determination of the results, within the
12 limits of the Constitution of Maine and the Constitution of the
United States, of any contested count, state or federal election
within this State;

14 **Sec. 2. 21-A MRSA §1003, sub-§4**, as enacted by PL 1985, c.
16 161, §6, is amended to read:

18 **4. Attorney General.** The Attorney General is the counsel
for the commission and may examine any witnesses before the
20 commission. The commission shall refer any apparent violations of
this chapter to the Attorney General for prosecution.

22 The Attorney General may issue and publish advisory opinions on
24 the requirements of the Campaign Finance Reform Act of 1995 based
upon real or hypothetical situations. An application for an
26 advisory opinion may be made only by an individual or association
that wishes to use the opinion to guide the conduct of that
28 individual or association.

30 **Sec. 3. 21-A MRSA c. 13, sub-c. IV-A** is enacted to read:

32 **SUBCHAPTER IV-A**

34 **CAMPAIGN FINANCE REFORM**

36 **§1071. Short title**

38 This subchapter may be known and cited as the "Campaign
Finance Reform Act of 1995."

40 **§1072. Definitions**

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

46 **1. Contribution.** "Contribution" has the same meaning as
defined in section 1012, subsection 2.

48 **2. Fund.** "Fund" means the Maine Campaign Fund created in
50 section 1073.

2 3. Grant. "Grant" means a matching contribution received
3 from the fund.

4 4. Political committee. "Political committee" means 2 or
5 more persons serving on a permanent or temporary committee that
6 makes or accepts contributions or makes expenditures for
7 political purposes, whether or not engaged in activities that are
8 exclusively political. It includes, but is not limited to, a
9 candidate's political committee, a party committee and a
10 political action committee as defined in section 1052, subsection
11 2.

12 **§1073. Maine Campaign Fund**

13 The Maine Campaign Fund is created as a special dedicated
14 fund of the State.

15 1. Tax checkoff. Every individual resident of the State
16 who files a tax return with the State Tax Assessor may designate
17 that \$2 be paid from the General Fund of the State into the
18 fund. If a husband and wife file a joint return, each spouse may
19 designate that \$2 be paid.

20 2. Appropriation. The amounts designated by individuals
21 for the fund must be appropriated from the General Fund and
22 credited to the fund and annually appropriated for distribution
23 by the commission as set forth in section 1077.

24 3. Supplemental appropriations. The Legislature shall
25 appropriate to the fund, upon notice by the commission,
26 sufficient funds to carry out the purposes of this subchapter and
27 regulated and distributed by the commission pursuant to this
28 subchapter.

29 **§1074. Requirements for participation**

30 To be eligible to receive a grant from the fund, a candidate
31 shall certify in writing to the commission that the candidate and
32 the authorized candidate's political committee agree:

33 1. Evidence of expenditures. To obtain and furnish to the
34 commission all evidence of campaign expenditures;

35 2. Records and information. To keep and furnish records,
36 books and other information required by the commission by rule;

37 3. Audit. To submit to an audit and an examination by the
38 commission;

39 4. Expenditure limit. To incur no campaign expenses in
40 excess of the expenditure limitations imposed by section 1076;

2 5. Contribution limit. To receive individual contributions
not to exceed \$100 in the aggregate, with respect to any person,
per election for which a grant from the fund is sought;

4
6 6. Political committee contribution. To receive no
contributions from a political committee; and

8 7. Personal contribution. To limit the candidate's
personal contribution to \$100 per election for qualifying and
10 matching purposes and that the amount of a personal contribution
by the candidate in excess of \$100 per election must be
12 subtracted from a grant from the fund.

14 The agreement and certification to the commission by the
candidate remains effective until the dissolution of the
16 candidate's political committee or the opening of filings for the
next succeeding election to the office held or sought at the time
18 of agreement, whichever occurs first.

20 **§1075. Campaign contributions**

22 The qualifying contributions, pursuant to section 1074 are
as follows:

24 1. Governor. For the office of Governor, qualifying
26 contributions that in the aggregate exceed \$200,000;

28 2. State Senator. For the office of State Senator
qualifying contributions that in the aggregate exceed \$10,000; and

30 3. State Representative. For the office of State
32 Representative qualifying contributions that in the aggregate
exceed \$2,000.

34 The commission may, consistent with the purposes of this
36 subchapter, adjust the qualifying amounts as set forth in this
section by December 31st of the year preceding an election.

38 **§1076. Expenditure limitations**

40 1. Election years. In a year in which an election is held
42 for an office sought by a candidate, expenditures made for each
election year by the political committee of that candidate may
44 not exceed the following amounts expressed in the aggregate by
multiplying the per capita amounts for each election by the
46 number of voters in the last preceding election registered to
vote for each respective election:

48 A. For the office of Governor, \$750,000;

50 B. For the office of State Senator, \$20,000; and

2 C. For the office of State Representative, \$5,000.

4 2. Year after election year. In any year following an
6 election year for the office held or sought, the aggregate amount
8 of expenditures by a candidate's political committee may not
 exceed 20% of the expenditure limit set forth in subsection 1.

10 3. Changes in expenditure limits. Before January 1st of
12 the year of an election, the commission may determine and publish
14 any changes in the expenditure limits, consistent with the
 purposes of this subchapter, for each office for the election
 year as set out in subsection 1, using the following criteria:

16 A. Estimated population figures for that calendar year,
 beginning January 1st;

18 B. The cost of conducting elections for each office; and

20 C. The percentage change in the Consumer Price Index for
22 the year preceding an election.

24 **\$1077. Candidate funding**

26 1. Application forms. The commission shall provide
28 application forms for grants from the fund and a form for a sworn
30 statement by the candidate that the candidate and candidate's
 political committee have agreed to the eligibility requirements
 under section 1074.

32 Each application must be accompanied by a qualifying campaign
 contribution statement that must be filed with the commission.

34 2. Certification. Each application must be accompanied by
36 a statement by the candidate, supported by documentation, that
 certifies that:

38 A. The candidate and candidate's political committee are in
40 fact not in violation of any of the requirements of section
 1074;

42 B. The candidate has qualified to be on the election ballot
44 in a primary, special or general election for the office
 sought;

46 C. The candidate or candidate's political committee has
48 received the qualifying sum of individual contributions for
 the office sought, as set forth in section 1075; and

50 D. The candidate and at least one other candidate for the
52 same elective seat have qualified to have their names on the
 election ballot in the same election.

2 **3. Distribution of grants.** Upon approval by the commission
of the application and qualifying contribution statement, the
4 commission shall distribute grants up to a total of 50% of the
maximum expenditure limitation for the office the candidate is
6 seeking. The commission shall distribute the grant to each
eligible candidate within 10 days from the date of the
8 candidate's initial application to the commission.

10 **4. Ten-day limit.** Each candidate in receipt of the
qualifying sum of contributions established for the office
12 sought, and otherwise eligible under this subchapter to
participate in the fund, may apply to the commission for a grant
14 after becoming a candidate in a primary, special or general
election, but no later than 10 days before a primary, special or
16 general election.

18 **5. Supplemental grants.** The commission shall make
additional certifications for grant payments within 10 days after
20 receiving an application and supplemental contribution statement
from an eligible candidate.

22 **§1078. Entitlement to grants**

24 **1. Amount.** Every candidate for the office of Governor,
26 State Senator or State Representative who is eligible to receive
a grant from the fund is entitled to an amount equal to each
28 qualifying contribution received by the candidate or the
candidate's political committee during the matching payment
30 period.

32 **2. Limitation.** The total amount of grants from the fund
for a primary, special or general election to each candidate for
34 the office of Governor, State Senator or State Representative may
not exceed 50% percent of the expenditure limitations pursuant to
36 section 1076.

38 **§1079. Restrictions**

40 The following restrictions apply to a candidate's
participation in the fund.

42 **1. Grants.** No candidate or candidate's political committee
44 may expend, authorize the expenditure of or incur any obligation
to expend a grant for any purpose other than to advance the
46 candidacy by lawful means of the specific candidate who qualifies
for the grant.

48 **2. Certain expenditures prohibited.** A person may not
50 expend, authorize the expenditure of or incur any obligation to
expend a grant after the date of any election when those
52 contributions are returnable to the State under subsection 5.

2 3. Committee's duties. Grants received by the candidate
3 from the fund may be spent only through the candidate's political
4 committee and must be reported by the committee according to
5 rules established by the commission.

6 4. Separate accounts. All grants received from the fund
7 must be deposited in a financial institution designated to do
8 business in the State and must be kept in a separate account from
9 contributions received by the candidate's political committee.
10 No expenditure of a grant may be made except by checks drawn on
11 that account.

12 5. Return of unexpended grants. The commission may require
13 reports relating to the expenditure of the grants as it considers
14 appropriate.

15 Upon the filing a final report for any primary, special or
16 general election, each candidate who has spent an amount below
17 the expenditure limit set for that office, but who has received
18 the maximum amount from the fund allowable for the office, shall
19 return all unexpended grants to the fund.

20 \$1080. Penalties

21 1. Improper use of funds. Within 20 days after a primary,
22 special or general election, the candidate's treasurer shall
23 produce evidence to the commission that all grants paid to the
24 candidate's political committee have been spent or accounted for
25 as required for by this subchapter.

26 If the commission determines that any part of a grant has been
27 used for noncampaign or improper expenses or transfers, it shall
28 report this finding to the Attorney General and order the
29 candidate to return all or part of the total funds paid to that
30 candidate. When the funds are returned, the commission shall
31 deposit those funds in the fund.

32 2. Excess expenditures. A candidate subject to the
33 expenditure limitations of section 1076 whose political committee
34 makes expenditures in excess of the limit imposed is subject to a
35 civil fine up to 4 times the amount by which those expenditures
36 exceed the limit.

37 3. Excess contributions. A candidate whose political
38 committee accepts contributions in excess of the limit imposed in
39 section 1075 is subject to a civil fine of up to 4 times the
40 amount by which those contributions exceed the limit.

41 4. Failure to meet obligations of section 1074. A
42 candidate whose political committee violates the agreements
43 imposed by section 1074 shall return the money to be deposited in
44 the fund and is subject to a civil penalty of \$10,000 or sentence
45 of one year, or both.

2 Sec. 4. 36 MRSA §5286 is enacted to read:

4 §5286. Maine Campaign Fund; voluntary checkoff

6 1. Designation. Resident taxpayers may designate a portion
8 of their taxes to be deposited in the Maine Campaign Fund in
10 accordance with the provisions of Title 21-A, section 1073.

12 2. Forms. The State Tax Assessor shall provide on the
14 first page of the income tax form a space for the filing
16 individual to indicate whether that filer wishes to allocate \$2
18 or \$4, if filing a joint return, from the General Fund of the
20 State to finance the election campaigns for the offices of
22 Governor, State Senator and State Representative.

24 3. Transfer of funds. The State Tax Assessor shall
26 transfer funds from the General Fund in accordance with Title
28 21-A, section 1073.

30 **STATEMENT OF FACT**

32 This bill, based on model state legislation, establishes a
34 voluntary system for limiting campaign spending for the offices
36 of Governor, State Senator and State Representative. It contains
38 the following provisions.

40 1. It amends the duties of the Commission on Governmental
42 Ethics and Election Practices to specifically include the
44 administration of the Maine Campaign Fund.

46 2. It gives the Attorney General, as counsel to the
48 commission, the authority to issue advisory opinions to
50 candidates and political organizations regarding the Maine
52 Campaign Fund and related laws.

 3. It creates the Maine Campaign Fund by allowing resident
taxpayers to divert \$2 of their taxes from the General Fund to
the Maine Campaign Fund or \$4 for spouses filing jointly.

 4. It limits individual contributions to those
participating in the Maine Campaign Fund to \$100 per individual
contribution and prohibits the acceptance of contributions from
political action committees.

 5. It establishes minimum levels of qualifying
contributions for a candidate's participation in the Maine
Campaign Fund.

 6. It limits expenditures by participating candidates based
on a per capita amount per registered voter in the State for
Governor or a district for Legislators.

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7. It establishes penalties for violations of the requirements for participation in the Maine Campaign Fund.