

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 646

H.P. 475

House of Representatives, January 30, 1997

**An Act to Limit Corporate Contributions and to Establish Voluntary
Spending Limits for Citizen-Initiated Ballot Campaigns.**

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 LEMKE of Westbrook.
Cosponsored by Representatives: BUCK of Yarmouth, JONES of Bar Harbor, PAUL of
Sanford, SHIAH of Bowdoinham, TUTTLE of Sanford, WATERHOUSE of Bridgton,
Senators: KILKELLY of Lincoln, NUTTING of Androscoggin.

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

4 Sec. 1. 21-A MRSA c. 13, sub-c. III-A is enacted to read:

6 SUBCHAPTER III-A

8 LIMITATIONS REGARDING CITIZEN-INITIATED BALLOT CAMPAIGNS

10 §1041. Limit on contributions from corporations

12 1. Contribution limit. Except as provided in subsection 3,
14 a corporation may not make a contribution or an expenditure of
16 more than \$500 in connection with a citizen-initiated ballot
18 campaign. For purposes of this section, "corporation" means a
20 nonprofit corporation or a corporation organized for profit.

22 2. Prohibition on acceptance of contribution. A political
24 action committee may not accept or receive a corporate
26 contribution offered in violation of subsection 1.

28 3. Application. This section does not limit the making or
30 acceptance of contributions or expenditures by:

32 A. A separate segregated fund established and maintained by
34 a corporation for the purpose of making political
36 contributions or expenditures if the fund consists only of
38 voluntary contributions solicited from individuals who are
40 shareholders, employees or members of the corporation; or

42 B. A nonprofit corporation that:

44 (1) Does not engage in business activities;

46 (2) Has no shareholders or other affiliated persons
48 who have personal claims on the corporation's assets or
earnings;

(3) Does not accept foreign or domestic for-profit
corporations as members; and

(4) Does not accept in aggregate more than 5% of its
total annual revenue from foreign or domestic
for-profit corporations.

4. Forfeiture. A person who violates this section commits
a civil violation, the forfeiture for which is \$100 plus the
amount by which the contribution or expenditure exceeds \$500.

§1042. Voluntary spending limits

2 1. Voluntary limit. A political action committee may
voluntarily limit its expenditures with respect to a
4 citizen-initiated ballot campaign to \$150,000 in a calendar year.

6 2. Filing of intent to comply. Each political action
committee that files a statement of support or opposition to a
8 citizen-initiated ballot measure may also file with the
commission a sworn statement that the committee will not exceed
10 the voluntary expenditure limits in this section. The statement
must be filed with the commission within 30 days of filing the
12 statement of support or opposition.

14 3. Use of compliance status. A political action committee
that limits its expenditures in accordance with this section may
16 use the following statement in printed matter and in broadcast
advertisements, and the Secretary of State shall include the
18 statement in any voter information pamphlets prepared by the
Secretary of State: "According to the State's Commission on
20 Governmental Ethics and Election Practices, (name of the
political action committee) is in compliance with the voluntary
22 expenditure limits established under Maine law." A political
action committee may not use evidence of compliance with the
24 voluntary expenditure limits to imply to the public that the
committee has received endorsement or approval by the State. A
26 political action committee that has not filed a sworn statement
with the commission may not distribute printed matter or pay for
28 broadcasts claiming to be in compliance with the voluntary
expenditure limits of this section.

30 4. Calculation of expenditures. For purposes of this
section, the expenditures made by a political action committee
32 consist of the total of the following:

34 A. All loans made or received by a committee and not yet
36 spent and reported under paragraph B;

38 B. All committee expenditures made by check or cash; and

40 C. The dollar value of all in-kind contributions made or
42 received by the committee.

44 5. Penalty for noncompliance. A political action committee
that files with the commission a sworn statement to abide by the
46 limits of this section but exceeds those limits shall pay a fine
of \$5,000 to the commission. This money must be deposited in a
48 separate fund to be used to support enforcement of this chapter.

50 6. Effective date. This section takes effect January 1,
1998.

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SUMMARY

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6 This bill limits corporate contributions to
citizen-initiated ballot campaigns to \$500 unless the corporation
is a nonprofit corporation meeting certain criteria or the
8 corporation forms a separate segregated fund financed by
contributions from shareholders, employees or members of the
10 corporation. The bill also establishes a voluntary spending
limit for political action committees with regard to
12 citizen-initiated ballot campaigns. The system is similar to the
current system under which candidates may voluntarily limit
14 campaign expenditures.