

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

SECOND REGULAR SESSION-2000

Legislative Document

No. 2663

S.P. 1070

In Senate, March 31, 2000

**An Act Relating to Reporting Requirements for Political Action
Committees on the Flexibility of the Commission on Governmental
Ethics and Election Practices to Assess Fines.**

Reported by Senator DAGGETT of Kennebec for the Joint Standing Committee on Legal and Veterans Affairs pursuant to Joint Order S.P. 1066.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

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

2
4 **Sec. 1. 21-A MRSA §1013-A, sub-§1, ¶C**, as enacted by PL 1995, c. 384, §1, is amended to read:

6 C. No later than 10 days after becoming a candidate, as
8 defined in section 1, subsection 5, a candidate for the
10 office of State House of Representatives or Senate shall
12 file in writing a statement declaring ~~either~~ that the
14 candidate agrees to accept voluntary limits on political
16 expenditures or that the candidate does not agree to accept
18 voluntary limits on political expenditures, as specified in
20 section 1015, subsections 7 to 9, or that the candidate has
22 filed a declaration of intent to become certified as a
24 candidate under the Maine Clean Election Act.

26 The statement filed by a candidate who voluntarily agrees to
28 limit spending must state that the candidate knows the
30 voluntary expenditure limitations as set out in section
32 1015, subsection 8 and that the candidate is voluntarily
34 agreeing to limit the candidate's political expenditures and
36 those made on behalf of the candidate by the candidate's
38 political committee or committees, the candidate's party and
40 the candidate's immediate family to the amount set by law.
42 The statement must further state that the candidate does not
44 condone and will not solicit any independent expenditures
46 made on behalf of the candidate.

48 The statement filed by a candidate who does not agree to
50 voluntarily limit political expenditures must state that the
 candidate does not accept the voluntary expenditure limits
 as set out in section 1015, subsection 8.

The statement filed by a candidate who has filed a
 declaration of intent under the Maine Clean Election Act
 must state that the candidate will be bound by the
 expenditure limitations imposed by that Act.

Sec. 2. 21-A MRSA §1015, sub-§§1 and 2, as amended by IB 1995,
c. 1, §11, are further amended to read:

1. **Individuals.** ~~An individual may not make contributions
to a candidate in support of the candidacy of one person
aggregating more than \$1,000 in any election. Beginning January
1, 1999, an~~ An individual may not make contributions to a
candidate in support of the candidacy of one person aggregating
more than \$500 in any election for a gubernatorial candidate or
more than \$250 in any election for any other candidate. This
limitation does not apply to contributions in support of a
candidate by that candidate or that candidate's spouse.

2 **2. Committees; corporations; associations.** ~~A political~~
committee, ~~other committee, corporation or association may not~~
4 ~~make contributions to a candidate in support of the candidacy of~~
~~one person aggregating more than \$5,000 in any election.~~
6 ~~Beginning January 1, 1999, a~~ A political committee, other
committee, corporation or association may not make contributions
8 to a candidate, in support of the candidacy of one person
aggregating more than \$500 in any election for a gubernatorial
10 candidate or more than \$250 in any election for any other
candidate.

12 **Sec. 3. 21-A MRSA §1015, sub-§8,** as enacted by PL 1995, c.
14 384, §2, is amended to read:

16 **8. Political expenditure limitation amounts.** Total
expenditures in any election for legislative office by a
18 candidate who voluntarily agrees to limit campaign expenditures
as provided in subsection 7 are as follows:

20 A. For State Senator, \$25,000; and

22 B. For State Representative, \$5,000; and

24 C. For State Senator or State Representative as a candidate
26 certified under the Maine Clean Election Act, to the extent
authorized by that Act.

28 Expenditure limits are per election and may not be carried
30 forward from one election to another. For calculation and
reporting purposes, the reporting periods established in section
32 1017 apply.

34 **Sec. 4. 21-A MRSA §1020-A, sub-§2,** as corrected by RR 1995, c.
1, §10, is amended to read:

36 **2. Campaign finance reports.** A campaign finance report is
38 not timely filed unless a properly signed copy of the report,
substantially conforming to the disclosure requirements of this
40 subchapter, is received by the commission before 5 p.m. on the
date it is due. Except as provided in subsection 7, the
42 commission shall determine whether a report satisfies the
requirements for timely filing. The commission may waive the
44 penalty in whole or in part if the commission determines the
failure to file a timely report was due to mitigating
46 circumstances. For purposes of this section, "mitigating
circumstances" means:

48 A. A valid ~~personal-emergency such as a personal illness or~~
50 ~~death in the immediate family~~ emergency determined by the

2 commission, in the interest of the sound administration of
3 justice, to warrant the waiver of the penalty in whole or in
4 part;

6 B. An error by the commission staff; or

8 C. Failure to receive notice of the filing deadline; or

10 D. Other circumstances determined by the commission that
11 warrant mitigation of the penalty, based upon relevant
12 evidence presented that a bona fide effort was made to file
13 the report in accordance with the statutory requirements,
14 including, but not limited to, unexplained delays in postal
15 service.

16 **Sec. 5. 21-A MRSA §1052, sub-§5,** as amended by PL 1991, c.
17 839, §27 and affected by §33, is further amended to read:

18 **5. Political action committee.** The term "political action
19 committee:"

22 A. Includes:

24 (1) Any separate or segregated fund established by any
25 corporation, membership organization, cooperative or
26 labor organization whose purpose is to influence the
27 outcome of an election, including a candidate or
28 question;

30 (2) Any person who serves as a funding and transfer
31 mechanism and spends money to initiate, advance,
32 promote, defeat or influence in any way a candidate,
33 campaign, political party, referendum or initiated
34 petition in this State;

36 (3) Any ~~person~~ organization, including any
37 corporation or association, that has as its major
38 purpose the passage or defeat of a ballot question and
39 that makes expenditures other than by contribution to a
40 political action committee, for the purpose of the
41 initiation, promotion or defeat of any question; and

42 (4) Any ~~person~~ organization, including any corporation
43 or association, ~~who~~ that solicits funds from members or
44 nonmembers and spends more than \$1,500 in a calendar
45 year to initiate, advance, promote, defeat or influence
46 in any way a candidate, campaign, political party,
47 referendum or initiated petition in this State; and

50 B. Does not include:

- 2 (1) A candidate or a candidate's treasurer under
section 1013-A, subsection 1;
4
6 (2) A candidate's authorized political committee under
section 1013-A, subsection 2; or
8 (3) A party committee under section 1013-A, subsection
3; or
10
12 (4) A person, other than as provided under section
1056-B.

14 **Sec. 6. 21-A MRSA §1053, first ¶,** as amended by PL 1989, c.
833, §14, is further amended to read:
16

18 Every political action committee that accepts contributions,
incurs obligations or makes expenditures in the aggregate in
20 excess of ~~\$50~~ \$1,500 in any single calendar year to initiate,
support, defeat or influence in any way a campaign, referendum,
22 initiated petition, candidate, political committee or another
political action committee must register with the commission,
within 7 days of accepting those contributions, incurring those
24 obligations or making those expenditures, on forms prescribed by
the commission. These forms must include the following
26 information and any additional information reasonably required by
the commission to monitor the activities of political action
28 committees in this State under this subchapter:

30 **Sec. 7. 21-A MRSA §1056-B** is enacted to read:

32 **§1056-B. Reports of contributions and expenditures by persons**

34 Any person who solicits and receives contributions or makes
expenditures, other than by contribution to a political action
36 committee, aggregating in excess of \$1,500 for the purpose of
initiating, promoting, defeating or influencing in any way a
38 ballot question must file a report with the commission. In the
case of a municipal election, a copy of the same information must
40 be filed with the clerk of that municipality.

42 **1. Filing requirements.** A report required by this section
must be filed with the commission according to a reporting
44 schedule that the commission shall establish that takes into
consideration existing campaign finance reporting schedule
46 requirements in section 1059.

48 **2. Content.** A report must contain an itemized account of
each contribution received and expenditure made aggregating in
50 excess of \$1,500 in any election; the date of each contribution;

2 the date and purpose of each expenditure; and the name of each
4 contributor, payee or creditor. Total contributions or
6 expenditures of less than \$1,500 in any election need not be
8 itemized. The report must state whether the purpose for
10 receiving contributions and making expenditures is in support of
12 or in opposition to the ballot question.

14 3. Forms. A report required by this section must be on a
16 form prescribed and prepared by the commission. A person filing
18 this report may use additional pages if necessary, but the pages
20 must be the same size as the pages of the form.

22 **Sec. 8. 21-A MRSA §1062-A, sub-§2,** as enacted by PL 1995, c.
24 483, §21, is amended to read:

26 **2. Campaign finance reports.** A campaign finance report is
28 not timely filed unless a properly signed copy of the report,
30 substantially conforming to the disclosure requirements of this
32 subchapter, is received by the commission before 5 p.m. on the
34 date it is due. Except as provided in subsection 6, the
36 commission shall determine whether a required report satisfies
38 the requirements for timely filing. The commission may waive the
40 penalty in whole or in part if the commission determines the
42 failure to file a timely report was due to mitigating
44 circumstances. For purposes of this section, "mitigating
46 circumstances" means:

28 A. A valid ~~personal-emergency-of-the-committee-treasurer,~~
30 ~~such-as-a-personal-illness-or-death-in-the-immediate-family~~
32 ~~emergency of the committee treasurer determined by the~~
34 ~~commission, in the interest of the sound administration of~~
36 ~~justice, to warrant the waiver of the penalty in whole or in~~
38 ~~part; or~~

40 B. An error by the commission staff; or

42 C. Other circumstances determined by the commission that
44 warrant mitigation of the penalty, based upon relevant
46 evidence presented that a bona fide effort was made to file
48 the report in accordance with the statutory requirements,
50 including, but not limited to, unexplained delays in postal
service.

SUMMARY

52 This bill makes changes to the laws governing the filing of
54 campaign finance laws by providing the Commission on Governmental
56 Ethics and Election Practices with more flexibility to accept
58 campaign finance reporting forms late without penalty when the
60 reason is a valid emergency. The bill also makes changes to the

2 laws governing PACs in response to the ruling in Volle v.
3 Webster, which stated that the \$50 threshold that defines someone
4 as a PAC is too low considering the strict reporting requirements
5 for PACs. The bill raises that threshold to \$1,500 and
6 differentiates between PACs and individuals who solicit
7 contributions and make expenditures for the purpose of
8 influencing the outcome of a ballot question. The amendment also
9 strikes references to the \$1,000 limits on contributions to
10 political candidates that were repealed with passage of the Maine
Clean Election Act.