

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1350

H.P. 1013

House of Representatives, March 5, 2001

An Act to Amend the Provisions Governing Reports by Political Action Committees Administered by the Commission on Governmental Ethics and Election Practices.

Reported by Representative TUTTLE for the Commission on Governmental Ethics and Election Practices pursuant to the Maine Revised Statutes, Title 1, section 1007.

Reference to the Joint Standing Committee on Legal and Veterans Affairs suggested and printing ordered under Joint Rule 218.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

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

2
3 **Sec. 1. 21-A MRSA §1053, sub-§§6 and 7,** as enacted by PL 1985,
4 c. 161, §6, are amended to read:

6 **6. Statement of support or opposition.** A statement
7 indicating the positions of the committee, support or opposition,
8 with respect to a candidate, political committee, referendum,
9 initiated petition or campaign, if known at the time of
10 registration. If a committee has no position on a candidate,
11 campaign or issue at the time of registration, the committee must
12 inform the commission as soon as the committee knows this
13 information; ~~and~~

14
15 **7. Contributions to committee.** The names and mailing
16 addresses of contributors who donate in excess of \$50 each year
17 to the committee with amount or value of each contribution at the
18 time of registration. Any person who makes contributions on an
19 installment basis, the total of which exceeds \$50 in the calendar
20 year, is considered a contributor to be identified under this
21 subsection; ~~and~~

22 **Sec. 2. 21-A MRSA §1053, sub-§8** is enacted to read:

23
24 **8. Changes in registration information.** Changes in the
25 registration information required under this section. Changes
26 must be reported to the commission in the form of an amended
27 registration within 10 business days of the change.

28
29 **Sec. 3. 21-A MRSA §1054,** as enacted by PL 1985, c. 161, §6,
30 is repealed.

31
32 **Sec. 4. 21-A MRSA §1055,** as amended by PL 1997, c. 436, §119,
33 is further amended to read:

34
35 **§1055. Publication or distribution of statements**

36
37 When a political action committee makes an expenditure to
38 finance a communication expressly advocating the ~~initiation,~~
39 ~~promotion~~ election or defeat of a ~~question-or~~ candidate through
40 broadcasting stations, newspapers, magazines, outdoor advertising
41 facilities, direct mails and other similar types of general
42 public political advertising and through flyers, handbills,
43 bumper stickers and other nonperiodical publications, the
44 communication must clearly and conspicuously state the name and
45 address of the political action committee that authorized, made
46 or financed the expenditure for the communication and that the
47 communication has been authorized by the political action
48 committee.

50

2 A person operating a broadcasting station within this State
may not broadcast any such communication without an oral or
4 visual announcement of the name and address of the political
action committee that made or financed the expenditure for the
6 communication and statement that reads: "A copy of our report is
available from ~~and may be viewed at the office of~~ the Commission
on Governmental Ethics and Election Practices."

8
10 An expenditure, communication or broadcast ~~which~~ that
results in a violation of this section may result in a civil
12 penalty of no more than ~~\$100~~ \$200. Enforcement and collection
procedures ~~shall~~ must be in accordance with section 1062-A.

14 **Sec. 5. 21-A MRSA §1056, sub-§1**, as amended by IB 1995, c. 1,
§16, is further amended to read:

16
18 **1. Aggregate expenditures.** ~~A committee--may--not--make
expenditures--in--support--of--or--opposition--to--the--candidates--of--one
person--or--to--a--political--committee--in--an--aggregate--amount--greater
20 than--\$5,000--in--any--election.---Beginning--January--1,--1999,---a
committee may not make contributions in support of the candidacy
22 of one person aggregating more than \$500 in any election for a
gubernatorial candidate, or \$250 in any election for any other
24 candidate.~~

26 **Sec. 6. 21-A MRSA §1056-B, sub-§2**, as enacted by PL 1999, c.
729, §8, is amended to read:

28
30 **2. Content.** A report must contain an itemized account of
each contribution received and expenditure made aggregating in
32 excess of \$100 in any election; the date of each contribution;
the date and purpose of each expenditure; and the name of each
34 contributor, payee or creditor. ~~Total--contributions--or
expenditures--of--less--than--\$500--in--any--election--need--not--be
itemized.~~ The report must state whether the purpose for
36 receiving contributions and making expenditures is in support of
or in opposition to the ballot question.

38
40 **Sec. 7. 21-A MRSA §1056-A**, as enacted by PL 1993, c. 715,
§3, is repealed.

42 **Sec. 8. 21-A MRSA §1057**, as amended by PL 1989, c. 504, §§27
and 31, is repealed.

44
46 **Sec. 9. 21-A MRSA §1057-A** is enacted to read:

48 **§1057-A. Appointment of treasurer; record-keeping requirements**

50 **1. Appointment of treasurer.** A political action committee
required to register under section 1053 shall appoint a treasurer

2 before accepting contributions or making expenditures. The
3 treasurer shall file all reports required under this subchapter
4 and under section 1019 and shall retain all records of the
5 political action committee required under this subchapter for a
6 minimum of 4 years.

7 **2. Appointment of deputy treasurer.** A political action
8 committee may appoint a deputy treasurer. In the absence of the
9 treasurer, the deputy treasurer has the same powers and
10 responsibilities as the treasurer. The political action
11 committee must report the name and address of the deputy
12 treasurer to the commission no later than 10 business days after
13 the appointment of the deputy treasurer.

14 **3. Committee expenditures.** Only the treasurer or deputy
15 treasurer may make expenditures on behalf of the political action
16 committee.

17 **4. Segregated funds.** All funds of a political action
18 committee must be segregated from and may not be commingled with
19 any personal funds of the treasurer, another officer or a member
20 of the committee. Personal funds of the treasurer, another
21 officer or a member of the committee used to support the
22 committee must be recorded and reported to the treasurer as
23 contributions to the political action committee.

24 **5. Report of contributions and expenditures.** A person who
25 receives a contribution for the political action committee shall
26 report that contribution to the treasurer within 5 business days
27 of the receipt.

28 **A.** A person who receives a contribution in excess of \$10
29 for the political action committee must report to the
30 treasurer the amount of the contribution, the name and
31 mailing address of the person making the contribution and
32 the date on which the contribution was received.

33 **B.** If the contribution is more than \$50, the record of the
34 contribution must include the occupation, employer and
35 business address, if any, of the donor.

36 **6. Record keeping.** The treasurer of a political action
37 committee shall keep detailed records of all contributions
38 received and of all expenditures that the treasurer makes as
39 provided in this section. The treasurer shall keep a detailed
40 and exact account of:

41 **A.** All cash or in-kind contributions made to the political
42 action committee, including any contributions by the
43 treasurer, officers, agents and members of the committee;
44

2 the date and amount of each contribution; and the name and
4 address of each contributor of more than \$10. The account
6 must include the aggregate amount of all contributions from
8 each contributor for the calendar year;

10 B. The name and mailing address and occupation and business
12 address, if any, of each person contributing more than \$50
14 to the political action committee;

16 C. All expenditures made to or on behalf of a candidate,
18 campaign or political action committee;

20 D. The identity and address of each candidate, campaign or
22 political action committee to whom or on whose behalf a
24 contribution was made and the date and amount of that
26 contribution;

28 E. For candidates to whom or on whose behalf the political
30 action committee has made an expenditure, the office sought
32 by each candidate or the district the candidate seeks to
34 represent; and

36 F. All expenditures made or authorized by the political
38 action committee, the date and purpose of each expenditure
40 and the name of each payee and creditor.

42 7. Other records to be kept. The treasurer of a political
44 action committee shall obtain and keep:

46 A. A receipt or bill for every expenditure made by or on
48 behalf of the political action committee that states the
50 purpose of the expenditure;

B. All canceled checks and checks rendered in payment of
obligations incurred by the political action committee; and

C. Bank statements containing a record of the political
action committee's deposits and expenditures.

Sec. 10. 21-A MRS §1060, first ¶, as enacted by PL 1985, c.
161, §6, is amended to read:

Contributions and expenditures reported to the commission
must be certified by the treasurer for completeness and
accuracy. The reports must contain the following information and
any additional information required by the commission to monitor
the activities of political action committees:

Sec. 11. 21-A MRS §1060, sub-§4, as enacted by PL 1985, c.
161, §6, is amended to read:

2 **4. Itemized expenditures.** ~~An itemization of expenditures~~
3 The treasurer shall itemize all in-cash or in-kind expenditures
4 made by the political action committee and the date of each
5 expenditure made to support or oppose any candidate, campaign,
6 political committee, political action committee, political party,
7 referendum or initiated petition. The commission may specify the
8 categories of expenditures ~~which that~~ are to be reported and any
9 additional information required to enable the commission to
10 closely monitor the activities of political action committees;

12 **Sec. 12. 21-A MRSA §1060, sub-§6,** as amended by PL 1991, c.
13 839, §30, is further amended to read:

14 **6. Identification of contributions.** Names and mailing
15 addresses of contributors who have given more than \$50 to the
16 political action committee after the committee has registered
17 under section 1053, the occupation, employer and business
18 address, if any, of each donor, the amount contributed by each
19 donor and the date of the contribution. The information already
20 reported as required by section 1053, subsection 7 should not be
21 duplicated; and

24 **Sec. 13. 21-A MRSA §1061,** as amended by PL 1993, c. 695, §36,
25 is repealed.

26 **Sec. 14. 21-A MRSA §1061-A** is enacted to read:

28 **§1061-A. Dissolution of committees**

30 **1. Termination report.** A political action committee shall
31 file a termination report with the commission whenever that
32 committee determines that:

34 A. Contributions will no longer be accepted, obligations
35 will no longer be incurred and no further expenditures will
36 be made to any candidate, political committee or political
37 party;

38 B. The political action committee will not initiate,
39 support, oppose or influence in any way the outcome of a
40 referendum, initiated petition, election or primary;

41 C. The political action committee has no outstanding
42 obligations; and

43 D. Its assets do not exceed \$50.

44 The termination report must show any contributions or
45 expenditures made by the political action committee from the

2 completion date of the previous report to the date of
3 termination. If a termination report is not filed, the political
4 action committee shall continue to file periodic reports as
5 required in this chapter.

6 2. Post-campaign reports. A political action committee
7 with a surplus or deficit in excess of \$50 must continue to file
8 reports as required in this subchapter until the surplus or
9 deficit is eliminated.

10 3. Disposition of surplus. A political action committee
11 may dispose of a surplus exceeding \$50 only by:

12 A. Pro rata distribution to the political action
13 committee's contributors;

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

16 C. An unrestricted gift to the State;

17 D. Contributing to one or more candidates registered under
18 section 1013-A or qualified under sections 334, 336, 354 and
19 355 or to political action committees established to promote
20 the election of those candidates, as long as the amount
21 contributed does not exceed the contribution limits
22 established by section 1015;

23 E. Repaying a loan or retiring a debt incurred to defray
24 campaign expenses; or

25 F. Making a gift to a charitable or educational
26 organization that is not prohibited for tax reasons from
27 receiving that gift.

28 **Sec. 15. 21-A MRSA §1064** is enacted to read:

29 **§1064. Civil offenses**

30 If no other penalty for a violation of this subchapter is
31 prescribed, the commission may assess a penalty equal to 3 times
32 the amount of an unlawful contribution or expenditure.

33 **SUMMARY**

34 **46** This bill amends the provisions governing reports by
35 political action committees by:
36

- 2 1. Indicating when changes to a registration form must be
3 reported to the Commission on Governmental Ethics and Election
4 Practices;
- 6 2. Changing the penalty from \$100 to \$200 for violation of
7 the attribution requirements for political action committees;
- 8 3. Enacting requirements for the appointment of treasurer
9 and record keeping by the treasurer;
- 10 4. Setting up guidelines for the dissolution of a political
11 action committee; and
- 14 5. Authorizing the Commission on Governmental Ethics and
15 Election Practices to assess a penalty equal to 3 times the
16 amount of an unlawful contribution for violation of the Maine
 Revised Statutes, Title 21-A, chapter 13, subchapter IV.