

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 1394

S.P. 482

March 14, 2007

### **An Act Regarding Campaign Finance Disclosure by Political Action Committees**

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Reported by Senator MARRACHÉ of Kennebec for the Commission on Governmental Ethics and Election Practices pursuant to the Maine Revised Statutes, Title 1, section 1009.

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

A handwritten signature in black ink, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

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

2           **Sec. 1. 21-A MRSA §1052, sub-§5, ¶A,** as amended by PL 2005, c. 575, §5, is  
3 further amended to read:

4           A. Includes:

5                 (1) Any separate or segregated fund established by any corporation, membership  
6 organization, nonprofit organization, cooperative ~~or~~, labor organization or other  
7 organization whose purpose is to influence the outcome of an election, including  
8 a candidate or question; and

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

12                 ~~(3) Any organization, including any corporation or association, that has as its~~  
13 ~~major purpose advocating the passage or defeat of a ballot question and that~~  
14 ~~makes expenditures other than by contribution to a political action committee, for~~  
15 ~~the purpose of the initiation, promotion or defeat of any question; and~~

16                 ~~(4) Any organization, including any corporation or association, that has as its~~  
17 ~~major purpose advocating the passage or defeat of a ballot question and that~~  
18 ~~solicits funds from members or nonmembers and spends more than \$1,500 in a~~  
19 ~~calendar year to initiate, advance, promote, defeat or influence in any way a~~  
20 ~~candidate, campaign, political party, referendum or initiated petition, including~~  
21 ~~the collection of signatures for a direct initiative, in this State; and~~

22                 (5) Any organization that has as its major purpose influencing the nomination or  
23 election of any person to political office or initiating, promoting or defeating a  
24 campaign, referendum or initiative in this State and that raises contributions or  
25 makes expenditures in excess of \$1,500 for that purpose; and

26           **Sec. 2. 21-A MRSA §1052-A** is enacted to read:

27           **§1052-A. Requirement to form a political action committee**

28                 An organization that does not have as its major purpose influencing elections in this  
29 State is required to form an affiliated political action committee as set forth in this  
30 section.

31                 **1. Influencing candidate elections.** An organization other than an authorized  
32 candidate committee or party committee may not make expenditures in excess of \$5,000  
33 in any one calendar year for the purpose of influencing the nomination or election of any  
34 person to political office unless the expenditures are made from a political action  
35 committee or are made as a contribution to a candidate or authorized candidate  
36 committee, political action committee or party committee.

37                 **2. Influencing referenda.** An organization other than an authorized candidate  
38 committee or party committee may not make expenditures in excess of \$5,000 in any one  
39 calendar year for the purpose of initiating, promoting or defeating a campaign,

1 referendum or initiative unless the expenditures are made from a political action  
2 committee or are made as a contribution to a candidate or authorized candidate  
3 committee, political action committee or party committee.

4 **3. Commingling prohibited.** The monetary assets of a political action committee  
5 must be maintained in a separate account and may not be commingled with other funds,  
6 such as funds of an affiliated organization or the personal funds of an officer of the  
7 political action committee.

8 **Sec. 3. 21-A MRSA §1056-B,** as enacted by PL 1999, c. 729, §8, is repealed.

9 **Sec. 4. 21-A MRSA §1060-A** is enacted to read:

10 **§1060-A. Reporting by an affiliated political action committee**

11 A political action committee that is affiliated with another organization shall report  
12 contributions in compliance with this section.

13 **1. Funds earmarked to influence elections.** The political action committee shall  
14 report as contributions any funds received from an affiliated organization that were  
15 earmarked by the original contributor to influence elections. Contributions earmarked to  
16 influence elections include:

17 A. Funds that the contributor specified were given to influence, promote or oppose a  
18 candidate election or ballot question or that the contributor specified must be  
19 provided to the affiliated political action committee;

20 B. Funds contributed in response to a solicitation that leads the contributor to believe  
21 that the funds would be used specifically for the purpose of influencing, promoting or  
22 opposing a candidate election or ballot question; and

23 C. Funds that can reasonably be determined to have been provided by the contributor  
24 for the purpose of influencing, promoting or opposing a candidate election or ballot  
25 question when viewed in the context in which the contribution was given and with  
26 respect to the recipient's activities regarding the election.

27 **2. Transfers from affiliated organization.** If an organization transfers funds from  
28 its general treasury to an affiliated political action committee that have not been  
29 earmarked by the original contributor to influence elections, the transferred funds must be  
30 reported by the political action committee as a contribution from the affiliated  
31 organization.

32 **3. Donated staff.** An organization that provides services by its employees to assist  
33 an affiliated political action committee is not required to compensate the employees from  
34 the segregated funds of the political action committee. The political action committee  
35 shall report the received services as an in-kind contribution.

## SUMMARY

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2        This bill defines a political action committee as an organization whose major purpose  
3 is to influence elections and that raises or spends more than \$1,500 to influence an  
4 election. The definition also includes a separate or segregated fund established to  
5 influence elections. The bill also requires that an organization that does not have a major  
6 purpose to influence elections form an affiliated political action committee if the  
7 organization spends more than \$5,000 in any calendar year to influence an election. The  
8 bill also establishes how a political action committee affiliated with another organization  
9 must report contributions, funds transfers and donated staff time from that organization.  
10 The bill repeals the Maine Revised Statutes, Title 21-A, section 1056-B, which required  
11 reports from any person other than a political action committee than raised or spent more  
12 than \$1,500 to influence an election.