

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1498

S.P. 525

March 19, 2007

An Act To Prohibit Out-of-state Corporations from Contributing to State and County Elections

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

Presented by Senator BOWMAN of York.

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

2 **Sec. 1. 21-A MRSA §1005** is enacted to read:

3 **§1005. Out-of-state corporations**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Out-of-state corporation" means a corporation, limited liability partnership,
7 limited liability company or organization recognized as tax exempt by the federal
8 Internal Revenue Service, not including a political party, that is organized, has its
9 corporate headquarters or has at least one employee, owner, member or owner of any
10 share of ownership interest residing out of state. For purposes of this section, "out-
11 of-state corporation" also includes an entity that has any share of ownership interest
12 owned by a corporation, limited liability partnership, limited liability company or
13 organization recognized as tax exempt by the federal Internal Revenue Service.

14 **2. Contributions prohibited.** An out-of-state corporation may not contribute
15 directly or indirectly any money, property, compensated service of an officer or
16 employee, independent expenditure or any other thing of value in a county or state
17 election for the purpose of promoting or defeating an initiative, referendum or candidate
18 for nomination, appointment or election to a political office.

19 **3. Violations.** A citizen of the State or the Attorney General may bring an action
20 against an out-of-state corporation for a violation of subsection 2. A citizen of the State
21 who brings an action under this subsection shall notify the Attorney General in writing of
22 the intent to bring an action at least 14 days prior to filing a complaint. If the Attorney
23 General brings an action for the same violation within 14 days after receipt of a notice
24 required under this subsection, the action by the Attorney General preempts the citizen's
25 action.

26 **4. Damages.** If an out-of-state corporation is found to be in violation of this section
27 in an action brought pursuant to subsection 3, the corporation is liable to the State for an
28 amount equal to 10 times the value of the contribution.

29 **SUMMARY**

30 This bill prohibits a contribution to a county or state election for an initiative,
31 referendum or candidacy for political office by an out-of-state corporation and provides
32 for a suit by a citizen of the State or the Attorney General, with damages if the out-of-
33 state corporation loses to equal 10 times the amount of the contribution.