

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 383

S.P. 151

In Senate, February 12, 2015

**An Act Requiring Corporations To Have Approval from a Majority
of Their Shareholders before Making Political Contributions Valued
at Greater Than \$5,000**

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

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator GRATWICK of Penobscot.
Cosponsored by Representative TIPPING-SPITZ of Orono and
Senators: BREEN of Cumberland, MIRAMANT of Knox, Representatives: CHAPMAN of
Brooksville, KUMIEGA of Deer Isle, RYKERSON of Kittery, STANLEY of Medway,
STUCKEY of Portland.

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

2 **Sec. 1. 13-C MRSA §305** is enacted to read:

3 **§305. Political contributions**

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

6 A. "Committee" has the same meaning as in Title 21-A, section 1052, subsection 2.

7 B. "Contribution" has the same meaning as in Title 21-A, section 1052, subsection 3.

8 C. "Expenditure" has the same meaning as in Title 21-A, section 1052, subsection 4.

9 **2. Political contributions.** A corporation shall obtain consent by an affirmative vote
10 of a majority of all votes entitled to be cast at a properly held shareholder meeting before
11 making a contribution or expenditure over the amount of \$5,000 in a political campaign.
12 The consent must:

13 A. Authorize the total amount of the contribution or expenditure; and

14 B. Direct that the contribution or expenditure be for a specific purpose, including for:

15 (1) A specific candidate or candidates;

16 (2) Candidates of a specific political party or parties;

17 (3) A specific political party or parties;

18 (4) A specific committee or committees;

19 (5) A specified entity or entities exempt from taxation under the United States
20 Internal Revenue Code of 1986, Section 501(c)(4) or 501(c)(6) or successor
21 provisions; or

22 (6) A specific ballot question or questions.

23 **3. Notice.** Within 48 hours after making a contribution or expenditure under this
24 section, a corporation shall give notice of the contribution or expenditure by electronic
25 transmission to each shareholder and, if the corporation has a website, post the notice on
26 the website. A notice under this subsection must state the amount, recipient and purpose
27 of the contribution or expenditure.

28 **4. Violation.** A director who makes or authorizes a contribution or expenditure by a
29 corporation in violation of this section is personally liable to the corporation for the
30 amount of the contribution or expenditure plus 6% interest per year.

31 **SUMMARY**

32 This bill requires a majority vote of shareholders in order for a Maine corporation to
33 make a political contribution or expenditure of over \$5,000 and requires that once the
34 contribution or expenditure has been made the corporation send notice to its shareholders
35 and post the notice on its website. This bill makes a director who makes a contribution in

1 violation of these conditions personally liable to the corporation in the amount of the
2 contribution or expenditure plus 6% interest per year.