

MAINE STATE LEGISLATURE

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Date: 3/16/16 Majority

L.D. 904
(Filing No. H-568)

VETERANS AND LEGAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 623, L.D. 904, Bill, "An Act To Increase Fairness in Campaign Financing"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 21-A MRSA §1004-A, sub-§2, as enacted by PL 2003, c. 628, Pt. A, §1, is amended to read:

2. Contribution in excess of limitations. A person that accepts or makes a contribution that exceeds the limitations set out in section 1015, ~~subsections~~ subsection 1 and 2 may be assessed a penalty of no more than the amount by which the contribution exceeded the limitation.

Sec. 2. 21-A MRSA §1015, sub-§1, as amended by PL 2011, c. 382, §1, is further amended to read:

1. Individuals; committees; corporations; associations; organizations. An individual, political committee, political action committee, other committee, firm, partnership, corporation, association or organization may not make contributions to a candidate in support of the candidacy of one person aggregating more than \$1,500 in any election for a gubernatorial candidate, more than \$350 for a legislative candidate, more than \$350 for a candidate for municipal office and beginning January 1, 2012 more than \$750 for a candidate for municipal office or more than \$750 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 or domestic partner. Beginning December 1, 2010, contribution limits in accordance with this subsection are adjusted every 2 years based on the Consumer Price Index as reported by the United States Department of Labor, Bureau of Labor Statistics and rounded to the nearest amount divisible by \$25. The commission shall post the current contribution limit and the amount of the next adjustment and the date that it will become effective on its publicly accessible website and include this information with any publication to be used as a guide for candidates.

COMMITTEE AMENDMENT

1 **Sec. 3. 21-A MRSA §1015, sub-§2**, as amended by PL 2011, c. 382, §2, is
2 repealed.

3 **Sec. 4. 21-A MRSA §1015, sub-§2-A** is enacted to read:

4 **2-A. Contributions for a primary election; applicability to a general election.** A
5 candidate seeking a party's nomination by primary election may accept contributions
6 designated for both the primary election and the general election up to the date of the
7 primary election. Contributions received after the primary election and before the general
8 election are considered to be designated for the general election. Contributions received
9 that are designated for the primary election must be segregated from those received or
10 designated for the general election. The candidate shall indicate the election to which
11 each contribution applies in campaign finance reports required to be filed with the
12 commission. Contributions received and designated for the primary election may
13 subsequently be designated for the general election in accordance with paragraphs A and
14 B.

15 A. If a candidate is seeking a party's nomination by primary election and no other
16 candidate for the same office has qualified for the primary by the deadline for
17 submitting petitions prescribed by section 335, all contributions designated for the
18 primary election that have not been spent as of the deadline are deemed to be
19 contributions for the general election. The candidate shall indicate which of the
20 candidate's primary election contributions apply to the general election in campaign
21 finance reports required to be filed with the commission. Such contributions are to be
22 counted toward a donor's contribution limit established in subsection 1 for the
23 general election.

24 B. A candidate who wins an opposed primary election may carry forward any
25 unspent contributions designated for the primary election to the general election or
26 return the primary election contributions to the donors who contributed them, as long
27 as no donor receives more than the amount that donor contributed. Unspent
28 contributions designated for the primary election that have not been returned to the
29 donors are deemed to be contributions for the general election. Such contributions
30 are applied to the donor's contribution limit established in subsection 1 for the
31 general election. A candidate is considered opposed in a primary election when at
32 least one other candidate for the same office has qualified for the primary election by
33 petition under section 335.

34 C. If a candidate carries forward to the general election a contribution designated for
35 the primary election, and that contribution when added to a contribution from the
36 same donor for the general election exceeds the limit established in subsection 1, the
37 candidate shall return to the donor an amount greater than or equal to the amount by
38 which the contribution limit was exceeded.

39 D. A candidate may not spend funds received for the primary election for goods or
40 services that primarily promote the candidate in the general election, such as advance
41 purchases for research, advertising or staff.

42 **Sec. 5. 21-A MRSA §1015, sub-§3**, as amended by PL 2007, c. 443, Pt. A, §12,
43 is repealed.

1 Sec. 6. **21-A MRS §1015-B**, as enacted by PL 2013, c. 334, §7, is amended to
2 read:

3 **§1015-B. Donations to an individual considering whether to become a candidate**

4 If an individual receives funds, goods or services for the purpose of deciding whether
5 to become a candidate, the funds, goods or services may not exceed the limitations in
6 section 1015, ~~subsections~~ subsection 1 and 2. The individual shall keep an account of
7 such funds, goods or services received and all payments and obligations incurred in
8 deciding whether to become a candidate. If the individual becomes a candidate, the
9 funds, goods and services received are contributions and the payments and obligations are
10 expenditures. The candidate shall disclose the contributions and expenditures in the first
11 report filed by the candidate or the candidate's authorized campaign committee, in
12 accordance with the commission's procedures.

13 **Sec. 7. Effective date.** This Act takes effect December 1, 2016.'

14 **SUMMARY**

15 This amendment replaces the bill and is presented in response to the United States
16 District Court decision in Woodhouse, et al. v. Maine Commission on Governmental
17 Ethics and Election Practices, et al., United States District Court, District of Maine,
18 Docket No. 1:14-CV-266-DBH.

19 The amendment provides that contributions received by a candidate for a primary
20 election must be segregated from those received for the general election. The amendment
21 allows a candidate who is unopposed in a primary election to use in the general election
22 primary election contributions received prior to the deadline by which primary candidates
23 must submit petitions to take part in a primary election. Contributions carried forward
24 from the primary election to the general election are subject to the dollar limits that apply
25 to contributions made to a candidate by a single donor. The amendment permits a
26 candidate who defeats a primary opponent to carry forward to the general election
27 unspent contributions received for the primary election. Regardless of whether the
28 candidate was opposed in a primary election, if the sum of a primary election contribution
29 and a general election contribution from the same donor exceeds contribution limits, the
30 candidate must return at least the excess amount to the donor.

31 The amendment specifies that contributions received for the purpose of supporting a
32 candidate in a primary election may not be used primarily to support the candidate's
33 general election.

34 The amendment repeals the limit of \$25,000 per calendar year on an individual's
35 aggregate contributions to all political candidates.

36 The amendment delays the effective date until December 1, 2016 and also makes
37 technical, cross-reference changes.

38 **FISCAL NOTE REQUIRED**

39 (See attached)



127th MAINE LEGISLATURE

LD 904

LR 1704(02)

An Act To Increase Fairness in Campaign Financing

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-568)

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Commission on Governmental Ethics and Election Practices from changing how political candidates handle certain contributions are expected to be minor and can be absorbed within existing budgeted resources.