

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 1480

H.P. 1019

House of Representatives, April 18, 2017

**An Act To Improve the Disclosure of Major Contributors
Influencing Maine Elections**

Reported by Representative LUCHINI of Ellsworth for the Commission on Governmental Ethics and Election Practices pursuant to the Maine Revised Statutes, Title 1, section 1009.

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

A handwritten signature in cursive script that reads "R. B. Hunt".

ROBERT B. HUNT
Clerk

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

2 **Sec. 1. 21-A MRSA §1052, sub-§5, ¶B**, as amended by PL 2011, c. 389, §32, is
3 further amended to read:

4 B. Does not include:

5 (1) A candidate or a candidate's treasurer under section 1013-A, subsection 1;

6 (2) A candidate's authorized political committee under section 1013-A,
7 subsection 1, paragraph B;

8 (3) A party committee under section 1013-A, subsection 3; or

9 (4) An organization whose only payments of money ~~in the prior 2 years~~ in a
10 calendar year for the purpose of influencing a campaign in this State are cash
11 contributions to candidates, party committees, political action committees or
12 ballot question committees registered with the commission or a municipality and
13 that has not raised and accepted any contributions during the calendar year for the
14 purpose of initiating or influencing a campaign in this State.

15 **Sec. 2. 21-A MRSA §1056-B, first ¶**, as amended by PL 2015, c. 408, §3, is
16 further amended to read:

17 A person not defined as a political action committee that receives contributions or
18 makes expenditures, other than by cash contribution to a political action committee or a
19 ballot question committee, aggregating in excess of \$5,000 for the purpose of initiating or
20 influencing a campaign as defined by section 1052, subsection 1 shall register as a ballot
21 question committee and file reports with the commission in accordance with this section.
22 For the purposes of this section, "campaign" does not include activities to influence the
23 nomination or election of a candidate. For the purposes of this section, expenditures
24 include paid staff time spent for the purpose of initiating or influencing a campaign.

25 **Sec. 3. 21-A MRSA §1056-B, sub-§2**, as amended by PL 2015, c. 408, §3, is
26 further amended to read:

27 **2. Content.** A report required by this section must contain an itemized account with
28 the date, amount and purpose of each expenditure made for the purpose of initiating or
29 influencing a campaign; an itemized account of contributions received from a single
30 source aggregating in excess of \$50 in any election; the date of each contribution; the
31 date and purpose of each expenditure; the name and address of each contributor, payee or
32 creditor; and the occupation and principal place of business, if any, for any person who
33 has made contributions exceeding \$50 in the aggregate. The filer is required to report
34 only those contributions made to the filer for the purpose of initiating or influencing a
35 campaign and only those expenditures made for those purposes. ~~The definitions of~~
36 ~~"contribution" and "expenditure" in section 1052, subsections 3 and 4, respectively, apply~~
37 ~~to persons required to file ballot question reports.~~

38 **Sec. 4. 21-A MRSA §1056-B, sub-§2-A**, as amended by PL 2011, c. 389, §§40
39 and 41, is further amended to read:

1 **2-A. Contributions.** For the purposes of this section, "contribution" includes, but is
2 not limited to:

3 A. Funds or anything of value that the contributor specified were given ~~in connection~~
4 ~~with~~ for the purpose of initiating or influencing a campaign;

5 A-1. Funds or anything of value solicited by the committee, in whole or in part, for
6 the purpose of initiating or influencing a campaign;

7 B. Funds or anything of value provided in response to a solicitation that would lead
8 the contributor to believe that all or a portion of the funds or thing of value, such as
9 services, would be used ~~specifically~~ for the purpose of initiating or influencing a
10 campaign;

11 C. Funds or anything of value that can reasonably be determined to have been
12 provided by the contributor, in whole or in part, for the purpose of initiating or
13 influencing a campaign when viewed in the context of the contribution and the
14 recipient's activities regarding a campaign; and

15 D. Funds or transfers from the general treasury of an organization filing a ballot
16 question report.

17 **Sec. 5. 21-A MRSA §1060, sub-§6,** as amended by PL 2011, c. 389, §47, is
18 repealed and the following enacted in its place:

19 **6. Identification of contributions.** Names, occupations, places of business and
20 mailing addresses of contributors who have given more than \$50 to the political action
21 committee in the reporting period and the amount and date of each contribution as
22 follows.

23 A. A person or fund qualifying as a political action committee under section 1052,
24 subsection 5, paragraph A, subparagraphs (1) or (4) shall report the required
25 information for all contributions exceeding the \$50 aggregate threshold.

26 B. An organization qualifying as a political action committee under section 1052,
27 subsection 5, paragraph A, subparagraph (5) shall report the required information
28 only for those contributions made to the organization for the purpose of initiating or
29 influencing a campaign, including:

30 (1) Contributions solicited by the political action committee, in whole or in part,
31 for the purpose of initiating or influencing a campaign;

32 (2) Contributions that the contributor specified were given for the purpose of
33 initiating or influencing a campaign;

34 (3) Contributions provided in response to a solicitation that would lead the
35 contributor to believe that all or a portion of the funds or any services contributed
36 would be used for the purpose of initiating or influencing a campaign;

37 (4) Contributions that can reasonably be determined to have been provided by
38 the contributor, in whole or in part, for the purpose of initiating or influencing a
39 campaign when viewed in the context of the contribution and the recipient's
40 activities regarding a campaign; and

1 (5) Funds or transfers from the general treasury of an organization filing a
2 political action committee report; and

3 **Sec. 6. 21-A MRSA §1060-A** is enacted to read:

4 **§1060-A. Reporting by major contributors**

5 Any person, other than an individual, that makes cash contributions to a political
6 action committee, party committee or ballot question committee aggregating in excess of
7 \$100,000 within a calendar year is considered a major contributor to the recipient
8 committee and shall file reports as set out in this section. The requirement to file a report
9 as a major contributor does not apply to a political action committee, party committee or
10 ballot question committee registered with the commission or a municipality.

11 **1. Notice to major contributor.** Within 5 days of receiving more than \$100,000 in
12 the aggregate within a calendar year from a major contributor, the recipient committee
13 shall provide written notice to the major contributor of the reporting requirement under
14 this section and shall submit a copy of the notice to the commission. If the contribution
15 that exceeds the \$100,000 aggregate amount is received during the last 13 days before an
16 election, the recipient committee shall provide written notice of the reporting requirement
17 to the major contributor within 24 hours of receipt and submit a copy of the notice to the
18 commission. The commission shall prepare a sample written notice for this purpose.

19 **2. Required reports.** A major contributor shall file a report containing the
20 information required in subsection 3 on or before the filing deadline under section 1059,
21 subsection 2 for the recipient committee's October quarterly or 11-day preelection
22 campaign finance report, whichever occurs first after the major contributor receives
23 notice of the reporting requirement. If a major contributor makes a contribution of more
24 than \$100,000 during the 13 days before an election, the major contributor shall file a
25 report within 2 business days of receiving notice from the recipient committee or the
26 commission. The commission shall prescribe and prepare forms for these reports and
27 may require major contributors to file reports electronically.

28 **3. Content.** In the reports required under subsection 2, a major contributor shall
29 provide:

30 A. The name of and relevant contact information for the major contributor and the
31 name of a responsible officer of the major contributor;

32 B. The form of organization and purpose of the major contributor;

33 C. The amounts and dates of each contribution from the major contributor to the
34 recipient committee during the calendar year;

35 D. A certification that the major contributor has not received contributions, in whole
36 or in part, for the purpose of initiating or influencing a campaign in this State, or if
37 the major contributor has received such contributions, the date, source and amount of
38 any such contributions;

1 E. Information concerning the 5 largest sources of funds received by the major
2 contributor during the 12 months prior to the filing of the report, including but not
3 limited to the source and amounts of the funds and the dates received; and

4 F. A statement indicating whether the major contributor is exempt from taxation
5 under the United States Internal Revenue Code and a list of any governmental
6 jurisdictions within the United States in which the major contributor has filed
7 campaign finance reports during the previous 12 months.

8 The commission may require by rule additional information to be reported consistent with
9 subsection 3 to facilitate disclosure to citizens of this State of financial activity conducted
10 for the purpose of influencing elections in the State. The commission may, by rule,
11 permit major contributors to exclude the sources of funds that are restricted to purposes
12 unrelated to elections.

13 **4. Noncompliance.** The commission may assess a civil penalty against a major
14 contributor that does not file a timely report required under this section. The preliminary
15 penalty is 10% of the total contributions required to be reported, up to a maximum of
16 \$50,000. Within 2 weeks of receiving notice of the preliminary penalty from the
17 commission, the major contributor may request that the penalty be waived in full or in
18 part. In considering a request for a waiver, the commission shall consider, among other
19 things, any lack of notice to the major contributor of the reporting requirement, the
20 number of days that the report was filed late and the amount of the contributions required
21 to be reported. The commission may assess a civil penalty in the same amount against a
22 recipient committee that has not provided written notice of the reporting requirements to
23 the major contributor, using the same procedures as set out in this subsection for penalties
24 against the major contributor.

25 SUMMARY

26 This bill amends the law governing campaign financing and reporting by:

27 1. Setting more specific criteria for the reporting of contributions by an organization
28 that has received funds for multiple purposes and has formed a political action
29 committee; and

30 2. Requiring an organization that has contributed more than \$100,000 to a political
31 action committee, party committee or ballot question committee in this State to file a one-
32 time report with the Commission on Governmental Ethics and Election Practices
33 disclosing information about the organization, its top 5 sources of funding and a
34 certification as to whether the organization has received money to influence elections in
35 this State.