

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 1561

H.P. 1077

House of Representatives, May 2, 2017

An Act To Enact the Maine Citizens' Initiatives Clean Election Act

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

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

ROBERT B. HUNT
Clerk

Presented by Representative COREY of Windham.
Cosponsored by Senator ROSEN of Hancock and
Representatives: BICKFORD of Auburn, CASÁS of Rockport, GROHMAN of Biddeford,
HANINGTON of Lincoln, HILLIARD of Belgrade, LONGSTAFF of Waterville, NADEAU of
Winslow, Senator: DIAMOND of Cumberland.

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

2 **Sec. 1. 21-A MRSA c. 14-A** is enacted to read:

3 **CHAPTER 14-A**

4 **THE MAINE CITIZENS' INITIATIVES CLEAN ELECTION ACT**

5 **§1131. Short title**

6 This chapter may be known and cited as "the Maine Citizens' Initiatives Clean
7 Election Act."

8 **§1132. Definitions**

9 As used in this chapter, unless the context otherwise indicates, the following terms
10 have the following meanings.

11 **1. Ballot question committee.** "Ballot question committee" or "committee" means a
12 support group, opposition group or competing measure group:

13 A. Whose principal officers are Maine citizens, as determined by the commission by
14 rule; or

15 B. That is a nonprofit corporation organized in this State under Title 13-B.

16 **2. Certified ballot question committee.** "Certified ballot question committee" or
17 "certified committee" means a ballot question committee that is certified by the
18 commission under this chapter.

19 **3. Citizens' initiative ballot question.** "Citizens' initiative ballot question" or
20 "ballot question" means:

21 A. A direct initiative of legislation presented to the voters pursuant to the
22 Constitution of Maine, Article IV, Part Third, Section 18, subsection 2; or

23 B. A people's veto presented to the voters pursuant to the Constitution of Maine,
24 Article IV, Part Third, Section 17.

25 **4. Commission.** "Commission" means the Commission on Governmental Ethics and
26 Election Practices established by Title 5, section 12004-G, subsection 33.

27 **5. Competing measure.** "Competing measure" means a recommendation by the
28 Legislature submitted to the voters as a competing measure with a citizens' initiative
29 ballot question pursuant to the Constitution of Maine, Article IV, Part Third, Section 18,
30 subsection 2.

31 **6. Competing measure group.** "Competing measure group" means an organization
32 supporting a competing measure.

33 **7. Contribution.** "Contribution" has the same meaning as in section 1012,
34 subsection 2.

1 **8. Fund.** "Fund" means the Maine Citizens' Initiatives Clean Election Fund
2 established in section 1134.

3 **9. In-state business.** "In-state business" means a corporation, partnership or other
4 business entity that does business in this State through an office, retail space or other
5 place of business located in this State, as determined in accordance with rules adopted by
6 the commission.

7 **10. Opposition group.** "Opposition group" means an organization opposing a
8 citizens' initiative ballot question.

9 **11. Participating committee.** "Participating committee" means a committee that is
10 seeking to become a certified committee by filing a declaration of intent with the
11 commission pursuant to this chapter.

12 **12. Qualifying contribution.** "Qualifying contribution" means a donation:

13 A. Of \$5 in the form of a check or a money order payable to the fund and signed by
14 the contributor in support of a committee or made over the Internet in support of a
15 committee according to the procedure established by the commission;

16 B. Made by a registered voter within the State whose voter registration has been
17 verified according to procedures established by the commission;

18 C. Made during the relevant qualifying period;

19 D. That the contributor acknowledges was made with the contributor's personal
20 funds and in support of the committee and was not given in exchange for anything of
21 value;

22 E. The committee acknowledges was obtained with the committee's knowledge and
23 approval and that nothing of value was given in exchange for the contribution; and

24 F. In the case of a committee that is a support group, that the contributor and
25 committee both acknowledge was not solicited or made at the same time as the
26 committee was collecting the signature of the contributor on the support group's
27 petition.

28 **13. Qualifying period.** "Qualifying period" means the following.

29 A. For a participating committee that is a support group, the qualifying period begins
30 after the support group registers as a petition organization under chapter 11 but no
31 sooner than 6 months prior to filing a petition under chapter 11 and ends 120 days
32 after a petition has been filed under chapter 11.

33 B. For a participating committee that is an opposition group or competing measure
34 group, the qualifying period begins upon filing a declaration of intent with the
35 commission under this chapter to become a participating committee and ends 120
36 days after the petition has been filed under chapter 11.

37 **14. Seed money contribution.** "Seed money contribution" means a contribution by
38 a resident individual or an in-state business of no more than \$750 per resident individual

1 or in-state business made to a participating committee. "Seed money contribution"
2 includes staff time contribution.

3 **15. Staff time contribution.** "Staff time contribution" means the value, as
4 determined in accordance with rules adopted by the commission, of staff time or
5 resources contributed to a committee promoting or opposing a citizens' initiative ballot
6 question or a competing measure including:

7 A. Staff time spent at public or press events;

8 B. Staff time spent in direct contact with voters or potential voters;

9 C. Staff travel expenses;

10 D. Staff time or resources spent in preparation of promotional or other related written
11 materials; and

12 E. Staff time or resources spent in research or analysis.

13 **16. Support group.** "Support group" means an organization supporting a citizens'
14 initiative ballot question that is the registered petition organization under section 903-C.

15 **§1133. Alternative campaign financing option**

16 This chapter establishes an alternative campaign financing option available to
17 committees. This alternative campaign financing option is available to committees for
18 ballot questions sent to referendum in 2018 or thereafter. The commission shall
19 administer this chapter and the fund. Nothing in this chapter exempts a committee from
20 complying with any other applicable laws, including chapter 11.

21 **§1134. The Maine Citizens' Initiatives Clean Election Fund established; sources of**
22 **funding**

23 The Maine Citizens' Initiatives Clean Election Fund is established to finance certified
24 committees and to pay administrative and enforcement costs of the commission under this
25 chapter. The fund is a nonlapsing fund and any interest generated by the fund is credited
26 to the fund. The commission shall administer the fund.

27 **1. Sources of funding.** The following must be deposited in the fund:

28 A. All qualifying contributions submitted to the commission;

29 B. Three million dollars of the revenues from the taxes imposed under Title 36, Parts
30 3 and 8 and credited to the General Fund, transferred to the fund by the State
31 Controller on or before January 1st of each year, beginning January 1, 2018. These
32 revenues must be offset in an equitable manner by an equivalent reduction in tax
33 expenditures as defined in Title 36, section 199-A, subsection 2. This section may
34 not affect the funds distributed to the Local Government Fund under Title 30-A,
35 section 5681;

36 C. Revenue from a tax checkoff program under Title 36, section 5286-A allowing a
37 resident of the State who files a tax return with the State Tax Assessor to designate
38 that \$3 be paid into the fund. In the case of a joint return, each spouse may designate

1 that \$3 be paid. The State Tax Assessor shall report annually the amounts designated
2 for the fund to the State Controller, who shall transfer that amount to the fund;

3 D. Seed money contributions remaining unspent after a committee has become a
4 certified committee;

5 E. Fund revenues that remain unspent after the referendum on the ballot question;

6 F. Voluntary donations made directly to the fund; and

7 G. Fines collected under this chapter.

8 Unspent qualifying contributions received on behalf of a committee default to the fund if
9 the petition for a ballot question fails to qualify for submission to the voters under chapter
10 11 or if the committee is a support group and files the petition for the ballot question with
11 the Secretary of State more than 6 months after becoming a participating committee.

12 **2. Report on fund amount; operating margin.** By January 1st of each year the
13 commission shall provide to the Legislature and the Governor a report of its projection of
14 the revenues collected for and expenditures from the fund for the subsequent 4-year
15 period. The commission shall include in the report an operating margin of 20% to ensure
16 sufficient funds in the event of higher-than-expected participation of committees under
17 this chapter. If the report shows that the projected revenue for the subsequent 4-year
18 period exceeds the projected expenses for that 4-year period plus the 20% operating
19 margin, the commission shall notify the Legislature and the Governor and request that the
20 amount of expected funding that exceeds the expected demand on the fund plus the
21 operating margin be transferred to the General Fund. The Department of Administrative
22 and Financial Services, Bureau of Revenue Services shall assist the commission with
23 revenue projections required by this subsection. If at any time the commission
24 determines that projected revenue is not sufficient to cover the projected demand for
25 funds in the 4-year period plus the operating margin, the commission may submit
26 legislation to request additional funding.

27 **§1135. Terms of participation**

28 For any citizens' initiative ballot question, 3 ballot question committees, including the
29 support group and no more than one opposition group and one competing measure group,
30 may be certified under this section. The commission by rule shall establish a process for
31 selecting among committees in the event that more than 3 seek certification under this
32 section.

33 **1. Declaration of intent.** A committee seeking to become a participating committee
34 shall file a declaration of intent to seek certification as a certified committee and to
35 comply with the requirements of this chapter. Except as otherwise provided by rule by
36 the commission, the declaration of intent must be filed with the commission prior to the
37 qualifying period on forms and in accordance with procedures developed by the
38 commission. The declaration of intent must include the clearly stated mission of the
39 committee with respect to whether it is supporting or opposing a ballot question or
40 supporting a competing measure.

1 **2. Special limits for petition support groups.** A committee that is a support group
2 that wishes to participate under this chapter:

3 A. May not accept contributions or make expenditures exceeding in total more than
4 \$100,000 or accept contributions from any entity other than a resident individual or
5 an in-state business with respect to an effort to collect signatures for the ballot
6 question the support group will support and may not receive or accept a contribution
7 of more than \$750 from any one resident individual or in-state business with respect
8 to funding that effort. Staff time contributions are considered contributions under this
9 subsection. Staff time contributions may not exceed 20% of the total contributions.
10 The limits imposed under this paragraph are in addition to all other limits imposed
11 under this section; and

12 B. May not support or be involved in collecting signatures for more than one ballot
13 question.

14 **3. Contribution limits for participating committees.** Subsequent to becoming a
15 participating committee and prior to certification, a participating committee may not
16 accept contributions, except for seed money contributions. A participating committee
17 may accept no more than \$100,000 in seed money contributions, including the value of
18 staff time contributions.

19 **4. Seed money restrictions.** To be eligible for certification, a participating
20 committee may collect and spend only seed money contributions subsequent to becoming
21 a participating committee and prior to certification. A participating committee may not
22 solicit, accept or collect seed money contributions after certification.

23 A. All goods and services received prior to certification must be paid for with seed
24 money contributions, except for goods and services that are excluded from the
25 definition of contribution in section 1012, subsection 2, paragraph B. A participating
26 committee may not use fund revenues received after certification to pay for goods
27 and services received prior to certification.

28 B. Prior to certification, a participating committee may obligate an amount greater
29 than the seed money collected, but may receive only that portion of goods and
30 services that has been paid for or will be paid for with seed money. A participating
31 committee that has accepted contributions or made expenditures that do not comply
32 with the seed money restrictions under this chapter may petition the commission to
33 remain eligible for certification in accordance with rules of the commission, if the
34 failure to comply was unintentional and does not constitute a significant infraction of
35 these restrictions.

36 C. Upon requesting certification, a participating committee shall file a report of all
37 seed money contributions and expenditures. If the committee is certified, any
38 unspent seed money must be deducted from the amount distributed under subsection
39 11 to the committee.

40 **5. Qualifying contributions.** Participating committees must obtain qualifying
41 contributions during the qualifying period in accordance with the following requirements.

1 A. At least 2,500 verified registered voters of this State must support the committee
2 by providing a qualifying contribution to that committee. Of these, at least 1,250
3 must be verified registered voters in the State's First Congressional District and at
4 least 1,250 must be verified registered voters in the State's Second Congressional
5 District.

6 B. A payment, gift or anything of value may not be given in exchange for a
7 qualifying contribution. A committee may pay the fee for a money order that is a
8 qualifying contribution in the amount of \$5 as long as the donor making the
9 qualifying contribution pays the \$5 amount reflected on the money order. Any
10 money order fees paid by a participating committee must be paid for with seed
11 money and reported in accordance with commission rules. A money order must be
12 signed by the contributor to be a valid qualifying contribution.

13 C. The commission may establish by rule a procedure for a qualifying contribution to
14 be made by a credit or debit transaction and by electronic funds transfer over the
15 Internet. Records containing information provided by individuals who have made
16 qualifying contributions over the Internet are confidential and may not be disclosed
17 by the commission, except for the name of the individual making the contribution, the
18 date of the contribution, the individual's residential address and the name of the
19 committee in whose support the contribution was made.

20 D. A participating committee or an agent of the participating committee may not
21 misrepresent the purpose of soliciting qualifying contributions and obtaining the
22 contributor's signed acknowledgement.

23 **6. Filing with commission.** A participating committee must submit qualifying
24 contributions, receipt and acknowledgement forms, proof of verification of voter
25 registration and a seed money report to the commission during the qualifying period
26 according to procedures developed by the commission.

27 **7. Certification of committees.** Upon receipt of a final submittal of qualifying
28 contributions by a participating committee, the executive director of the commission shall
29 determine whether the committee has:

30 A. Met all the requirements for participation under this chapter, including signing
31 and filing a declaration of intent to participate under this chapter and submitting the
32 appropriate numbers of valid qualifying contributions;

33 B. Not violated the provisions of this chapter or chapter 11; and

34 C. Not failed to pay any civil penalty assessed by the commission under this Title,
35 except that a committee has 3 business days from the date of the request for
36 certification to pay an outstanding penalty and remain eligible for certification.

37 The executive director shall certify a committee complying with the requirements of this
38 section as a certified committee as soon as possible and no later than 5 business days after
39 the committee's final submittal of qualifying contributions and other supporting
40 documents required under this section. The executive director may take additional time if
41 further investigation is necessary to verify compliance with this Act as long as the
42 commission notifies the committee regarding the anticipated schedule for conclusion of

1 the investigation. A committee or other interested person may appeal the decision of the
2 executive director to the members of the commission in accordance with section 1143.

3 **8. Restrictions on contributions and expenditures for certified committees.** A
4 certified committee must limit the committee's campaign expenditures and obligations,
5 including outstanding obligations, to the revenues distributed to the committee from the
6 fund and may not accept any contributions unless specifically authorized by the
7 commission. Certified committees may also accept and spend interest earned on fund
8 revenues in campaign bank accounts. All revenues distributed to a certified committee
9 from the fund must be used for the purposes of the committee's stated mission as
10 provided in its declaration of intent. A certified committee may not provide resources,
11 including but not limited to staff resources, funds, lists of voters, campaign materials or
12 other resources, to any other entity supporting or opposing the citizens' initiative ballot
13 question. The commission shall publish guidelines outlining permissible expenditures.

14 **9. Expenditures for television advertising.** A certified committee shall include
15 closed-captioning within any television advertisement that the committee provides to a
16 broadcasting or cable television station for broadcast to the public, except for an
17 advertisement aired in the final 4 days before the vote on the ballot question if inclusion
18 of closed-captioning during that period is impractical or would materially affect the
19 timing of the committee's advertisement.

20 **10. Deposit into account; release of bank records.** A certified committee shall
21 deposit all revenues from the fund and all seed money contributions in an account,
22 referred to in this subsection as a "campaign account," with a bank or other financial
23 institution. The funds must be segregated from, and may not be commingled with, any
24 other funds.

25 A. A participating committee shall provide to the commission a signed written
26 authorization allowing the bank or other financial institution administering a
27 campaign account to release to the commission all records held by that bank or
28 institution pertaining to the campaign account, including, but not limited to,
29 campaign account statements, records of payments or transfers from the campaign
30 account and deposits of funds to the campaign account.

31 B. The executive director of the commission or its auditor, during an audit or during
32 an investigation authorized by the commission or the chair of the commission of
33 potential noncompliance with the requirements of this chapter, chapter 11 or a rule of
34 the commission, may request that a committee provide the records of a campaign
35 account. If the committee fails to comply with the request within 30 days of
36 receiving it, the executive director or auditor may use the authorization obtained
37 pursuant to paragraph A to obtain the records directly from the bank or other
38 financial institution.

39 **11. Distributions to certified committees.** Distributions from the fund to certified
40 committees must be made as follows.

41 A. The initial distribution for the 2,500 qualifying contributions necessary to become
42 certified is \$600,000 per committee.

1 B. For each increment of 240 additional qualifying contributions a committee
2 collects and submits, \$50,000 may be distributed to the committee. Certified
3 committees may collect and submit additional qualifying contributions in accordance
4 with rules adopted by the commission. Any supplemental distributions made
5 pursuant to this paragraph must be made within 3 business days of certification by the
6 commission of the required number of additional qualifying contributions.

7 C. No more than \$1,000,000 may be distributed to any committee.

8 Funds may be distributed to certified committees under this subsection by any mechanism
9 that is expeditious, ensures accountability and safeguards the integrity of the fund.

10 **12. Coordination with political committees.** A certified committee may not
11 cooperate or coordinate with a political action committee or a noncertified committee in
12 making expenditures, except that, in accordance with rules adopted by the commission, a
13 certified committee may accept in-kind contributions from a political action committee or
14 a noncertified committee.

15 **§1136. Relinquishment of certification**

16 The commission shall establish by rule procedures for return to the fund of unspent
17 money distributed from the fund if a committee chooses to relinquish its certification. As
18 determined appropriate by the commission, the rule may include a requirement that all
19 funds distributed to the committee be returned to the fund.

20 **§1137. Revocation of certification**

21 **1. Revocation; standards.** The certification of a committee may be revoked at any
22 time if the commission determines that the committee or an agent of the committee:

23 A. Did not submit the required number of valid qualifying contributions or failed to
24 qualify as a committee for any other reason;

25 B. Submitted fraudulent qualifying contributions, including but not limited to
26 qualifying contributions that were not made by the named contributors;

27 C. Misrepresented to a contributor the purpose of the qualifying contribution or the
28 purpose of the contributor's signature on the receipt and acknowledgement form;

29 D. Knowingly made a false statement or material misrepresentation in any report or
30 other document required to be filed under this chapter or chapter 11; or

31 E. Otherwise substantially violated any provision of this chapter or chapter 11.

32 **2. Process.** The determination to revoke the certification of a committee must be
33 made by a vote of the members of the commission after an opportunity for a hearing. A
34 committee whose certification is revoked shall return all unspent funds to the commission
35 within 3 days of the commission's decision and may be required to return all funds
36 distributed to the committee.

1 **§1138. Reporting; unspent revenue**

2 Notwithstanding any other provision of law, the treasurer or deputy treasurer of a
3 participating committee or certified committee shall report any money collected, all
4 expenditures, obligations, refunds received by that committee or agent of that committee
5 and related activities to the commission according to procedures developed by the
6 commission. In developing these procedures, the commission shall use existing
7 campaign reporting procedures whenever practicable. The commission shall ensure
8 timely public access to finance data and may use electronic means of reporting and
9 storing information. Upon the filing of a final report, the committee shall return to the
10 fund all unspent money received from the fund. If the committee or agent of the
11 committee receives a refund of an expenditure made for the committee after filing the
12 final report, the committee shall return those funds to the fund within 14 days of receiving
13 the refund.

14 **§1139. Required records**

15 **1. Record keeping.** A certified committee shall obtain and keep:

16 A. Bank or other account statements covering the duration of the campaign;

17 B. A vendor invoice stating the particular goods or services purchased for every
18 expenditure in excess of \$50;

19 C. A record proving that a vendor received payment for every expenditure in excess
20 of \$50 in the form of a cancelled check, cash receipt from the vendor or bank or
21 credit card statement identifying the vendor as the payee; and

22 D. A contemporaneous document such as an invoice, contract or timesheet that
23 specifies in detail the services provided by a vendor who was paid in excess of \$500
24 for providing staff or consulting services to a committee.

25 **2. Period of retention and submission.** A certified committee shall preserve
26 records for 3 years following the committee's final finance report. The committee shall
27 submit photocopies of the records to the commission upon its request.

28 **§1140. Audit requirements**

29 The commission shall audit the activities of certified committees to verify compliance
30 with applicable laws and rules and the mission of a committee. Within one month of
31 filing a declaration of intent to become a certified committee, the committee's treasurer
32 and any other relevant staff shall meet with the staff of the commission to discuss audit
33 standards, expenditure guidelines and record-keeping requirements.

34 **§1141. Financial report filings; liability**

35 **1. Filing.** A certified committee may enter financial transactions in an electronic
36 reporting system or on paper forms of the commission. The treasurer of a certified
37 committee shall file all finance reports required by this chapter and commission rules,
38 unless the treasurer delegates the filing of reports to the deputy treasurer designated on
39 the committee's certification.

1 **2. Responsibility and liability.** The treasurer is jointly responsible with the
2 committee for ensuring that the campaign keeps all records required by this chapter and
3 commission rules. If the deputy treasurer files reports for the campaign, the deputy
4 treasurer is jointly responsible with the treasurer and the committee for ensuring that the
5 campaign keeps all records required by this chapter and commission rules. The treasurer
6 and, if designated, the deputy treasurer are jointly and severally liable with the committee
7 for any penalties related to violations of this chapter or rules adopted under this chapter
8 relating to financial record keeping and reporting.

9 **§1142. Distributions not to exceed amount in fund**

10 The commission may not distribute revenues to certified committees in excess of the
11 total amount of money deposited in the fund. Notwithstanding any other provisions of
12 this chapter, if the commission determines that the revenues in the fund are insufficient to
13 meet distributions under this chapter, the commission may permit certified committees to
14 accept and spend contributions, reduced by any seed money contributions, up to the
15 applicable amounts set forth in this chapter according to rules adopted by the
16 commission.

17 **§1143. Appeals**

18 **1. Appeal.** A committee that has been denied certification by the commission's
19 executive director or an interested person who wishes to challenge a certification by the
20 executive director may appeal the executive director's decision in accordance with the
21 following procedures.

22 A. A challenger may appeal to the commission within 7 days of the certification
23 decision. The appeal must be in writing and must set forth the reasons for the appeal.

24 B. Within 5 days after an appeal is properly made, the commission shall hold a
25 hearing. The commission may extend this 5-day period in response to the request of
26 the committee or a challenger upon a showing of good cause. The commission shall
27 provide adequate notice of the hearing to the committee, the challenger and all other
28 participating and certified committees opposing or supporting the same ballot
29 question or supporting a competing measure to the same ballot question.

30 C. The challenger has the burden of proving that the certification decision was in
31 error as a matter of law or was based on factual error.

32 D. The commission must rule on the appeal within 5 business days after the
33 completion of the hearing.

34 E. An appeal from a decision of the commission under paragraph D may be made to
35 Superior Court in accordance with Rule 80C of the Maine Rules of Civil Procedure
36 except that that appeal must be made within 5 days of the date of the commission's
37 decision and the court shall issue its written decision within 20 days of the date of the
38 commission's decision. An appeal of the decision of the Superior Court may be made
39 by filing a notice of appeal to the Law Court within 3 days of that decision. The
40 record on appeal must be transmitted to the Law Court within 3 days after the notice
41 of appeal is filed. After filing the notice of appeal, the parties have 4 days to file
42 briefs and appendices with the clerk of the court. The court shall consider the case as

1 soon as possible after the record and briefs have been filed and shall issue its decision
2 within 14 days of the decision of the Superior Court.

3 **2. Return of funds; costs.** A committee whose certification is revoked on appeal
4 must return to the commission any unspent revenues distributed from the fund. If the
5 commission or court finds that an appeal was made frivolously or to cause delay or
6 hardship, the commission or court may require the moving party to pay costs of the
7 commission, court and opposing parties, if any.

8 **§1144. Commission to adopt rules**

9 The commission shall adopt rules to implement this chapter. Rules adopted pursuant
10 to this chapter are major substantive rules as defined in Title 5, chapter 375, subchapter
11 2-A.

12 **§1145. Violations**

13 **1. Civil fine.** In addition to any other penalties that may be applicable, a person or
14 committee that violates any provision of this chapter or rules of the commission adopted
15 pursuant to this chapter is subject to an administrative fine not to exceed \$10,000 per
16 violation payable to the fund. In addition to any fine, for good cause shown, a committee,
17 treasurer, consultant or other agent of the committee found in violation of this chapter or
18 rules of the commission may be required to return to the fund all amounts distributed to
19 the committee from the fund or any funds not expended. If the commission, after notice
20 and hearing, makes a determination that a violation of this chapter or rules of the
21 commission has occurred, the commission shall assess a fine or transmit the finding to the
22 Attorney General for prosecution under subsection 2. A final determination by the
23 commission may be appealed to Superior Court in accordance with Title 5, chapter 375,
24 subchapter 7 and the Maine Rules of Civil Procedure, Rule 80C. Fines assessed or orders
25 for return of funds issued by the commission pursuant to this subsection that are not paid
26 in full within 30 days after issuance of a notice of the final determination may be
27 enforced in accordance with section 1004-B. Fines paid under this section must be
28 deposited in the fund. In determining whether or not a committee is in violation of the
29 expenditure limits of this chapter, the commission may consider as a mitigating factor any
30 circumstances out of the committee's control.

31 **2. Class E crime.** A person who intentionally or knowingly violates this chapter or
32 rules of the commission adopted pursuant to this chapter or who intentionally or
33 knowingly makes a false statement in any report required by this chapter commits a Class
34 E crime and the committee for whom the person was acting may be required to return to
35 the fund all amounts distributed to the committee.

36 **§1146. Study report**

37 By March 15, 2019 and every 4 years after that date, the commission shall prepare for
38 the joint standing committee of the Legislature having jurisdiction over legal affairs a
39 report documenting, evaluating and making recommendations relating to the fund and the
40 administration, implementation and enforcement of this chapter.

41 **Sec. 2. 36 MRSA §5286-A** is enacted to read:

1 **§5286-A. Contribution to Maine Citizens' Initiatives Clean Election Fund;**
2 **voluntary checkoff**

3 **1. Designation.** Resident taxpayers may designate that \$3 of their taxes be deposited
4 in the Maine Citizens' Initiatives Clean Election Fund in accordance with Title 21-A,
5 section 1134.

6 **2. Forms.** The State Tax Assessor shall provide on the first page of the income tax
7 form a space for the filing individual to indicate whether that filer wishes to pay \$3, or \$6
8 if filing a joint return, from the General Fund of the State to finance the Maine Citizens'
9 Initiatives Clean Election Fund.

10 **3. Transfer of funds.** The State Tax Assessor shall transfer funds from the General
11 Fund in accordance with Title 21-A, section 1134.

12 **SUMMARY**

13 This bill establishes the Maine Citizens' Initiatives Clean Election Act. It provides a
14 public financing mechanism for committees that are Maine-chartered nonprofits or
15 groups whose principal officers are Maine citizens and are formed to support or oppose a
16 citizens' initiative ballot question or a people's veto or to support a competing measure to
17 a citizens' initiative ballot question. The funding process is similar to that provided for
18 clean election candidates under the Maine Revised Statutes, Title 21-A, chapter 14. It
19 provides for limits on the amount of funds that committees seeking public funding may
20 raise and spend prior to qualifying for public funding and the amount of qualifying
21 contributions that a committee must raise to be certified to receive public funding, and it
22 establishes the amounts that certified committees may receive. It also establishes
23 procedures governing financial reporting and accounting, appeals of decisions, penalties
24 for violations and other procedural matters to ensure the integrity of the process. In
25 addition to other available funds, including qualifying contributions raised by committees
26 and voluntary contributions through a tax checkoff program, funding for certified
27 committees is provided by an annual appropriation of \$3,000,000.