

# MAINE STATE LEGISLATURE

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# 129th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2019

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Legislative Document

No. 1583

H.P. 1145

House of Representatives, April 16, 2019

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

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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 CHENETTE of York and  
Representatives: ACKLEY of Monmouth, BABINE of Scarborough, COLLINGS of Portland,  
DOLLOFF of Rumford, HANINGTON of Lincoln, HICKMAN of Winthrop, WARREN of  
Hallowell, Senator: CYRWAY of Kennebec.

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" means a support group,  
12 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 committee.** "Certified committee" means a ballot question committee  
17 that is certified by the commission under this chapter.

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

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

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

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

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

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

32 **7. Contribution.** "Contribution" has the same meaning as in section 1012,  
33 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 ballot question  
10 committee that is seeking to become a certified committee.

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

12           A. Of \$5 in the form of a check or a money order payable to the fund and signed by  
13 the contributor in support of a ballot question committee or made over the Internet in  
14 support of a ballot question committee according to the procedure established by the  
15 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 ballot question committee and was not given in exchange  
21 for anything of value;

22           E. That the ballot question committee acknowledges was obtained with the ballot  
23 question committee's knowledge and approval and was not given in exchange for  
24 anything of value; and

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

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

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

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

38           **14. Seed money contribution.** "Seed money contribution" means a contribution by  
39 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 ballot question committee promoting or opposing a citizens'  
6 initiative ballot 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 ballot  
17 question committees. This alternative campaign financing option is available to ballot  
18 question committees for ballot questions sent to referendum in 2020 or thereafter. The  
19 commission shall administer this chapter and the fund. Nothing in this chapter exempts a  
20 ballot question committee from complying with any other applicable laws, including  
21 chapter 11.

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

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

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

29 A. All qualifying contributions submitted to the commission;

30 B. Three million dollars of the revenues from the taxes imposed under Title 36, Parts  
31 3 and 8 and credited to the General Fund, transferred to the fund by the State  
32 Controller on or before January 1st of each year, beginning January 1, 2020. These  
33 revenues must be offset in an equitable manner by an equivalent reduction in tax  
34 expenditures as defined in Title 36, section 199-A, subsection 2. This section may  
35 not affect the funds distributed to the Local Government Fund under Title 30-A,  
36 section 5681;

37 C. Revenue from a tax checkoff program under Title 36, section 5286-A allowing a  
38 resident of the State who files a tax return with the State Tax Assessor to designate

1 that \$3 be paid into the fund. In the case of a joint return, each spouse may designate  
2 that \$3 be paid. The State Tax Assessor shall report annually the amounts designated  
3 for the fund to the State Controller, who shall transfer that amount to the fund;

4 D. Seed money contributions remaining unspent after a ballot question committee  
5 has become a certified committee;

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

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

8 G. Fines collected under this chapter.

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

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

29 **§1135. Terms of participation**

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

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

1           **2. Special limits for petition support groups.** A ballot question committee that is a  
2 support group 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.** Prior to certification, a  
15 participating committee may not accept contributions, except for seed money  
16 contributions. A participating committee may accept no more than \$100,000 in seed  
17 money contributions, including the value of staff time contributions.

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

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

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

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

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

41           A. At least 2,500 verified registered voters of this State must support the  
42 participating committee by providing a qualifying contribution to that committee. Of

1 these, at least 1,250 must be verified registered voters in the State's First  
2 Congressional District and at least 1,250 must be verified registered voters in the  
3 State's Second Congressional District.

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

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

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

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

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

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

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

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

35 The executive director shall certify a participating committee complying with the  
36 requirements of this section as a certified committee as soon as possible and no later than  
37 5 business days after the committee's final submittal of qualifying contributions and other  
38 supporting documents required under this section. The executive director may take  
39 additional time if further investigation is necessary to verify compliance with this Act as  
40 long as the commission notifies the participating committee regarding the anticipated  
41 schedule for conclusion of the investigation. A participating committee or other  
42 interested person may appeal the decision of the executive director to the members of the  
43 commission in accordance with section 1143.



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

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

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

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

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

37           **11. Distributions to certified committees.** Distributions from the fund to a certified  
38 committee must be made as follows.

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

41           **B.** For each increment of 240 additional qualifying contributions a certified  
42 committee collects and submits, \$50,000 may be distributed to the committee.  
43 Certified committees may collect and submit additional qualifying contributions in

1 accordance with rules adopted by the commission. Any supplemental distributions  
2 made pursuant to this paragraph must be made within 3 business days of certification  
3 by the commission of the required number of additional qualifying contributions.

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

5 Funds may be distributed to a certified committee under this subsection by any  
6 mechanism that is expeditious, ensures accountability and safeguards the integrity of the  
7 fund.

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

13 **§1136. Relinquishment of certification**

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

18 **§1137. Revocation of certification**

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

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

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

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

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

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

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

36 **§1138. Reporting; unspent revenue**

37 Notwithstanding any other provision of law, the treasurer or deputy treasurer of a  
38 participating committee or certified committee shall report any money collected, all

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

11 **§1139. Required records**

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

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

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

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

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

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

25 **§1140. Audit requirements**

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

32 **§1141. Financial report filings; liability**

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

38 **2. Responsibility and liability.** The certified committee's treasurer is jointly  
39 responsible with the certified committee for ensuring that the campaign keeps all records

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

7 **§1142. Distributions not to exceed amount in fund**

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

14 **§1143. Appeals**

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

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

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

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

30 D. The commission shall rule on the appeal within 5 business days after the  
31 completion of the hearing under paragraph B.

32 E. An appeal from a decision of the commission under paragraph D may be made to  
33 Superior Court in accordance with Rule 80C of the Maine Rules of Civil Procedure  
34 except that that appeal must be made within 5 days of the date of the commission's  
35 decision and the court shall issue its written decision within 20 days of the date of the  
36 commission's decision. An appeal of the decision of the Superior Court may be made  
37 by filing a notice of appeal to the Law Court within 3 days of that decision. The  
38 record on appeal must be transmitted to the Law Court within 3 days after the notice  
39 of appeal is filed. After filing the notice of appeal, the parties have 4 days to file  
40 briefs and appendices with the clerk of the court. The court shall consider the case as  
41 soon as possible after the record and briefs have been filed and shall issue its decision  
42 within 14 days of the decision of the Superior Court.

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

6            **§1144. Commission to adopt rules**

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

10           **§1145. Violations**

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

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

35           **§1146. Study report**

36           By March 15, 2021 and every 4 years after that date, the commission shall prepare for  
37 the joint standing committee of the Legislature having jurisdiction over legal affairs a  
38 report documenting, evaluating and making recommendations relating to the fund and the  
39 administration, implementation and enforcement of this chapter.

40           **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 direct initiative of legislation or a people's veto or to support a competing measure to a  
17 direct initiative of legislation. The funding process is similar to that provided for clean  
18 election candidates under the Maine Revised Statutes, Title 21-A, chapter 14. It provides  
19 for limits on the amount of funds that committees seeking public funding may raise and  
20 spend prior to qualifying for public funding and the amount of qualifying contributions  
21 that a committee must raise to be certified to receive public funding, and it establishes the  
22 amounts that certified committees may receive. It also establishes procedures governing  
23 financial reporting and accounting, appeals of decisions, penalties for violations and other  
24 procedural matters to ensure the integrity of the process. In addition to other available  
25 funds, including qualifying contributions raised by committees and voluntary  
26 contributions through a tax checkoff program, funding for certified committees is  
27 provided by an annual appropriation of \$3,000,000.