MAINE STATE LEGISLATURE

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,	VETERANS AND LEGAL AFFAIRS
ļ	Reproduced and distributed under the direction of the Clerk of the House.
τ .	STATE OF MAINE
5	HOUSE OF REPRESENTATIVES
) 7	130TH LEGISLATURE
, 8	FIRST SPECIAL SESSION
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9 0	COMMITTEE AMENDMENT "A" to H.P. 1099, L.D. 1485, "An Act to Modify the Requirements for Political Action Committees and Ballot Question Committees"
1	Amend the bill by inserting before section 1 the following:
2	'Sec. 1. 21-A MRSA §1, sub-§3-A, as enacted by PL 2019, c. 563, §1, is amended to read:
4 5 6	3-A. Ballot question committee. "Ballot question committee" means a person required to register as a ballot question committee under section 1056-B has the same meaning as in section 1052, subsection 2-A.
7	Sec. 2. 21-A MRSA §1, sub-§29-A, as enacted by PL 2019, c. 563, §2, is amended to read:
19 20 21	29-A. Political action committee. "Political action committee" means a person required to register as a political action committee under section 1052-A has the same meaning as in section 1052, subsection 5.
22	Amend the bill in section 1 in §1052 by inserting after subsection 4-B the following:
23 24 25 26 27	'4-C. Leadership political action committee. "Leadership political action committee" means a political action committee, other than a caucus political action committee under section 1053-C, that was directly or indirectly established by a current member of the Legislature or that is directly or indirectly maintained or controlled by a current member of the Legislature."
28 29 30 31 32 33	Amend the bill in section 1 in §1052 in subsection 5 in paragraph A in subparagraph (1) in the first 2 lines (page 3, lines 26 and 27 in L.D.) by striking out the following: "(1) Any separate or segregated fund established by any corporation, membership organization cooperative or labor or other organization" and inserting the following: '(1) Any separate or segregated fund established by any corporation, membership organization, cooperative or labor or other organization'
34 35	Amend the bill in section 1 in §1052 in subsection 5 in paragraph A in subparagraph (1) in the last line (page 3, line 28 in L.D.) by inserting after the following: "eampaign;

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the following: 'that receives contributions or makes expenditures aggregating more than

\$2,500 in a calendar year for the purpose of influencing the nomination or election of a candidate to political office; and'

Amend the bill in section 2 in \$1052-A in subsection 1 in name at the interest of the candidate.

Amend the bill in section 2 in §1052-A in subsection 1 in paragraph A in the 2nd line (page 4, line 17 in L.D.) by striking out the following: "(1) or" and inserting the following: '(1) or'

Amend the bill in section 2 in §1052-A in subsection 3 in paragraph E in the last line (page 5, line 42 in L.D.) by striking out the following: "and" and inserting the following: 'and'

Amend the bill in section 2 in §1052-A in subsection 3 by inserting after paragraph E the following:

'E-1. A certification of whether the committee is a leadership political action committee; and'

Amend the bill by striking out all of section 4 and inserting the following:

'Sec. 4. 21-A MRSA §1054, as amended by PL 2019, c. 563, §7, is repealed and the following enacted in its place:

§1054. Appointment of treasurer; segregated campaign account

- 1. Appointment of treasurer. A committee required to register under section 1052-A shall appoint a treasurer before registering with the commission.
- 2. Segregated campaign account. A committee registered under section 1052-A shall establish a separate account in a bank or other financial institution, referred to in this section as a "campaign account." The committee shall deposit all funds contributed to or received by the committee for the purpose of initiating or influencing a campaign in the campaign account and shall finance all of the committee's expenditures to initiate or influence the campaign through the campaign account. If a business or corporate entity has established the committee, the campaign account must be segregated from the general treasury funds of the entity that established the committee. If the committee is established by one or more individuals, the campaign account must be segregated from and not commingled with the personal funds of those individuals.
- 3. Exceptions. The commission may adopt procedures by rule for waiving the requirement under subsection 2 to maintain a segregated campaign account upon a showing by a committee that a separate account would be administratively burdensome, including but not limited to committees organized outside this State or an individual who registers as a ballot question committee. If the committee was formed by another organization, that other organization may pay its employees for their campaign-related activities on behalf of the committee through its own treasury, rather than the campaign account. Rules adopted pursuant to this subsection are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A.'

Amend the bill in section 7 in §1057 in subsection 5 in the last line (page 9, line 6 in L.D.) by inserting after the following: "question." the following: 'Rules adopted pursuant to this subsection are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A.'

Amend the bill by striking out all of section 9 and inserting the following:

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'Sec. 9. 21-A MRSA §1060, as amended by PL 2019, c. 563, §§14 to 16, is further amended to read:

§1060. Content of reports

The reports must contain the following information and any additional information required by the commission to monitor the activities of political action committees:

- 1. Identification of candidates. The names of and offices sought by all candidates whom whose campaigns the political action committee supports, or intends to support or seeks to defeat influence;
- 2. Identification of committees; parties. The names of all political committees or party committees supported in any way by the political action committee;
- 3. Identification of referendum or initiated petition ballot question campaigns. The referenda or initiated petitions ballot question campaigns that the political action committee supports or opposes intends to initiate or influence;
- 4. Itemized expenditures. An itemization of each expenditure made to initiate or influence any campaign, including the date, payee and purpose of the expenditure; and the name of each candidate, eampaign, political committee, political action committee or party committee supported or opposed; and each referendum or initiated petition supported or opposed by the expenditure. If expenditures were made to a person described in section 1012, subsection 3, paragraph A, subparagraph (4), the report must contain the name of the person; the amount spent by that person on behalf of the eandidate, campaign, political committee, political action committee, party committee, referendum or initiated petition, including, but not limited to, expenditures made during the signature gathering phase; the reason for the expenditure; and the date of the expenditure. The commission may specify the categories of expenditures that are to be reported to enable the commission to closely monitor the activities of political action committees;
- 5. Aggregate expenditures. An aggregation of expenditures and cumulative aggregation of expenditures to a candidate, campaign, political committee, political action committee, party committee, referendum or initiated petition;
- 6. Identification of contributions. Names, occupations An itemization of each contribution of more than \$50 made to or received by the committee for the purpose of initiating or influencing a campaign, including the name, occupation, places of business and mailing addresses address of contributors who have given more than \$50 to the political action committee in the reporting period each contributor and the amount and date of each the contribution, except that an organization qualifying as a political action committee under section 1052, subsection 5, paragraph A, subparagraph (5) is required to report only those contributions made to the organization for the purpose of influencing a ballot question or the nomination or election of a candidate to political office and all transfers to or funds used to support the political action committee from the general treasury of the organization; and
- 6-A. Funds deposited into campaign account. Any funds deposited into or transferred into the campaign account described in section 1054, including but not limited to funds from the general treasury of an organization that is required to establish a committee; and

- 2 3 4 5 6
- 7. Other expenditures payments. Operational expenses and any other expenditures that are not made on behalf of a candidate, committee or campaign, except that an organization qualifying as a political action committee under section 1052, subsection 5, paragraph A, subparagraph (5) is required to report only those expenditures made for the purpose of influencing a campaign payments made from the campaign account described in section 1054.1

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Sec. 10. 21-A MRSA §1125, sub-§6-F, as amended by PL 2019, c. 635, §6, is further amended to read:

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6-F. Participation in political action committees. A participating candidate or a certified candidate may not establish a political action committee for which the candidate is a treasurer or principal officer or for which the candidate is primarily responsible for fund-raising or decision making. This prohibition applies between April 1st immediately preceding a general election through:

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A. The date on which the candidate withdraws from a race;

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B. The date of the primary election or general election for a candidate who loses either election; or

17 18 C. January 1st immediately preceding the next general election for a candidate who wins the general election.

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This prohibition also applies to a participating candidate or certified candidate in a special election, except that the prohibition begins on the date of the candidate's nomination. This subsection does not prohibit a participating candidate or certified candidate, including a certified candidate who wins a general or special election, from engaging in fund-raising or decision making for a caucus political action committee, a ballot question committee or a political action committee formed for the purpose of promoting or opposing a ballot question. This prohibition applies to a participating candidate or certified candidate regardless of the date on which the political action committee was established.

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> Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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SUMMARY

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This amendment includes within the definition of "political action committee" a separate or segregated fund established by a corporation, membership organization, cooperative or labor or other organization that receives contributions or makes expenditures aggregating in excess of \$2,500 in a calendar year for the purpose of influencing the nomination or election of any candidate to political office. The amendment also defines "leadership political action committee" as a political action committee, other than a caucus political action committee, that was directly or indirectly established by a current member of the Legislature or that is directly or indirectly maintained or controlled by a current member of the Legislature. The amendment makes several technical changes to other provisions of law affected by the revised definitions of "political action committee" and "ballot question committee."

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In addition, the amendment clarifies that the rules adopted by the Commission on Governmental Ethics and Election Practices under the bill are routine technical rules as defined in the Maine Administrative Procedure Act.

> FISCAL NOTE REQUIRED (See attached)

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130th MAINE LEGISLATURE

LD 1485

LR 1980(02)

An Act to Modify the Requirements for Political Action Committees and Ballot Question Committees

Fiscal Note for Bill as Amended by Committee Amendment " \mathcal{L} " $(\mathcal{L} - 306)$ Committee: Veterans and Legal Affairs Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

Any additional costs to the Commission on Governmental Ethics and Election Practices as a result of changes to the laws regarding the registration and financial reporting by political action committees and ballot question committees are anticipated to be minor and can be absorbed within existing budgeted resources.