1	L.D. 194
2	Date: (Filing No. S- )
3	VETERANS AND LEGAL AFFAIRS
4	Reproduced and distributed under the direction of the Secretary of the Senate.
5	STATE OF MAINE
6	SENATE
7	130TH LEGISLATURE
8	FIRST SPECIAL SESSION
9 10 11	COMMITTEE AMENDMENT " " to S.P. 82, L.D. 194, "An Act To Prohibit Contributions, Expenditures and Participation by Foreign Government-owned Entities To Influence Referenda"
12 13	Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting the following:
14 15	'Sec. 1. 21-A MRSA §1052, sub-§3, as amended by PL 2011, c. 389, §§27 and 28, is further amended to read:
16	3. Contribution. "Contribution" includes:
17 18 19 20	A. A gift, subscription, loan, advance or deposit of money or anything of value made to a political action committee, except that a loan of money by a financial institution made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;
21 22	B. A contract, promise or agreement, expressed or implied whether or not legally enforceable, to make a contribution to a political action committee;
23 24 25	C. Any funds received by a political action committee that are to be transferred to any candidate, committee, campaign or organization for the purpose of initiating or influencing a campaign; or
26 27 28	D. The payment, by any person or organization, of compensation for the personal services of other persons provided to a political action committee that is used by the political action committee to initiate or influence a campaign.
29 30	<b>Sec. 2. 21-A MRSA §1060-A, sub-§4,</b> ¶E, as enacted by PL 2017, c. 418, §4, is amended to read:
31 32 33 34 35	E. The names of the 5 largest sources of funds received by the major contributor during the period beginning 6 months prior to the first contribution made to the recipient committee and ending on the date of the filing of the report. This paragraph does not apply to funds received by the major contributor that are restricted to purposes that are unrelated to a people's veto referendum or direct initiative campaign in the State; and

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1 2	<b>Sec. 3. 21-A MRSA §1060-A, sub-§4, </b> ¶ <b>F,</b> as enacted by PL 2017, c. 418, §4, is amended to read:
3 4 5 6	F. A statement indicating whether the major contributor is exempt from taxation under the United States Internal Revenue Code of 1986 and a list of any governmental jurisdictions within the United States in which the major contributor has filed campaign finance reports during the previous 12 months-; and
7	Sec. 4. 21-A MRSA §1060-A, sub-§4, ¶G is enacted to read:
8 9 10 11 12 13 14 15 16 17	G. A statement by the chief executive officer of the major contributor or, if the major contributor does not have a chief executive officer, a statement by a responsible officer of the major contributor swearing or affirming after due inquiry that the major contributor was not a foreign national as defined in section 1064, subsection 1, paragraph B on the date or dates that the major contributor made the contributions to the recipient committee. The major contributor must submit a copy of the statement required by this paragraph to the recipient committee. Notwithstanding section 1004, subsection 2 and section 1004-A, subsection 5, a person who makes a false statement under this paragraph is subject to prosecution for false swearing under Title 17-A, section 452.
18	Sec. 5. 21-A MRSA §1064 is enacted to read:
19 20	§1064. Foreign national contributions and expenditures to influence referenda prohibited
21 22	1. <b>Definitions.</b> As used in this section, unless the context otherwise indicates, the following terms have the following meanings.
23 24 25 26 27	A. "Communication" includes a communication through broadcasting stations, cable television systems, newspapers, magazines, campaign signs or other outdoor advertising facilities, publicly accessible sites on the Internet, direct mail or other similar types of general public political advertising or through flyers, handbills, bumper stickers or other nonperiodical publications.
28	B. "Foreign national" means:
29	(1) A foreign government; and
30 31 32 33	(2) A firm, partnership, corporation, association, organization or other entity with respect to which a foreign government holds, owns, controls or otherwise has direct or indirect beneficial ownership of 10% or more of the total equity, outstanding voting shares, membership units or other applicable ownership interests.
34	C. "Referendum" means any of the following:
35 36	(1) A people's veto referendum under the Constitution of Maine, Article IV, Part Third, Section 17;
37 38	(2) A direct initiative of legislation under the Constitution of Maine, Article IV, Part Third, Section 18;

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39 40 (3) A popular vote on an amendment to the Constitution of Maine under the Constitution of Maine, Article X, Section 4;

## **COMMITTEE AMENDMENT**

1 2 3	(4) A referendum vote on a measure enacted by the Legislature and expressly conditioned upon ratification by a referendum vote under the Constitution of Maine, Article IV, Part Third, Section 19;
4	(5) The ratification of the issue of bonds by the State or any state agency; and
5	(6) Any county or municipal referendum.
6 7 8	2. Contributions and expenditures by foreign nationals prohibited. A foreign national may not make, directly or indirectly, a contribution or an expenditure to influence a referendum.
9 10 11 12	3. Participation by foreign nationals prohibited. A foreign national may not direct, dictate, control or directly or indirectly participate in the decision-making process of any person with regard to that person's activities to influence a referendum, such as decisions concerning the making of contributions or expenditures to influence a referendum.
13 14 15	4. Solicitation or acceptance of contributions from foreign nationals prohibited.  A person may not knowingly solicit, accept or receive a contribution described in subsection 2 from a foreign national.
16 17	5. Substantial assistance prohibited. A person may not knowingly provide substantial assistance, with or without compensation:
18 19	A. In the making, solicitation, acceptance or receipt of a contribution prohibited by subsection 2; or
20	B. In the making of an expenditure prohibited by subsection 2.
21 22 23 24 25 26 27 28 29	6. Communications by foreign nationals to influence policy; required disclosure. Whenever a foreign national expends funds to finance a communication not otherwise prohibited by this section with the intent to influence the public or any state, county or local official or agency regarding the formulation, adoption or amendment of any state or local government policy or regarding the political or public interest of or government relations with a foreign country or a foreign political party, the communication must clearly and conspicuously contain the words "Sponsored by" immediately followed by the name of the foreign national that made the expenditure and a statement identifying that foreign national as a "foreign government" or a "foreign government-owned entity."
30 31 32 33 34 35 36 37	7. Violation; penalty. Notwithstanding section 1004, subsection 1, a person that violates this section commits a civil violation for which a fine of not more than \$5,000 or the amount of the contribution or expenditure involved in the violation, whichever is greater, may be adjudged. In assessing a penalty under this section, the commission shall consider, among other things, whether the violation was intentional and whether the person who committed the violation attempted to conceal or misrepresent the identity of the relevant foreign national.'  Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
38	number to read consecutively.
39	SUMMARY
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- 1. Defines a "foreign national" as a foreign government or an entity with respect to which a foreign government holds, owns, controls or has direct or indirect beneficial ownership of 10% or more of the total equity, outstanding voting shares, membership units or other applicable ownership interests;
- 2. Prohibits a foreign national from making, directly or indirectly, a contribution or an expenditure to influence a referendum;
- 3. Prohibits a foreign national from directing, dictating, controlling or directly or indirectly participating in the decision-making process of any person with regard to that person's activities to influence a referendum, such as decisions concerning the making of contributions or expenditures to influence a referendum;

4. Prohibits a person from knowingly soliciting, accepting or receiving a prohibited contribution from a foreign national;

5. Prohibits a person from knowingly providing substantial assistance in the making, solicitation, acceptance or receipt of a prohibited contribution by a foreign national or knowingly providing substantial assistance in the making of a prohibited expenditure by a foreign national;

6. Requires the chief executive officer or a responsible officer of a major contributor to a campaign for a direct initiative of legislation or for a people's veto referendum to swear or affirm, subject to the penalty for false swearing, that after due inquiry the major contributor was not a foreign national on the date or dates that the major contributor made the contributions aggregating in excess of \$100,000 for the purpose of initiating or influencing the campaign;

7. Requires, whenever a foreign national expends money to finance a communication to influence government officials or the public on issues of state or local policy or foreign relations, that the communication include a clear and conspicuous statement naming the foreign national as a sponsor of the communication; and

8. Clarifies, in the definition of "contribution" applicable to campaigns to initiate or to influence referenda, that a contribution may be made either to a political action committee or to a ballot question committee.