



# 131st MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2023

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Legislative Document

No. 1630

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S.P. 647

In Senate, April 12, 2023

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### **An Act Regarding Campaign Finance and Lobbying Disclosure and Enforcement of Income Source Reporting Requirements**

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Submitted by the Commission on Governmental Ethics and Election Practices pursuant to Joint Rule 204.

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator HICKMAN of Kennebec.

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

2 **Sec. 1. 1 MRSA §1016-C**, as amended by PL 2021, c. 132, §1, is further amended  
3 to read:

4 **§1016-C. Reports by legislative candidates**

5 A candidate, as defined in Title 21-A, section 1, subsection 5, for the Legislature who  
6 is not required to file a report under section 1016-G shall file a report containing the same  
7 information required of Legislators under section 1016-G no later than 5 p.m. on August  
8 15th preceding the general election unless the candidate withdraws from the election in  
9 accordance with Title 21-A, section 374-A by that date. A candidate shall file statements  
10 electronically as is required of Legislators under section 1016-G, subsection 5. If the  
11 candidate fails to file the statement by the August 15th, the commission may assess  
12 penalties in accordance with section 1016-G, subsection 3.

13 **Sec. 2. 1 MRSA §1016-G, sub-§3**, as amended by PL 2019, c. 534, §5, is further  
14 amended to read:

15 **3. Penalties.** Penalties for violations of this section are as follows.

16 A. Failing to file a statement within 15 days of having been notified by the commission  
17 is subject to a civil violation for which a fine of not more than \$100 may be adjudged  
18 penalty not to exceed \$500 payable to the commission. A statement is not considered  
19 filed unless it substantially conforms to the requirements of this subchapter and is  
20 properly signed. The commission shall determine whether a statement substantially  
21 conforms to the requirements of this subchapter.

22 B. The intentional filing of a false statement is a Class E crime. If the commission  
23 concludes that it appears that a Legislator has willfully filed a false statement, it shall  
24 refer its findings of fact to the Attorney General. If the commission determines that a  
25 Legislator has willfully failed to file a statement required by this subchapter or has  
26 willfully filed a false statement, the Legislator is presumed to have a conflict of interest  
27 on every question.

28 Within 3 business days of a filing deadline, the commission shall mail a notice to a  
29 Legislator or candidate who has failed to file a statement required under this subchapter. If  
30 a Legislator or candidate does not file the statement within 15 days of the notice, the  
31 commission shall mail a notice of a preliminary penalty of \$500 pursuant to paragraph A.  
32 The Legislator or candidate may request a waiver of the penalty within 15 days of the  
33 penalty notice. If no request is made, the preliminary \$500 penalty is final. If the Legislator  
34 or candidate requests a waiver, the commission shall consider the request at its next meeting  
35 for a determination of the final penalty, if any. The commission staff shall confirm a final  
36 penalty in a written determination to the Legislator or candidate who did not file the  
37 statement on time. The commission's determination may be appealed to the Superior Court  
38 in accordance with Title 5, chapter 375, subchapter 7 and the Maine Rules of Civil  
39 Procedure, Rule 80C. Penalties assessed pursuant to this subsection may be enforced in  
40 accordance with Title 21-A, section 1004-B.

41 **Sec. 3. 3 MRSA §319, sub-§1**, as repealed and replaced by PL 2011, c. 179, §7, is  
42 amended to read:

1           **1. Failure to file registration or report.** Any person who fails to file a registration  
2 or report as required by this chapter ~~may be assessed a fine~~ is subject to a civil penalty,  
3 payable to the commission, of \$100 for every month the person fails to register or is  
4 delinquent in filing a report pursuant to section 317. If a registration or report is filed late,  
5 the commission shall send a notice of the finding of violation and preliminary penalty. The  
6 notice must provide the lobbyist with an opportunity to request a waiver of the preliminary  
7 penalty. If a lobbyist files a report required pursuant to section 317 within 24 hours after  
8 the deadline, the amount of the preliminary penalty is \$50. The preliminary penalty is  
9 increased by \$50 for each successive violation during a lobbying year. The commission  
10 may waive the ~~fine or~~ penalty in whole or in part if the commission determines the failure  
11 to register or report was due to mitigating circumstances or the ~~fine or~~ penalty is  
12 disproportionate to the level of experience of the lobbyist or the harm suffered by the public  
13 from the late registration or report. For purposes of this subsection, "mitigating  
14 circumstances" means:

15           A. A valid emergency determined by the commission, in the interest of the sound  
16 administration of justice, to warrant the waiver of the ~~fine or~~ penalty in whole or in  
17 part;

18           B. An error by the commission; or

19           C. Circumstances determined by the commission to warrant the waiver of the ~~fine or~~  
20 penalty in whole or in part, based upon relevant evidence presented that a bona fide  
21 effort was made to file the report in accordance with this chapter, including, but not  
22 limited to, unexplained delays in Internet service.

23           **Sec. 4. 3 MRSA §320, first ¶,** as amended by PL 2015, c. 267, Pt. F, §3, is further  
24 amended to read:

25           Fees collected pursuant to this chapter must be deposited into a special revenue account  
26 of the commission to be used for the purposes of administering and enforcing the provisions  
27 of this chapter, including the costs of obtaining, maintaining and upgrading technology to  
28 facilitate disclosure of lobbying and campaign finance information to the public.  
29 Notwithstanding any provision of law to the contrary, the commission may deposit  
30 penalties for late filing under Title 21-A, sections 1060-A and 1062-A into the account to  
31 be used exclusively on technology costs consistent with this section.

32           **Sec. 5. 21-A MRSA §1002, sub-§2,** as amended by PL 2011, c. 389, §2, is  
33 repealed.

34           **Sec. 6. 21-A MRSA §1002, sub-§4,** as amended by PL 2011, c. 389, §2, is  
35 repealed.

36           **Sec. 7. 21-A MRSA §1003, sub-§3-A,** as amended by PL 2019, c. 323, §3, is  
37 further amended by amending the first blocked paragraph to read:

38           The commission may disclose investigative working papers or discuss them at a public  
39 meeting, except for the information or records subject to a privilege against discovery or  
40 use as evidence, if the information or record is ~~materially~~ relevant to a memorandum or  
41 interim or final report by the commission staff or a decision by the commission concerning  
42 an audit, investigation or other enforcement matter. A memorandum or report on the audit  
43 or investigation prepared by staff for the commission may be disclosed at the time it is  
44 submitted to the commission, as long as the subject of the audit or investigation has an

1 opportunity to review it first to identify material that the subject of the audit or investigation  
2 considers privileged or confidential under some other provision of law.

3 **Sec. 8. 21-A MRSA §1004-B**, as enacted by PL 2009, c. 302, §3, is amended to  
4 read:

5 **§1004-B. Enforcement of penalties assessed by the commission**

6 The commission staff shall collect the full amount of any penalty and the return of  
7 Maine Clean Election Act funds required by the commission to be returned for a violation  
8 of the statutes or rules administered by the commission and has all necessary powers to  
9 carry out these duties. Failure to pay the full amount of any penalty assessed by the  
10 commission or return of Maine Clean Election Act funds is a civil violation by the  
11 candidate, treasurer, party committee, political action committee or other person. Thirty  
12 days after issuing the notice of penalty or order for the return of funds, the commission  
13 shall report to the Attorney General the name of any person who has failed to pay the full  
14 amount of any penalty or to return Maine Clean Election Act funds unless the commission  
15 has provided an extended deadline for payment. ~~The Attorney General shall enforce the~~  
16 ~~violation in a civil action to collect the full outstanding amount of the penalty or order for~~  
17 ~~the return of Maine Clean Election Act funds. The Attorney General shall enforce the~~  
18 violation in a civil action to collect up to 3 times the outstanding amount of the penalty or  
19 unreturned Maine Clean Election Act funds. This action must be brought in the Superior  
20 Court for Kennebec County or the District Court, 7th District, Division of Southern  
21 Kennebec.

22 **Sec. 9. 21-A MRSA §1014, sub-§5-A** is enacted to read:

23 **5-A. Text messages.** Text messages sent with the assistance of mass distribution  
24 technology at a cost of more than \$100 must clearly and conspicuously state the name of  
25 the person who made or financed the expenditure if:

26 A. The text message expressly advocates the election or defeat of a candidate; or

27 B. The text message contains a link to a website that expressly advocates the election  
28 or defeat of a candidate.

29 **Sec. 10. 21-A MRSA §1015, sub-§3**, as amended by PL 2007, c. 443, Pt. A, §12,  
30 is repealed.

31 **Sec. 11. 21-A MRSA §1019-B, sub-§1, ¶B**, as amended by PL 2021, c. 132, §7,  
32 is further amended to read:

33 B. Unless the person, party committee or political action committee making the  
34 expenditure demonstrates under subsection 2 that the expenditure ~~was not intended to~~  
35 ~~influence~~ did not have a purpose or effect of influencing the nomination, election or  
36 defeat of the candidate, is made to design, produce or disseminate a communication  
37 that names or depicts a clearly identified candidate and is disseminated during the 28  
38 days, including election day, before a primary election; during the 35 days, including  
39 election day, before a special election; or from Labor Day to a general election day.

40 **Sec. 12. 21-A MRSA §1019-B, sub-§2**, as amended by PL 2021, c. 132, §8, is  
41 further amended to read:

1           **2. Commission determination.** A person, party committee or political action  
2 committee may request a determination that an expenditure that otherwise meets the  
3 definition of an independent expenditure under subsection 1, paragraph B is not an  
4 independent expenditure by filing a signed written statement with the commission within  
5 7 days of disseminating the communication stating that the cost was not incurred with ~~the~~  
6 ~~intent to influence a purpose of influencing~~ the nomination, election or defeat of a  
7 candidate, supported by any additional evidence the person, party committee or political  
8 action committee chooses to submit. The commission may gather any additional evidence  
9 it determines relevant and material ~~and~~. The commission shall determine by a  
10 preponderance of the evidence whether the cost was incurred with ~~intent to influence a~~  
11 purpose of, or had the effect of, influencing the nomination, election or defeat of a  
12 candidate. In order to make this determination, the commission shall consider whether the  
13 language and other elements of the communication would lead a reasonable person to  
14 conclude that the communication had a purpose of, or had the effect of, influencing an  
15 election. The commission may consider other factors, including, but not limited to, the  
16 timing of the communication or the recipients of the communication. The commission's  
17 executive director shall make an initial determination on the request, which must be posted  
18 on the commission's publicly accessible website. Any person may appeal the initial  
19 determination, which must be considered by the commission at the next public meeting that  
20 is feasible.

21           **Sec. 13. 21-A MRSA §1019-B, sub-§4, ¶B**, as amended by PL 2015, c. 350, §6,  
22 is further amended to read:

23           B. A report required by this subsection must contain an itemized account of each  
24 expenditure in excess of \$250 in any one candidate's election, the date and purpose of  
25 each expenditure and the name of each payee or creditor. The report must state whether  
26 the expenditure is in support of or in opposition to the candidate and must include,  
27 under penalty of ~~perjury~~ unsworn falsification, as provided in Title 17-A, section ~~451~~  
28 ~~453~~, a statement ~~under oath or affirmation~~ whether the expenditure is made in  
29 cooperation, consultation or concert with, or at the request or suggestion of, the  
30 candidate or an authorized committee or agent of the candidate.

31           **Sec. 14. 21-A MRSA §1019-B, sub-§4, ¶C**, as amended by PL 2013, c. 334, §16,  
32 is further amended to read:

33           C. A report required by this subsection must be on a form prescribed and prepared by  
34 the commission. A person filing this report may use additional pages if necessary, but  
35 the pages must be the same size as the pages of the form. The commission may adopt  
36 procedures requiring the electronic filing of an independent expenditure report, as long  
37 as the commission ~~receives the statement made under oath or affirmation set out in~~  
38 ~~paragraph B by the filing deadline and the commission~~ adopts an exception for persons  
39 who lack access to the required technology or the technological ability to file reports  
40 electronically. ~~The commission may adopt procedures allowing for the signed~~  
41 ~~statement to be provisionally filed by facsimile or electronic mail, as long as the report~~  
42 ~~is not considered complete without the filing of the original signed statement.~~

43           **Sec. 15. 21-A MRSA §1020-A, sub-§4-A**, as amended by IB 2015, c. 1, §7, is  
44 further amended to read:

1           **4-A. Basis for penalties.** The penalty for late filing of a report required under this  
2 subchapter is a percentage of the total contributions or expenditures for the filing period,  
3 whichever is greater, multiplied by the number of calendar days late, as follows:

4           A. For the first violation, 2%;

5           B. For the 2nd violation, 4%; and

6           C. For the 3rd and subsequent violations, 6%.

7 Any penalty of less than \$10 \$25 is waived.

8 Violations accumulate on reports with filing deadlines in a 2-year period that begins on  
9 January 1st of each even-numbered year. Waiver of a penalty does not nullify the finding  
10 of a violation.

11 A report required to be filed under this subchapter that is sent by certified or registered  
12 United States mail and postmarked at least 2 days before the deadline is not subject to  
13 penalty.

14 ~~A registration or report may be provisionally filed by transmission of a facsimile copy of~~  
15 ~~the duly executed report to the commission, as long as the facsimile copy is filed by the~~  
16 ~~applicable deadline and an original of the same report is received by the commission within~~  
17 ~~5 calendar days thereafter.~~

18           **Sec. 16. 21-A MRS §1062-A, sub-§3**, as amended by IB 2015, c. 1, §9, is further  
19 amended to read:

20           **3. Basis for penalties.** The penalty for late filing of a report required under this  
21 subchapter is a percentage of the total contributions or expenditures for the filing period,  
22 whichever is greater, multiplied by the number of calendar days late, as follows:

23           A. For the first violation, 2%;

24           B. For the 2nd violation, 4%; and

25           C. For the 3rd and subsequent violations, 6%.

26 Any penalty of less than \$10 \$25 is waived.

27 Violations accumulate on reports with filing deadlines in a 2-year period that begins on  
28 January 1st of each even-numbered calendar year. Waiver of a penalty does not nullify the  
29 finding of a violation.

30 A report required to be filed under this subchapter that is sent by certified or registered  
31 United States mail and postmarked at least 2 days before the deadline is not subject to  
32 penalty.

33 ~~A required report may be provisionally filed by transmission of a facsimile copy of the duly~~  
34 ~~executed report to the commission, as long as an original of the same report is received by~~  
35 ~~the commission within 5 calendar days thereafter.~~

36           **Sec. 17. 21-A MRS §1125, sub-§3, ¶J**, as enacted by PL 2019, c. 323, §29, is  
37 amended to read:

38           J. A payment, gift or anything of value may not be given in exchange for a qualifying  
39 contribution. It is a violation of this chapter for a participating candidate or an agent  
40 of the participating candidate to misrepresent the purpose of soliciting qualifying

1 contributions and obtaining the contributor's signed acknowledgment or submit any  
2 fraudulent contributions to the commission, as defined by the rules of the commission.

3 **Sec. 18. 21-A MRSA §1125, sub-§12-A, ¶C**, as amended by PL 2013, c. 334,  
4 §34, is further amended to read:

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

8 **Sec. 19. 21-A MRSA §1125, sub-§12-A, ¶E**, as amended by PL 2013, c. 334,  
9 §34, is further amended to read:

10 E. A contemporaneous document such as an invoice, contract or timesheet that  
11 specifies in detail the services provided by a vendor who was paid in excess of \$500  
12 for the election cycle for providing campaign staff or consulting services to a  
13 candidate; and

14 **Sec. 20. 21-A MRSA §1125, sub-§12-A, ¶F** is enacted to read:

15 F. If a candidate for the Legislature pays at least \$1,000 to a member of the campaign  
16 staff, records for the number of hours and type of work performed by the member each  
17 day. The candidate or treasurer shall submit those records to the campaign at least once  
18 per month.

19 **SUMMARY**

20 This bill amends the administration of campaign finance and lobbyist disclosure laws  
21 by the Commission on Governmental Ethics and Election Practices and the enforcement of  
22 income reporting requirements by:

23 1. Providing for a preliminary penalty of \$500 when a legislative candidate or a  
24 Legislator does not file a statement of sources of income on time, which may be waived by  
25 the commission;

26 2. Increasing penalties by \$50 per report when a lobbyist repeatedly files monthly  
27 reports late during a lobbying year;

28 3. Authorizing the commission to deposit penalties for late filing by political action  
29 committees and ballot question committees in an existing special revenue account to pay  
30 for improvements to the commission's electronic filing systems;

31 4. Eliminating authority for the commission to meet by telephone and the requirement  
32 for the commission to be open during the last weekend before elections;

33 5. Amending the standard by which the commission may disclose financial or  
34 campaign information in a commission decision or investigative report by staff;

35 6. Authorizing the Office of the Attorney General to collect 3 times the amount owed  
36 when a court action is necessary to collect an unpaid penalty or repayment of Maine Clean  
37 Election Act funds;

38 7. Requiring text messages costing more than \$100 that advocate for the election or  
39 defeat of a candidate and are transmitted through mass distribution technology to disclose  
40 the person that paid for the messages;

- 1           8. Directing the commission to consider the text and other objective elements of a  
2 communication distributed close to an election when deciding whether the costs of the  
3 communication qualify as independent expenditures;
- 4           9. Eliminating the \$25,000 limit an individual may contribute in aggregate to state  
5 candidates in a calendar year;
- 6           10. Allowing a person filing an independent expenditure report to make an online  
7 affirmation that the expense was not coordinated with the candidate named in the report  
8 rather than submitting a statement made under oath or affirmation;
- 9           11. Authorizing the automatic waiver of penalties of less than \$25 for filing a campaign  
10 finance report late;
- 11           12. Eliminating the authorization for candidates and political committees to file a  
12 campaign finance report after a deadline if a faxed version is submitted before the deadline;
- 13           13. Confirming that a candidate's submission of fraudulent qualifying contributions is  
14 a violation of the Maine Clean Election Act; and
- 15           14. Requiring a Maine Clean Election Act candidate to obtain and keep a record of  
16 labor performed by any member of campaign staff each day the member of the campaign  
17 staff is compensated more than \$1,000.