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An Act To Amend the Campaign Reports and Finances Law and the Maine Clean Election Act

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

Sec. 1. 21-A MRSA §1001, sub-§1-A is enacted to read:

1-A. Caucus political action committee. "Caucus political action committee" means a political action committee designated under section 1053-C to promote the election of nominees of a political party to the House of Representatives or the Senate.

Sec. 2. 21-A MRSA §1001, sub-§2, as amended by PL 1995, c. 483, §1, is further amended to read:

2. Election. "Election" means any primary, general or special election for state, county or municipal offices as defined in municipalities subject to Title 30-A, section 2502, subsection 1 and any referendum, including a municipal referendum in municipalities subject to Title 30-A, section 2502, subsection 2.

Sec. 3. 21-A MRSA §1006 is enacted to read:

§ 1006. Statistical report

By April 1, 2019, and annually thereafter, the commission shall submit to the joint standing committee of the Legislature having jurisdiction over legal affairs a statistical report summarizing campaign finance activity to influence state elections. The report must cover the preceding 5 election years in which statewide ballot questions were scheduled and the 5 election years in which primary and general elections for legislative offices were held. The report must include total spending by committees to influence candidate and ballot question elections, median and total spending by candidates, total independent expenditures by office, sources of contributions to candidates and committees and any other information regarding campaign finance and political activity as determined by the executive director of the commission.

Sec. 4. 21-A MRSA §1013-A, sub-§3, as amended by PL 1995, c. 483, §5, is further amended to read:

3. Party committees. ~~The state, district and, county and municipal committees of parties shall submit to the commission~~their state party committees the names and addresses of all their officers and of their treasurers and the name and address of the principal paid employee, if any, within ~~30~~10 days after the appointment, election or hiring of these persons. Municipal committees must file copies of the same information with ~~the commission and the municipal clerk. District, county and municipal committees that provide their state party committees with the information required by this subsection to be submitted to the commission have met that requirement.~~ No later than ~~the 2nd Monday in April~~June 15th of each year in which a general election is scheduled, the state party committee of a party shall submit to the commission

a consolidated report, ~~including the information required under this subsection, for~~ of the names, mailing addresses and e-mail addresses of the chair and treasurer of the district, county and municipal committees of that party or of another officer if a chair or treasurer has not been appointed.

Sec. 5. 21-A MRSA §1017, sub-§2, ¶D, as amended by PL 2013, c. 334, §10, is further amended to read:

D. ~~Any~~If the candidate has an opponent who is on the ballot or who is a declared write-in candidate, any single contribution of \$1,000 or more received or any single expenditure of \$1,000 or more made after the 14th day before the election and more than 24 hours before 11:59 p.m. on the day of the election must be reported within 24 hours of that contribution or expenditure. The candidate or treasurer is not required to include in this report expenditures for overhead expenses or compensation paid to an employee or other member of the campaign staff who has received payments at regular intervals that have been disclosed in previously filed campaign finance reports. As used in this paragraph, "overhead expenses" includes, but is not limited to, rent, utility payments, taxes, insurance premiums or similar administrative expenses.

Sec. 6. 21-A MRSA §1017, sub-§3-A, ¶C, as amended by PL 2013, c. 334, §11, is further amended to read:

C. ~~Any~~If the candidate has an opponent who is on the ballot or who is a declared write-in candidate, any single contribution of \$1,000 or more received or any single expenditure of \$1,000 or more made after the 14th day before any election and more than 24 hours before 11:59 p.m. on the day of any election must be reported within 24 hours of that contribution or expenditure. The candidate or treasurer is not required to include in this report expenditures for overhead expenses or compensation paid to an employee or other member of the campaign staff who has received payments at regular intervals that have been disclosed in previously filed campaign finance reports. As used in this paragraph, "overhead expenses" includes, but is not limited to, rent, utility payments, taxes, insurance premiums or similar administrative expenses.

Sec. 7. 21-A MRSA §1017, sub-§5, as amended by PL 2011, c. 522, §1, is further amended to read:

5. Content. A report required under this section must contain the itemized accounts of contributions received during that report filing period, including the date a contribution was received, and the name, address, occupation, principal place of business, if any, and the amount of the contribution of each person who has made a contribution or contributions aggregating in excess of \$50. The report must contain the itemized expenditures made or authorized during the report filing period, the date and purpose of each expenditure and the name and address of each payee and creditor and any refund that a payee has made to the candidate or an agent of the candidate. If the payee is a member of the candidate's household or immediate family, the candidate must disclose the candidate's relationship to the payee in a manner prescribed by the commission. The report must contain a statement of any loan to a candidate by a financial institution in connection with that candidate's candidacy that is made during the period covered by the report, whether or not the loan is defined as a contribution under section 1012, subsection 2, paragraph A. The candidate and the treasurer are jointly and severally responsible for the timely and accurate filing of each required report.

Sec. 8. 21-A MRSA §1017, sub-§8, as amended by PL 2007, c. 443, Pt. A, §16, is further amended to read:

8. Disposition of surplus. A candidate or treasurer of a candidate registered under section 1013-A or qualified under sections 335 and 336 or sections 354 and 355 must dispose of a surplus exceeding \$100 within 4 years of the election for which the contributions were received by:

- A. Returning contributions to the candidate's or candidate's authorized political committee's contributors, as long as no contributor receives more than the amount contributed;
- B. A gift to a qualified political party within the State, including any county or municipal subdivision of such a party;
- C. An unrestricted gift to the State. A candidate for municipal office may dispose of a surplus by making a restricted or unrestricted gift to the municipality;
- D. Carrying forward the surplus balance to a political committee established to promote the same candidate for a subsequent election;
- D-1. Carrying forward the surplus balance for use by the candidate for a subsequent election;
- E. Transferring the surplus balance to one or more other candidates registered under section 1013-A or qualified under sections 335 and 336 or sections 354 and 355, or to political committees established to promote the election of those candidates, provided that the amount transferred does not exceed the contribution limits established by section 1015;
- F. Repaying any loans or retiring any other debts incurred to defray campaign expenses of the candidate;
- G. Paying for any expense incurred in the proper performance of the office to which the candidate is elected, as long as each expenditure is itemized on expenditure reports; ~~and~~
- H. A gift to a charitable or educational organization that is not prohibited, for tax reasons, from receiving such a gift; and
- I. Spending the funds to pay expenses related to a recount of ballots of the candidate's election.

The choice must be made by the candidate for whose benefit the contributions were made.

Sec. 9. 21-A MRSA §1017-A, sub-§4-A, as amended by PL 2013, c. 334, §12, is further amended to read:

4-A. Filing schedule. A state party committee shall file its reports according to the following schedule. All reports required under paragraphs A, B and C must be filed by 11:59 p.m. on the day of the filing deadline.

- A. Quarterly reports must be filed by 11:59 p.m. A state party committee shall file quarterly reports:

- (1) On January 15th and must be complete up to December 31st;
- (2) On April 10th and must be complete up to March 31st;
- (3) On July 15th and must be complete up to June 30th; and
- (4) On October 5th and must be complete up to September 30th.

~~B. General and primary election reports must be filed by 11:59 p.m. During any year in which primary and general elections are held, a state party committee shall file primary and general election reports:~~

- ~~(1) On the 11th day before the date on which the election is held and must be complete up to the 14th day before that date; and~~
- ~~(2) On the 42nd day after the date on which the election is held and must be complete up to the 35th day after that date.~~

~~C. Preelection and post-election reports for special elections, referenda, initiatives, bond issues or constitutional amendments must be filed by 11:59 p.m. In an election year other than a year described in paragraph B, if a state party committee has received contributions or made expenditures for the purpose of influencing a ballot question election, a special election or a municipal candidate or referendum election subject to Title 30-A, section 2502, the committee shall file preelection and post-election reports:~~

- ~~(1) On the 11th day before the date on which the election is held and must be complete up to the 14th day before that date; and~~
- ~~(2) On the 42nd day after the date on which the election is held and must be complete up to the 35th day after that date.~~

~~D. A state party committee that files an election report under paragraph B or C is not required to file a quarterly report under paragraph A when the deadline for that quarterly report falls within 10 days of the filing deadline established in paragraph B or C.~~

~~E. –If a state party committee is required to file a report 11 days before an election pursuant to paragraph B or C, the state party committee shall report any single contribution of \$5,000 or more received or any single expenditure of \$1,000 or more made after the 14th day before the election and more than 24 hours before 5:00 p.m. on the day of the election within 24 hours of that contribution or expenditure. The committee is not required to include in this report expenditures for overhead expenses or compensation paid to an employee or other member of the campaign staff who has~~

received payments at regular intervals that have been disclosed in previously filed campaign finance reports. As used in this paragraph, "overhead expenses" includes, but is not limited to, rent, utility payments, taxes, insurance premiums or similar administrative expenses.

Sec. 10. 21-A MRSA §1017-A, sub-§4-B, ¶C, as amended by PL 2013, c. 334, §13, is further amended to read:

C. A committee shall report any single contribution of \$5,000 or more received or any expenditure of \$1,000 or more made after the 14th day before ~~any~~ general election and more than 24 hours before 11:59 p.m. on the day of the election within 24 hours of that contribution or expenditure. The committee is not required to include in this report expenditures for overhead expenses or compensation paid to an employee or other member of the campaign staff who has received payments at regular intervals that have been disclosed in previously filed campaign finance reports. As used in this paragraph, "overhead expenses" includes, but is not limited to, rent, utility payments, taxes, insurance premiums or similar administrative expenses.

Sec. 11. 21-A MRSA §1018-B, sub-§2, as amended by PL 2013, c. 334, §14, is further amended to read:

2. Limitations. After an election, candidates may receive donations for purposes of a recount. The donations must be within the limitations of section 1015, except that no limitation applies to donations from party committees and caucus ~~campaign~~ political action committees and from attorneys, consultants and their firms that are donating their services without reimbursement. Candidates may not spend revenues received under chapter 14 for recount expenditures.

Sec. 12. 21-A MRSA §1020-A, sub-§1, as enacted by PL 1995, c. 483, §15, is amended to read:

1. Registration. A candidate that fails to register the name of a candidate, treasurer or political committee with the commission within the time allowed by section 1013-A, subsection 1 may be assessed a forfeiture of ~~\$10~~ \$100. The commission shall determine whether a registration satisfies the requirements for timely filing under section 1013-A, subsection 1.

Sec. 13. 21-A MRSA §1051, as amended by PL 2009, c. 190, Pt. A, §15, is further amended to read:

§ 1051.Application

This subchapter applies to the activities of political action committees and ballot question committees organized in and outside this State that accept contributions, incur obligations or make expenditures ~~for to~~ influence the nomination or election of a candidate to state, county or municipal officers, office or ~~for the support or defeat of any to~~ initiate or influence a campaign, as defined in this subchapter.

Sec. 14. 21-A MRSA §1052, sub-§2, as amended by PL 2007, c. 443, Pt. A, §27, is further amended to read:

2. Committee. "Committee" means any political action committee, as defined in this subchapter, or any ballot question committee, as described in section 1056-B, and includes any agent of a political action committee or ballot question committee.

Sec. 15. 21-A MRSA §1053-C is enacted to read:

§ 1053-C. Caucus political action committees

Each appointed leader of a political party in the House of Representatives or the Senate may designate one caucus political action committee to promote the election of nominees of that appointed leader's political party to the body of the Legislature of which that appointed leader is a member. The designation must be made in a letter to the commission and remains effective until it is amended by the appointed leader of that political party in that body of the Legislature in writing.

Sec. 16. 21-A MRSA §1059, as amended by PL 2013, c. 334, §§27 and 28, is further amended to read:

§ 1059. Report; filing requirements

~~Committees~~A committee required to register under section 1052-A, 1053-B or 1056-B shall file an initial campaign finance report ~~at the time~~within 7 days of registration and thereafter shall file reports in compliance with this section. All reports must be filed by 11:59 p.m. on the day of the filing deadline, except that reports submitted to a municipal clerk must be filed by the close of business on the day of the filing deadline.

2. Reporting schedule. ~~Committees~~A committee shall file reports according to the following schedule.

A. ~~All committees~~A committee shall file quarterly reports:

- (1) On January 15th, and the report must be complete as of December 31st;
- (2) On April 10th, and the report must be complete as of March 31st;
- (3) On July 15th, and the report must be complete as of June 30th; and
- (4) On October 5th, and the report must be complete as of September 30th.

B. ~~General and primary election reports must be filed~~During any year in which primary and general elections are held, a committee shall file primary and general election reports:

- (1) On the 11th day before the date on which the election is held and must be complete as of the 14th day before that date; and

(2) On the 42nd day after the date on which the election is held and must be complete as of the 35th day after that date.

A committee shall file primary and general election reports even if the committee did not engage in financial activity to influence the primary or general election.

~~C. Preelection and post-election reports for special elections or ballot measure campaigns must be filed~~In an election year other than a year described in paragraph B, if a committee has received contributions or made expenditures for the purpose of influencing a ballot question election, a special election or a municipal candidate or referendum election subject to Title 30-A, section 2502, the committee shall file preelection and post-election reports:

(1) On the 11th day before the date on which the election is held and must be complete as of the 14th day before that date; and

(2) On the 42nd day after the date on which the election is held and must be complete as of the 35th day after that date.

D. A committee that files an election report under paragraph B or C is not required to file a quarterly report when the deadline for that quarterly report falls within 10 days of the filing deadline established in paragraph B or C.

E. ~~A~~If a committee is required to file a report 11 days before an election pursuant to paragraph B or C, the committee shall report any single contribution of \$5,000 or more received or single expenditure of \$1,000 or more made after the 14th day before the election and more than 24 hours before 5:00 p.m. on the day of the election within 24 hours of that contribution or expenditure. The treasurer is not required to include in this report expenditures for overhead expenses or compensation paid to an employee or other member of the campaign staff who has received payments at regular intervals that have been disclosed in previously filed campaign finance reports. As used in this paragraph, "overhead expenses" includes, but is not limited to, rent, utility payments, taxes, insurance premiums or similar administrative expenses.

5. Electronic filing. ~~Committees~~A committee shall file each report required by this section through an electronic filing system developed by the commission. The commission may make an exception to this electronic filing requirement if a committee submits a written request that states that the committee lacks access to the technology or the technological ability to file reports electronically. The request for an exception must be submitted within 30 days of the registration of the committee. The commission shall grant all reasonable requests for exceptions.

Sec. 17. 21-A MRSA §1122, sub-§1-A is enacted to read:

1-A. Caucus political action committee. "Caucus political action committee" has the same meaning as in section 1001, subsection 1-A.

Sec. 18. 21-A MRSA §1125, sub-§2-A, ¶A, as enacted by PL 2007, c. 443, Pt. B, §6, is amended to read:

A. All goods and services received prior to certification must be paid for with seed money contributions, except for goods and services that are excluded from the definition of contribution in section 1012, subsection 2, paragraph B. It is a violation of this chapter for a ~~participating~~certified candidate to use fund revenues received after certification to pay for goods and services received prior to certification.

Sec. 19. 21-A MRSA §1125, sub-§3, as amended by IB 2015, c. 1, §18, is repealed and the following enacted in its place:

3. Qualifying contributions. The collection of qualifying contributions by participating candidates is governed by this subsection.

A. To be eligible to receive Maine Clean Election Act funding, participating candidates must obtain qualifying contributions during the qualifying period as follows:

(1) For a gubernatorial candidate, at least 3,200 verified registered voters of this State must support the candidacy by providing a qualifying contribution to that candidate;

(2) For a candidate for the State Senate, at least 175 verified registered voters from the candidate's electoral division must support the candidacy by providing a qualifying contribution to that candidate; or

(3) For a candidate for the State House of Representatives, at least 60 verified registered voters from the candidate's electoral division must support the candidacy by providing a qualifying contribution to that candidate.

B. If a contributor has made a check or money order payable to a participating candidate in error, the candidate may remedy the error by endorsing the check or money order to the Maine Clean Election Fund, according to the procedures of the commission.

C. A payment, gift or anything of value may not be given in exchange for a qualifying contribution.

D. A contributor may make a qualifying contribution to a participating candidate in the form of cash, as long as the candidate submits a money order in the same amount to the commission. The money order must be signed by the contributor to be a valid qualifying contribution. The cash received from the contributor must be used to reimburse the person who provided the money order.

E. Any money order fees paid with seed money or Maine Clean Election Act funds must be reported as an expenditure in campaign finance reports submitted to the commission. If a participating candidate uses personal funds to pay fees for the purchase of money orders, those fees are not a contribution to the candidate and are not required to be disclosed in campaign finance reports. Prior to certification, the candidate must report any money order fees paid by anyone other than the candidate as an in-kind contribution subject to seed money limitations.

F. The commission may establish by routine technical rule, adopted in accordance with Title 5, chapter 375, subchapter 2-A, a procedure for a qualifying contribution to be made by a credit or debit transaction and by electronic funds transfer over the Internet. Records containing information provided by individuals who have made qualifying contributions over the Internet are confidential, except for the name of the individual making the contribution, the date of the contribution, the individual's residential address and the name and office sought of the candidate in whose support the contribution was made.

G. It is a violation of this chapter for a participating candidate or an agent of the participating candidate to misrepresent the purpose of soliciting qualifying contributions and obtaining the contributor's signed acknowledgment.

Sec. 20. 21-A MRSA §1125, sub-§3-A, as enacted by IB 2015, c. 1, §19, is amended to read:

3-A. Additional qualifying contributions. Participating or certified candidates may collect and submit to the commission additional qualifying contributions at the times specified in subsection 8-E. The commission shall credit a candidate with either one qualifying contribution or one additional qualifying contribution, but not both, from any one contributor during the same election cycle. If any candidate collects and submits to the commission qualifying contributions or additional qualifying contributions that cannot be credited pursuant to this subsection, those qualifying contributions or additional qualifying contributions may be refunded to the contributor or deposited into the Maine Clean Election Fund at the discretion of the candidate. The procedures and restrictions set out in subsection 3, paragraphs B to G apply to additional qualifying contributions.

Sec. 21. 21-A MRSA §1125, sub-§3-B is enacted to read:

3-B. Receipt and acknowledgment forms. The commission shall prepare forms for persons making qualifying contributions to acknowledge the contribution as required in section 1122, subsection 7, paragraph D. A qualifying contribution is not valid if anyone other than the contributor signed the contributor's name to the form, except that a qualifying contribution is valid if it is signed by the contributor's immediate family member, domestic partner or live-in caregiver when the contributor is unable to sign due to a physical impairment or disability.

SUMMARY

The bill amends the laws governing the financing of political campaigns and the Commission on Governmental Ethics and Election Practices by:

1. Clarifying that the definition of "election" covers both candidate and ballot question elections;

2. Requiring the commission to submit an annual statistical report of campaign finance activity to the joint standing committee of the Legislature having jurisdiction over legal affairs;
3. Amending the requirement for state party committees to provide names, mailing addresses and e-mail addresses of the chair and treasurer for municipal, district and county party committees to the commission;
4. Eliminating the requirement for unopposed primary election candidates to report contributions and expenditures of \$1,000 or more within 24 hours during the last 13 days before the primary election;
5. Requiring candidates to disclose the addresses of payees and creditors in their campaign finance reports;
6. Permitting candidates to spend surplus campaign contributions on expenses associated with a recount of an election;
7. Clarifying the reporting deadlines for state party committees, political action committees and ballot question committees. Under the bill, quarterly campaign finance reports are due every year; committees must file preelection and post-election reports on the 11th day before and the 42nd day after an election for both the primary and general elections during a candidate election year; and for elections held in other years, committees must file the preelection and post-election reports only if they received contributions or made expenditures for the purpose of influencing the election;
8. Clarifying that municipal, district and county party committees are not required to report large contributions and expenditures within 24 hours during the last 13 days before a primary election;
9. Increasing the potential penalty for an individual's failure to register as a candidate with the commission from \$10 to \$100;
10. Defining "caucus political action committee" to mean a committee designated by a party leader in the Legislature to promote the election of the nominees of their political party to the House or Senate;
11. Eliminating the requirement for candidates to report money order fees paid by the candidate with personal funds when seeking Maine Clean Election Act funding; and
12. Prohibiting candidates and others from signing the name of a contributor on a receipt and acknowledgment form submitted to the commission, except when a contributor's immediate family member, domestic partner or live-in caregiver signs on behalf of the contributor due to a physical impairment or disability.