



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 53

H.P. 47

House of Representatives, January 14, 2015

An Act To Require Shareholder Consent for Corporate Political Contributions

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative RYKERSON of Kittery.
Cosponsored by Representative STUCKEY of Portland, Senator GRATWICK of Penobscot and Representatives: BEAVERS of South Berwick, BLUME of York, CAMPBELL of Orrington, CHIPMAN of Portland, EVANGELOS of Friendship, GOODE of Bangor, HARLOW of Portland, MASTRACCIO of Sanford.

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

2 **Sec. 1. 13-C MRSA §305** is enacted to read:

3 **§305. Political contributions**

4 **1. Political contributions.** A corporation must obtain the consent of a majority of
5 its shareholders before making a contribution or expenditure in a political campaign. The
6 consent of a majority of shareholders under this subsection must be an affirmative vote of
7 a majority of all votes entitled to be cast at a properly held shareholder meeting prior to
8 making the political contribution or expenditure. If a majority of a corporation's shares
9 are owned by one or more institutional investors that cannot hold public office, such as a
10 pension fund or a for-profit or nonprofit corporation, the corporation may not make any
11 political contributions or expenditures.

12 **2. Definitions.** As used in this section, unless the context otherwise indicates, the
13 following terms have the following meanings.

14 A. "Contribution" has the same meaning as in Title 21-A, section 1052, subsection 3.

15 B. "Expenditure" has the same meaning as in Title 21-A, section 1052, subsection 4.

16 **3. Notice.** If the corporation has a website accessible to its shareholders, within 48
17 hours after making a political contribution or expenditure under this section the
18 corporation shall post the notice of the contribution or expenditure on the website.

19 **4. Pro rata rebate.** If a shareholder disagrees with a political contribution or
20 expenditure made under this section, the shareholder may receive from the corporation
21 upon request a pro rata rebate in an amount of the percentage of the political contribution
22 or expenditure equal to the percentage of ownership the shareholder has in the
23 corporation.

24 **SUMMARY**

25 This bill requires a majority vote of a corporation's shareholders before the
26 corporation makes a political contribution or expenditure and requires that once the
27 contribution or expenditure has been made, the corporation posts notice of the
28 contribution or expenditure on its website. This bill disallows a corporation that has over
29 half of its shares owned by one or more institutional investors who cannot hold public
30 office, such as a pension fund or a for-profit or nonprofit corporation, from making any
31 political contributions or expenditures. This bill also allows a shareholder who disagrees
32 with a corporation's political contribution or expenditure to receive from the corporation
33 upon request a rebate of a percentage of the political contribution or expenditure equal to
34 the percentage of ownership the shareholder has in the corporation.