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H.P. 1033

House of Representatives, December 23, 2015

**An Act To Improve the Disclosure of Financial Activities by Political
Action Committees and Ballot Question Committees**

Submitted by the Commission on Governmental Ethics and Election Practices pursuant to Joint Rule 203.

Received by the Clerk of the House on December 21, 2015. Referred to the Committee on Veterans and Legal Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

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

ROBERT B. HUNT
Clerk

Presented by Representative LUCHINI of Ellsworth.

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

2 **Sec. 1. 21-A MRSA §1052, sub-§5, ¶A**, as amended by PL 2011, c. 389, §32, is
3 further amended to read:

4 A. Includes:

5 (1) Any separate or segregated fund established by any corporation, membership
6 organization, cooperative or labor or other organization whose purpose is to
7 initiate or influence a campaign;

8 (4) Any ~~organization person~~, including any corporation or association, other than
9 an individual, that has as its major purpose initiating or influencing a campaign
10 and that receives contributions or makes expenditures aggregating more than
11 \$1,500 in a calendar year for that purpose; and

12 (5) Any ~~organization person~~, other than an individual, that does not have as its
13 major purpose influencing candidate elections but that receives contributions or
14 makes expenditures aggregating more than \$5,000 in a calendar year for the
15 purpose of influencing the nomination or election of any candidate to political
16 office; and

17 **Sec. 2. 21-A MRSA §1052-A, sub-§1, ¶A**, as amended by PL 2013, c. 588, Pt.
18 A, §23, is further amended to read:

19 A. A political action committee as defined under section 1052, subsection 5,
20 paragraph A, subparagraph (1) or (4) that receives contributions or makes
21 expenditures in the aggregate in excess of \$1,500 and a political action committee as
22 defined under section 1052, subsection 5, paragraph A, subparagraph (5) that receives
23 contributions or makes expenditures in the aggregate in excess of \$5,000 for the
24 purpose of influencing the nomination or election of any candidate to political office
25 shall register with the commission within 7 days of exceeding the applicable amount.

26 **Sec. 3. 21-A MRSA §1056-B**, as amended by PL 2011, c. 389, §§38 to 42 and
27 affected by §62, is further amended to read:

28 **§1056-B. Ballot question committees**

29 A person not defined as a political action committee ~~who~~ that receives contributions
30 or makes expenditures, other than by contribution to a political action committee or a
31 ballot question committee, aggregating in excess of \$5,000 for the purpose of initiating or
32 influencing a campaign as defined by section 1052, subsection 1, shall register as a ballot
33 question committee and file reports with the commission in accordance with this section.
34 For the purposes of this section, "campaign" does not include activities to influence the
35 nomination or election of a candidate. ~~Within 7 days of receiving contributions or~~
36 ~~making expenditures that exceed \$5,000, the person shall register with the commission as~~
37 ~~a ballot question committee.~~ For the purposes of this section, expenditures include paid
38 staff time spent for the purpose of initiating or influencing a campaign. ~~The commission~~
39 ~~must prescribe forms for the registration, and the forms must include specification of a~~
40 ~~treasurer for the committee, any other principal officers and all individuals who are the~~
41 ~~primary fund raisers and decision makers for the committee.~~

1 **1. Filing requirements.** A report required by this section must be filed with the
2 commission according to the reporting schedule in section 1059. After completing all
3 financial activity, the committee shall terminate its campaign finance reporting in the
4 same manner provided in section 1061. The committee shall file each report required by
5 this section through an electronic filing system developed by the commission unless
6 granted a waiver under section 1059, subsection 5.

7 **1-A. Ballot question committee registration.** A person subject to this section who
8 receives contributions or makes expenditures that exceed \$5,000 shall register with the
9 commission as a ballot question committee within 7 days of receiving those contributions
10 or making those expenditures. A ballot question committee shall have a treasurer and a
11 principal officer. The same individual may not serve in both positions unless the person
12 establishing the ballot question committee is an individual. The ballot question committee
13 when registering shall identify all other individuals who are the primary decision makers
14 and fund-raisers, the person establishing the ballot question committee and the campaign
15 the ballot question committee intends to initiate or influence. The ballot question
16 committee shall amend the registration within 10 days of a change in the information
17 required in this subsection. The commission shall prescribe forms for the registration,
18 which must include the information required by this subsection and any additional
19 information reasonably required for the commission to monitor the activities of the ballot
20 question committee.

21 **2. Content.** A report required by this section must contain ~~an itemized account~~ the
22 date, amount and purpose of each expenditure made ~~to and contribution received from a~~
23 ~~single source aggregating in excess of \$100 in any election; the date of each contribution;~~
24 ~~the date and purpose of each expenditure; the name and address of each contributor,~~
25 ~~payee or creditor; and the occupation and principal place of business, if any, for any~~
26 ~~person who has made contributions exceeding \$100 in the aggregate. The filer is~~
27 ~~required to report only those contributions made to the filer for the purpose of initiating~~
28 ~~or influencing a campaign and only those expenditures made for those purposes. The~~
29 ~~definitions of "contribution" and "expenditure" in section 1052, subsections 3 and 4,~~
30 ~~respectively, apply to persons required to file ballot question reports~~ for the purpose of
31 initiating or influencing a campaign, and the name and address of the payee. The report
32 must include the contributions set out in section 1060-A.

33 **~~2-A. Contributions.~~** For the purposes of this section, ~~"contribution" includes, but is~~
34 ~~not limited to:~~

- 35 ~~A. Funds that the contributor specified were given in connection with a campaign;~~
36 ~~B. Funds provided in response to a solicitation that would lead the contributor to~~
37 ~~believe that the funds would be used specifically for the purpose of initiating or~~
38 ~~influencing a campaign;~~
39 ~~C. Funds that can reasonably be determined to have been provided by the contributor~~
40 ~~for the purpose of initiating or influencing a campaign when viewed in the context of~~
41 ~~the contribution and the recipient's activities regarding a campaign; and~~
42 ~~D. Funds or transfers from the general treasury of an organization filing a ballot~~
43 ~~question report.~~

1 **3. Forms.** A report required by this section must be on a form prescribed and
2 prepared by the commission. A person filing this report may use additional pages if
3 necessary, but the pages must be the same size as the pages of the form.

4 **4. Records.** A person filing a report required by this section shall keep records as
5 required by this subsection for 4 years following the election to which the records pertain.

6 A. The filer shall keep a detailed account of all contributions made to the filer for the
7 purpose of initiating or influencing a campaign and all expenditures made for those
8 purposes.

9 B. The filer shall retain a vendor invoice or receipt stating the particular goods or
10 services purchased for every expenditure in excess of ~~\$50~~ \$100.

11 **5. Liability for penalties.** The commission may hold the treasurer and principal
12 officer of a ballot question committee and any for-profit, nonprofit or other organization
13 that established the ballot question committee jointly and severally liable with the ballot
14 question committee for any fines assessed against the ballot question committee for a
15 violation of this chapter.

16 **Sec. 4. 21-A MRSA §1057, sub-§1, ¶B,** as enacted by PL 1985, c. 161, §6, is
17 amended to read:

18 B. The identity ~~and address~~ of each candidate, campaign or committee;

19 **Sec. 5. 21-A MRSA §1057, sub-§§2 and 3,** as amended by PL 2013, c. 334,
20 §25, are further amended to read:

21 **2. Receipts.** The treasurer of a political action committee shall retain a vendor
22 invoice or receipt stating the particular goods or services purchased for every expenditure
23 in excess of ~~\$50~~ \$100 to initiate or influence a campaign.

24 **3. Record of contributions.** The treasurer of a political action committee shall keep
25 a record of all contributions to the committee, by name and mailing address, of each
26 donor and the amount and date of the contribution. This provision does not apply to
27 aggregate contributions from a single donor of ~~\$50~~ \$100 or less for an election or
28 referendum campaign. When any donor's contributions to a political action committee
29 exceed ~~\$50~~ \$100, the record must include the aggregate amount of all contributions from
30 that donor.

31 **Sec. 6. 21-A MRSA §1060, sub-§6,** as amended by PL 2011, c. 389, §47, is
32 further amended to read:

33 **6. Identification of contributions.** Names, occupations, places of business and
34 mailing addresses of contributors who have given more than ~~\$50~~ \$100 to the political
35 action committee in the reporting period and the amount and date of each contribution,
36 except that an organization qualifying as a political action committee under section 1052,
37 subsection 5, paragraph A, subparagraph (5) is required to report ~~only those~~ contributions
38 ~~made to the organization for the purpose of influencing a ballot question or the~~
39 ~~nomination or election of a candidate to political office and all transfers to or funds used~~

1 to support the political action committee from the general treasury of the organization in
2 accordance with section 1060-A; and

3 **Sec. 7. 21-A MRSA §1060, sub-§7**, as amended by PL 2011, c. 389, §48, is
4 further amended to read:

5 **7. Other expenditures.** Operational expenses and other expenditures that are not
6 made on behalf of a candidate, committee or campaign, except that an organization
7 qualifying as a political action committee under section 1052, subsection 5, paragraph A,
8 subparagraph (5) is required to report only those expenditures made for the purpose of
9 influencing a ~~ballot question or the nomination or election of a candidate to political~~
10 ~~office~~ campaign.

11 **Sec. 8. 21-A MRSA §1060-A** is enacted to read:

12 **§1060-A. Reporting of contributions by multipurpose organizations**

13 **1. Contributions to initiate or influence a campaign.** A committee qualifying as a
14 political action committee under section 1052, subsection 5, paragraph A, subparagraph
15 (5) or a ballot question committee shall disclose the following contributions:

16 A. A contribution solicited by the committee, in whole or in part, for the purpose of
17 initiating or influencing a campaign;

18 B. Funds that the contributor specified were given in connection with a campaign;

19 C. Funds provided in response to a solicitation that would lead the contributor to
20 believe that all or a portion of the funds would be used for the purpose of initiating or
21 influencing a campaign; or

22 D. Funds that can reasonably be determined to have been provided by the
23 contributor, in whole or in part, for the purpose of initiating or influencing a
24 campaign when viewed in the context of the contribution and the recipient's activities
25 regarding a campaign.

26 **2. Sources of other funds.** If the contributions reported under subsection 1 do not
27 account for the full amount of the committee's expenditures during a reporting period, the
28 committee shall identify the organization that formed the committee as the contributor of
29 the remaining balance, according to the procedures of the commission.

30 **SUMMARY**

31 This bill amends the law governing campaign financing and reporting by:

32 1. Clarifying that the definition of "political action committee" does not apply to an
33 individual;

34 2. Requiring political action committees to register with the Commission on
35 Governmental Ethics and Election Practices within 7 days of receiving contributions
36 totaling more than the applicable threshold of \$1,500 or \$5,000;

- 1 3. Requiring ballot question committees to register with the Commission on
2 Governmental Ethics and Election Practices in a manner similar to political action
3 committees, including appointing a principal officer who would be jointly liable with the
4 committee and the committee treasurer for penalties assessed against the committee;
- 5 4. Establishing a uniform threshold of \$100 for both political action committees and
6 ballot question committees regarding political contributions in campaign finance reports;
7 and
- 8 5. Modifying the criteria for when a political action committee must report a
9 contribution made for the purpose of influencing a candidate or ballot question election.