



TO: The Honorable Louis Luchini
The Honorable Chris Caiazzo, Co-Chairs
Members of the Joint Standing Committee on Veterans and Legal Affairs

DATE: April 26, 2021

RE: LD 1417 - An Act Regarding Campaign Finance Reform

Good morning Senator Luchini and Representative Caiazzo.

My name is John Brautigam. I'm a resident of Falmouth. I am here today as legal counsel and policy advisor for Maine Citizens for Clean Elections. I am testifying in support of LD 1417.

For over 25 years MCCE has advocated for Maine's Clean Election Act (MCEA) public funding system. We were there at the start to advocate for its enactment in 1996, during the early years when participation was ramping up, when budget challenges and court decisions threatened to weaken the program, and up to today where it is well-established and continues to enjoy broad support among the candidates and the general public. We have been there to defend the integrity of the system, to guard against self-dealing, and to honor the original intent of the law -- to allow candidates to compete equitably for public office without having to raise private money.

MCCE favors putting real people at the center of our democracy. We trust the people to make good decisions when choosing their representatives and when deciding on ballot questions. MCCE seeks to protect and enhance the role of real people whenever possible. And we seek to minimize or eliminate anything that stands in the way of people-centered democracy.

Some of us view our government as a democracy. Others view it as a republic. I believe it is both. But everyone agrees that at its foundation, it is about government by the people, with the consent of the people — where the people are the ultimate sovereign. And most of us believe that “the people” means you and me. Our families. The humans who live in our communities, teach in our schools, work in our factories, and care for our sick and elderly.

In the great moments of our history – great military battles, the moon landing, conquering a virus – it is real flesh-and-blood people who ultimately had the ideas, drew upon the courage, and persevered to succeed. We have bet everything on the wisdom and judgment of the people. And given the space and opportunity to choose their government, in the long arc of history, the people will not let us down.

We the people have also allowed for the creation of corporations. Corporations don't exist in the wild. They are created pursuant to laws. Without state laws – specifically, all of Title 13 – there would be no corporations. Corporations are created to help us achieve our economic potential, not to govern us.

Corporations are legally required to earn as much money as possible for their owners. This means that they are often in tension with certain public goals. And this is where political contributions come into play. Corporate contributions can be used to increase a corporation's influence over public policy, and to push back against the public interest in regulating corporate activities and behavior. This corporate money, over time, distorts our democracy. Like barnacles encrusting the hull of a ship, these pervasive special interest contributions slow our progress and send us off course.

That is why we strongly support joining the 22 other states and the federal government in banning corporate contributions directly to candidates and to the personal political action committees run by legislators.

In order to meet the presiding officers' requirements for rapidly finalizing language there are some edits that did not arise until the bill was too far along in the process, and we recommend them to you here.

First, and most importantly, it needs to be clear that a separate segregated fund committee may not accept general treasury transfers. This is the central reason for this provision: to allow corporations and organizations to coordinate the political activity of their friends, supporters, and employees, but without allowing large general transfers from the corporate treasury. This is modeled on federal law. We suggest adding the following language:

A separate segregated fund committee may accept in-kind contributions of staff time for administrative support. A separate segregated fund committee may not accept any other contributions from a firm, partnership, corporation, association, labor organization or other organization.

Second, we would support a limit of \$2,000 in cash contributions given to an SSF. This would be parallel to federal law treatment of federal SSF's, albeit at a commensurately lower dollar amount.

Third, we prefer the definition of leadership PAC found in LD 1125, currently on the table in this Committee.

Leadership political action committee. "Leadership political action committee" means a political action committee designated under section 1053-D that is directly or indirectly established, maintained or controlled by a member of the Legislature but is not a caucus political action committee under section 1053-C.

We believe that definition is more specific, and since it also includes a committee "indirectly" controlled by a legislator, it is less subject to potential confusion or lax interpretations.

Fourth, we have heard requests to revise the bill to allow parties and political action committees to continue to make contributions directly to candidates and to leadership PACs. We can support that change -- it is not our goal to drive a wedge between candidates and their party. However, since parties and political actions committees are allowed to accept corporate contributions under this bill, we are proposing an amendment that would wall off that corporate money from being funneled to candidates and leadership PACs in circumvention of the central purpose of this bill. Here is what we propose:

1. **Page 1, line 39**, add D and E to the list of excepted paragraphs
2. **Page 2, line 16**, add new Paragraphs D and E:

D. A political committee; political action committee, including a caucus political action committee; a party committee under section 1013-A, subsection 3; or any other committee may not make contributions to a candidate in support of the candidacy of one person aggregating more than \$1,500 in any election for a gubernatorial candidate, more than \$350 for a legislative candidate, more than \$500 for a candidate for municipal office and beginning January 1, 2012 more than \$750 in any election for any other candidate. A contribution made under this paragraph may not be made using funds received from a business entity as defined in subsection 2-A. Contributions limits in this paragraph are adjusted in the same manner as contribution limits under paragraph B.

E. A political committee; political action committee, including a caucus political action committee; a party committee under section 1013-A, subsection 3; or any other committee may not make contributions to a leadership political action committee aggregating more than the amount that the committee may contribute to a legislative candidate under paragraph B. A contribution made under this paragraph may not be made using funds received from a business entity as defined in subsection 2-A.

I would like to conclude by citing the words of two former Republican presidents and a former Associate Justice of the United States Supreme Court on the subject of corporate contributions:

“[C]orporations have been enthroned and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands and the Republic is destroyed.”

Abraham Lincoln, Nov. 21, 1864
letter to Col. William F. Elkins

“Let individuals contribute as they desire: but let us prohibit in effective fashion all corporations from making contributions for any political purpose, directly or indirectly.”

Theodore Roosevelt, December 3, 1906
Sixth Annual Message

“The State need not permit its own creation to consume it.”

Justice Byron White, dissenting
First National Bank of Boston v. Belotti, April 26, 1978

Thank you for the opportunity to testify. I would be happy to answer any questions from the Committee.