



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

DATE: Monday, April 26, 2021

RE: LD 1417, An Act Regarding Campaign Finance Reform

Good morning Senator Luchini and Representative Caiazzo.

My name is Anna Kellar. I'm a resident of Portland. I am here today as the Executive Director of the League of Women Voters of Maine. I am testifying in support of LD 1417.

The League of Women Voters of Maine is a nonpartisan political organization that has been working for over 100 years to encourage informed and active participation in government, to increase understanding of major public policy issues, and to influence public policy through education and advocacy. We never support or oppose any political party or candidate.

The League is deeply committed to reforming our campaign finance system to ensure the public's right to know, combat corruption and undue influence, enable candidates to compete more equitably for public office, and allow maximum citizen participation in the political process.

The League of Women Voters was a founding member of the coalition that worked to gather signatures to pass the Maine Clean Election Act in 1996. And we were again a lead partner in the successful ballot initiative to restore Clean Elections in 2015. Now we work closely with our allies at Maine Citizens for Clean Elections to reform political action committees and limit the influence of special interests on privately-funded candidates, making room for the voices of ordinary citizens in our political conversation.

LD 1417 aims at reducing the influence of corporate money on those who run for and hold Maine's state offices. This is an important and worthy goal, but it is not new or ground-breaking. In fact, 22 other states already ban corporations from giving to political candidates, a measure that is included in this bill. Federal candidates have been barred from accepting corporate contributions for more than a century. It's time for Maine to enact this long overdue reform.

The reasons to get corporate money out of elections were clear back at the turn of the last century. Corporations and other business arrangements are legal entities, created by governments, that receive favorable tax treatment, limit liability, and enjoy other protections that allow for the accumulation of

capital and the generation of profits for owners and shareholders. Allowing that accumulated capital to influence the political process creates a dangerous, self-reinforcing feedback loop of influence.

Unfortunately, the 100-year old federal ban was not the end of corporate spending in elections. Thanks to ill-conceived Supreme Court rulings like *Citizens United*, corporations are able to spend money in elections, even though they can't always give directly to candidates. In addition to banning direct contributions LD 1417 eliminates the corporate contributions that go through leadership PACs to candidates. It also limits the size of contributions to and from these PACs.

These are incremental reforms that are allowable under today's limited constitutional framework. They are worth making, and they will make a difference.

To be clear, the bill does not change which individuals may make political donations. The ban is only on money in the corporate treasury, money that is necessarily tied to the vested interest of the company. Workers, CEOs, board members, shareholders, and other people are free to make their own contributions under the statutory limits.

Mark Hanna, a 19th century industrialist and political power broker famously said, "There are two things that are important in politics. The first is money and I can't remember what the second one is." He went on to mastermind a record-breaking multi-million dollar presidential campaign -- in 1886!

We disagree with Hanna. We believe that people must always be at the heart of our politics, and our campaign finance laws must be made in the public, not the private, interest. Corporate interests are and will remain well-represented in the halls of the State House, but the elected representatives and senators are here to serve the people of Maine. Every step we take to separate private, special interest money from our highest elected officials is a step that strengthens our democracy.

On behalf of the League of Women Voters, I urge you to vote Ought to Pass on LD 1417.

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

