



Testimony in Opposition to LD 1350:
“An Act to Ban Corporate Contributions to Candidates”

Senator Hickman, Representative Supica, and the distinguished members of the Committee on Veterans and Legal Affairs, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in opposition to LD 1350, “An Act to Ban Corporate Contributions to Candidates.”

This proposal would upend established campaign finance law in Maine and effectively repeal parts of *Public Law 2023, Chapter 244* (formerly LD 726), passed with overwhelming bipartisan support in the 131st Legislature and signed into law by the Governor. That law allowed for measured and transparent participation by business entities, unions, and nonprofits in the political process, subject to existing disclosure requirements and contribution limits.

LD 1350 Would Silence Law-Abiding Employers and Undermine Political Speech

At its core, LD 1350 is a misguided attempt to limit political speech from one class of legal entities—Maine’s job creators. Under current law, individuals, unions, and various organizations can contribute to candidates in a limited and regulated fashion. To arbitrarily single out business entities and prohibit their contributions while continuing to allow unions and other entities to participate would create an unequal and unjust political playing field.

As the U.S. Supreme Court recognized in *Citizens United v. FEC*, independent political spending is a form of protected speech under the First Amendment. Businesses, like individuals, have a right to express their support for candidates whose policies align with their interests. While this bill would constrain corporate entities’ ability to contribute to candidates, it would thus be unable to restrict independent expenditures, potentially reducing the transparency of political spending.

LD 1350 Repeals a Bipartisan Compromise That Enhances Transparency and Trust

The law this bill seeks to repeal—LD 726 of 2023—was not controversial. As an emergency measure, it passed the Maine Senate by a vote of 29-5 and the House by the required supermajority. That law aligned Maine with the practices of numerous other states by permitting corporate contributions in a transparent and regulated manner.



LD 726 preserved rigorous disclosure requirements and did not raise the dollar limit on campaign contributions. It simply acknowledged that corporate entities—many of which are small businesses employing Mainers—should not be categorically excluded from participating in the political process.

Undoing this thoughtful reform so soon after its enactment, with no evidence of abuse or harm to the integrity of our elections, is not just poor policy—it is legislative overreach.

Maine’s current reasonable limits

Maine still limits corporations’ contributions and establishes certain transparency requirements. Under 21-A MRSA §1015.2-B, corporations can’t make contributions to support a candidate of more than \$1,950 for governor, \$475 for a legislative candidate, or more than \$575 for municipal office.¹ These limitations adjust with inflation and set a low ceiling for corporations to support candidates directly.

Some might argue that the current low ceiling encourages and supports small businesses’ voices in politics, since the ceiling is, in effect, far more restrictive for high-profit national corporations. By removing this allowance, small Maine businesses would lose the ability to directly and transparently support candidates that fight for them, but large national companies that can afford to circumvent this requirement through nontransparent but constitutionally protected Super-PACs would not be harmed.

Conclusion

Maine’s campaign finance system should be rooted in fairness, transparency, and respect for free expression. LD 1350 violates each of these principles. It seeks to roll back a carefully considered, bipartisan measure passed just last session, and to suppress the political voices of Maine’s employers and job creators.

We respectfully urge you to reject LD 1350. Thank you for your time and consideration.

¹ <https://legislature.maine.gov/statutes/21-a/title21-Asec1015.html>