



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

Commission Meeting 10/01/2015
Agenda Item #6

To: Commissioners
From: Jonathan Wayne, Executive Director
Date: September 22, 2015
Re: Statutory Proposal to Improve Disclosure of Political Donors

Thank you for your past consideration of policy proposals by the staff of the Commission. In this memo, the Commission staff is asking you to consider a statutory proposal to address a growing trend in the way political campaigns are financed in Maine. Increasingly, national organizations formed to advance policy issues or partisan agendas are spending historically large amounts to influence Maine state elections *without disclosing any of their donors*. As a result, while Maine voters, the press and elected officials know how the money is spent, they have no information about where the money comes from, which can be a critical factor in weighing the arguments for and against a particular candidate or ballot question. This lack of disclosure deprives Maine voters of important information needed to make informed decisions about choosing their elected representatives and public policy matters affecting all Mainers.

This practice is not a partisan issue. Organizations on any point of the political spectrum engage in it and are operating in compliance with current Election Law in Maine. We would like to see the Commission – as a nonpartisan election agency – encourage a solution that will promote a more informed electorate. We have modeled legislation on an approach that some other states have developed. Even if it is not perfect, we believe it is the right starting place to highlight an important issue and to begin the discussion at the State House.

Lack of Donor Disclosure

The chart below lists four political action committees (PACs) and one ballot question committee (BQC) active in the 2014 general election. These are the largest examples of organizations influencing Maine voters without fully disclosing the source of their campaign funds. The organizations in the PAC or BQC column spent significant sums on communications received by Maine voters in 2014. They registered with the Commission and reported receiving cash and in-kind contributions from the organizations in the “Donor Organization” column. (The details of the contributions are shown in attached pages.) Together, these five Donor organizations spent roughly \$13.6 million to influence Maine elections, without disclosing their donors.

Donor Organization (listed as a contributor in the PAC or BQC’s campaign finance reports)	Total Cash and In-Kind Contributions	PAC or BQC (registered with Commission)
Humane Society of the United States and Humane Society Legislative Fund	\$2,066,591	Mainers for Fair Bear Hunting
Republican Governors Association	\$5,141,344	RGMA Maine PAC
Democratic Governors Association	\$2,951,040	Democratic Governors Association Maine PAC and Maine Forward
NextGen Climate Action Committee	\$2,423,550	NextGen Climate Action Committee – Maine
League of Conservation Voters and League of Conservation Voters Action Fund	\$1,027,694	Maine Conservation Voters Action Fund

In some cases (such as the RGA or DGA), the PAC was merely a reporting vehicle for the Donor organization to report its spending in Maine. In other cases (Mainers for Fair Bear Hunting), the BQC was a separate legal entity from the Donor organization. In cases such as these, Maine voters only know how much money is spent, what it was spent

on and when it was spent, but they are in the dark about who was behind the money spent to influence them.

None of these organizations, to the best of our knowledge, has violated any provision of Maine's campaign finance laws in the way they conducted or reported their financial activity in Maine in the 2014 election. The problem is a weakness in the law that allows organizations to spend large amounts of money in Maine with no obligation to provide Maine voters with any information about the sources of their income.

Donor Disclosure under Current Law

Major Purpose PACs

PACs formed for the major purpose of influencing Maine elections are required to disclose the sources of *all* contributions received. They should rarely characterize the funds as the organization's general treasury. There are currently 139 PACs registered with the State of Maine. The majority of these PACs are unincorporated associations formed by individuals and groups in Maine with the major purpose of influencing Maine elections. As long as they are reporting the *outside sources* of their revenue, the staff's proposal would not affect them.

Organizations with Another Major Purpose

The proposed statutory changes are designed to increase campaign finance disclosure by PACs and BQCs formed by organizations *whose primary purpose is something other than influencing Maine elections*. These could be:

- national political organizations formed to influence elections at the state or federal level, or
- public policy organizations based in Maine or outside the state that engage in a variety of electoral and non-electoral activities, such as lobbying or charitable programs.

For these organizations, the PAC or BQC is most often not a separate legal entity. Rather the PAC or BQC is merely a reporting vehicle to disclose their election-related financial

activities in Maine. For the most part, the only detailed information in their campaign finance reports is how the organizations spent their funds.

Under current law, these non-major purpose PACs and BQCs are not required to report all of their donors. They are required to report *only those contributions made to the organization for the purpose of influencing a Maine election*. This restriction is grounded in reasonable policy considerations (*i.e.*, avoiding intrusion into activities that are not subject to governmental oversight by the State of Maine), but the result is that insufficient information is available to Maine people about who funds these organizations' efforts to influence how they vote.

Proposed Solution to Improve Donor Disclosure

The Commission staff proposes a new section of statute (§ 1060-A) establishing a procedure for reporting contributions received by organizations whose major purpose is something other than influencing Maine elections but that

- spend more than \$5,000 to influence Maine candidate elections (these are PACs under § 1052(5)(A)(5)), or
- spend more than \$5,000 to influence ballot question elections (BQCs under § 1056-B).

Under the proposal, the organization would need to report all contributions received to initiate or influence a campaign in Maine. The criteria for these contributions are set out explicitly in the proposed § 1060-A(1) (*see* pages 16-17 of the proposed legislation attached to this memo). These criteria are mostly drawn from the current BQC statute (§ 1056-B), which has already passed constitutional muster in the federal courts in the litigation with the National Organization for Marriage.

If the contributions reported under § 1060-A(1) do not account for all spending by the PAC or BQC in a report period, the organization that formed the PAC or BQC would need to report contributions over \$1,000 on a last in, first out accounting method. In other words, the organization's political expenditures in Maine would be attributed to

contributions received by the organization in reverse chronological order. The organization could exclude funds designated by the donor for a specific activity or program other than initiating or influencing a Maine election (*e.g.*, a specific social service program, lobbying, or an election in other jurisdiction). California, Massachusetts and Michigan have similar reporting requirements using a last-in, first-out accounting method.

One of the objectives of this section is to require organizations that spend more than \$5,000 to influence a Maine election to disclose *outside sources* of funding for which the Maine spending is reasonably attributable. There may be circumstances, however, in which the contributions set out in subsections 1 and 2 of § 1060-A are insufficient to account for the election spending in Maine. For example, the election-related expenditures in Maine could be derived from non-donor funds such as business income, donations of \$1,000 or less, or donations received prior to May 1, 2016. In those circumstances, the organization would report itself as a contributor, and the Commission's forms would call upon the organization to provide a general description of the sources of funds used for the expenditures.

The Commission staff proposes to modify the current exception in the PAC definition that excludes organizations whose only financial activity in Maine has been to make cash contributions to registered candidates and committees in Maine. These donors (particularly small ones) should not necessarily qualify as PACs. Their contributions will be disclosed to the public in campaign finance reports filed by the recipient organizations.

Under the staff's proposal, an organization would not qualify as a PAC as long as, during a calendar year, its contributions to influence Maine elections do not exceed \$25,000 and it has not raised more than \$5,000 to influence a Maine election. However, some labor and trade organizations that have regularly made donations to Maine political parties and PACs totaling more than \$25,000 in an election year may need to register as PACs or BQCs. Qualifying as a PAC or BQC involves some administrative burdens such as appointing a treasurer, keeping required records for three years, registering and filing

financial reports. The staff recognizes that for some small organizations these administrative burdens may be challenging and is open to exploring ways to minimize this, if necessary.

Possible Objections by Donor Organizations

Donor organizations that form PACs or BQCs to report their campaign spending in Maine may raise objections to the proposed statutory change on the grounds that it imposes an undue burden or interferes with their relationships with their donors. Some of the objections may be:

- The Donor organizations could be receiving contributions to support the organization's mission that are not earmarked to influence a Maine election.
- Revenue may have been deposited into a general account, and it can be administratively difficult to sort out the sources of money set aside to influence a Maine election.
- The Donor organization's future fundraising efforts may be negatively affected if their donors are revealed in campaign finance reports.
- Some donors may prefer to keep their involvement with funding political activities or their relationship with the Donor organization hidden.

Currently, Donor organizations are, for the most part, not disclosing any information about the source of their funds. Therefore, the proposed statute change does place new administrative procedures on them. However, the staff believes this does not present an undue burden on these organizations, which likely have procedures in place to track their fundraising activities. The staff understands that some Donor organizations may be reluctant to reveal any information about their donor base. However, there is a competing and, from the staff's perspective, a more compelling interest that Maine voters have in knowing who is providing the Donor organizations the funds to influence their vote.

Thank you for your consideration of this proposal. The issue of unaccountable money in elections from undisclosed sources has received attention nationally and has been the

subject of some press coverage and public discussion in Maine, but there have not been any significant steps to address the issue or the public's concerns. The Commission is uniquely positioned to put forward a proposal that is practical for the agency and for the filers, is constitutional, and would not be perceived as directed toward any single political group or political party. The upcoming session presents the Commission with the best opportunity to introduce a bill to initiate a discussion of how to improve campaign finance disclosure so that Maine voters can make an informed decision at the ballot box.

DEMOCRATIC GOVERNORS ASSOCIATION

Date	Donor	PAC	Cash or In-Kind	Amount
01/13/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$25,000.00
02/14/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$50,000.00
03/20/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$40,000.00
04/09/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$15,000.00
04/28/14	Democratic Governors Association	Maine Forward	Cash	\$65,000.00
05/19/14	Democratic Governors Association	Maine Forward	Cash	\$85,000.00
05/27/14	Democratic Governors Association	Maine Forward	In-Kind	\$2,136.76
05/29/14	Democratic Governors Association	Maine Forward	Cash	\$15,000.00
06/16/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$30,000.00
07/15/14	Democratic Governors Association	Maine Forward	In-Kind	\$740.04
07/17/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$50,000.00
08/26/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$15,000.00
09/03/14	Democratic Governors Association	Maine Forward	Cash	\$500,000.00
09/09/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$20,000.00
09/19/14	Democratic Governors Association	Maine Forward	Cash	\$250,000.00
09/26/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$50,000.00
09/29/14	Democratic Governors Association	Maine Forward	Cash	\$220,000.00
09/30/14	Democratic Governors Association	Maine Forward	In-Kind	\$1,162.92
10/03/14	Democratic Governors Association	Maine Forward	Cash	\$200,000.00
10/14/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$15,000.00
10/17/14	Democratic Governors Association	Maine Forward	Cash	\$275,000.00
10/20/14	Democratic Governors Association	Maine Forward	Cash	\$50,000.00
10/24/14	Democratic Governors Association	Maine Forward	Cash	\$350,000.00
10/27/14	Democratic Governors Assoc-PA	Maine Forward	Cash	\$114,000.00
10/27/14	Democratic Governors Association	Maine Forward	Cash	\$256,000.00
10/28/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$28,000.00
10/29/14	Democratic Governors Association	Maine Forward	Cash	\$100,000.00
10/30/14	Democratic Governors Association	Maine Forward	Cash	\$40,000.00
10/30/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$65,000.00
11/19/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$10,000.00
12/03/14	Democratic Governors Association	Democratic Governors Association-ME PAC	Cash	\$14,000.00
				\$2,951,039.72

In-Kind Contributions:	\$4,039.72
Contributions:	\$2,947,000.00
TOTAL CONTRIBUTIONS:	<u>\$2,951,039.72</u>

HUMANE SOCIETY OF THE UNITED STATES

Date	Donor	BQC	Cash or In-Kind	Amount
03/31/14	THE HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$4,548.08
03/31/14	THE HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$4,083.00
03/31/14	THE HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$691.00
03/31/14	THE HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$1,415.00
03/31/14	THE HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$23,314.08
03/31/14	THE HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$12,241.00
03/31/14	THE HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$2,800.00
03/31/14	THE HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$1,498.00
05/27/14	THE HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$3,750.00
05/27/14	THE HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$538.84
05/27/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$120.38
05/27/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$542.53
05/27/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$12,888.00
05/27/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$5,255.50
05/27/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$607.90
05/27/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$3,727.31
07/15/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$2,259.24
07/15/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$96.00
07/15/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$5,130.87
07/15/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$11,399.29
07/15/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$690.10
07/15/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$671.30
07/15/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$209.44
07/15/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$802.50
07/15/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	Cash	\$500,000.00
07/15/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	Cash	\$282,759.59
09/18/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	Cash	\$70,000.00
09/22/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	Cash	\$320,000.00
09/29/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	Cash	\$136,000.00
09/30/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$4,470.79
09/30/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$2,623.66
09/30/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$12,372.09
09/30/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$9,016.09

HUMANE SOCIETY OF THE UNITED STATES

09/30/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$3,851.89
09/30/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$536.97
09/30/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$788.88
09/30/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$306.79
10/08/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	Cash	\$240,000.00
10/21/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$2,729.81
10/21/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$2,415.10
10/21/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$3,233.43
10/21/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$4,126.18
10/21/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$2,180.26
10/21/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$563.09
10/21/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$788.88
10/21/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$2,536.61
10/22/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	Cash	\$250,000.00
10/30/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	Cash	\$50,000.00
11/02/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$5,221.93
11/03/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$3,011.23
12/09/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$1,772.01
12/09/14	HUMANE SOCIETY LEGISLATIVE FUND	Mainers for Fair Bear Hunting BQC	In-Kind	\$2,618.00
12/09/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$17,109.91
12/09/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$11,264.42
12/09/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$1,207.00
12/09/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$4,400.00
12/09/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$5,822.00
12/09/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$9,703.00
12/09/14	HUMANE SOCIETY OF THE UNITED STATES	Mainers for Fair Bear Hunting BQC	In-Kind	\$3,882.00
				\$2,066,590.97

In-Kind Contributions:	\$217,831.38
Contributions:	\$1,848,759.59
TOTAL CONTRIBUTIONS	<u>\$2,066,590.97</u>

LEAGUE OF CONSERVATION VOTERS

Date	Donor	PAC	Cash or In-Kind	Amount
05/19/14	LEAGUE OF CONSERVATION VOTERS	Maine Conservation Voters Action Fund	Cash	\$18,000.00
05/27/14	LEAGUE OF CONSERVATION VOTERS ACTION FUND	Maine Conservation Voters Action Fund	Cash	\$1,500.00
05/27/14	LEAGUE OF CONSERVATION VOTERS ACTION FUND	Maine Conservation Voters Action Fund	Cash	\$1,500.00
05/29/14	LEAGUE OF CONSERVATION VOTERS	Maine Conservation Voters Action Fund	Cash	\$250,000.00
08/05/14	LEAGUE OF CONSERVATION VOTERS	Maine Conservation Voters Action Fund	Cash	\$250,000.00
10/08/14	LEAGUE OF CONSERVATION VOTERS	Maine Conservation Voters Action Fund	Cash	\$127,000.00
10/17/14	LEAGUE OF CONSERVATION VOTERS	Maine Conservation Voters Action Fund	Cash	\$355,000.00
10/28/14	LEAGUE OF CONSERVATION VOTERS	Maine Conservation Voters Action Fund	Cash	\$20,000.00
11/02/14	LEAGUE OF CONSERVATION VOTERS	Maine Conservation Voters Action Fund	In-Kind	\$4,525.73
11/03/14	LEAGUE OF CONSERVATION VOTERS	Maine Conservation Voters Action Fund	In-Kind	\$168.65
				\$1,027,694.38

In-Kind Contributions:	\$4,694.38
Contributions:	\$1,023,000.00
TOTAL CONTRIBUTIONS	<u>\$1,027,694.38</u>

NEXTGEN CLIMATE ACTION COMMITTEE

Date	Donor	PAC	Cash or In-Kind	Amount
07/15/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	In-Kind	\$25,651.62
07/30/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	Cash	\$250,000.00
08/28/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	Cash	\$250,000.00
09/09/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	Cash	\$250,000.00
09/27/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	Cash	\$250,000.00
09/30/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	In-Kind	\$107,463.18
10/01/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	Cash	\$500,000.00
10/10/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	Cash	\$250,000.00
10/21/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	In-Kind	\$37,049.50
10/27/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	Cash	\$305,000.00
10/31/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	Cash	\$130,000.00
11/30/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	In-Kind	\$43,385.64
12/10/14	NextGen Climate Action Committee	NextGen Climate Action Committee - Maine	Cash	\$25,000.00
				\$2,423,549.94

In-Kind Contributions:	\$213,549.94
Contributions:	\$2,210,000.00
TOTAL CONTRIBUTIONS	<u>\$2,423,549.94</u>

REPUBLICAN GOVERNORS ASSOCIATION

Date	Donor	PAC	Cash or In-Kind	Amount
02/05/14	Republican Governors Association	RGA Maine PAC	Cash	\$50,000.00
03/13/14	Republican Governors Association	RGA Maine PAC	Cash	\$50,000.00
04/16/14	Republican Governors Association	RGA Maine PAC	Cash	\$250,000.00
07/15/14	Republican Governors Association	RGA Maine PAC	Cash	\$200,000.00
08/11/14	Republican Governors Association	RGA Maine PAC	Cash	\$600,000.00
08/21/14	Republican Governors Association	RGA Maine PAC	Cash	\$450,000.00
09/09/14	Republican Governors Association	RGA Maine PAC	Cash	\$1,200,000.00
10/01/14	Republican Governors Association	RGA Maine PAC	Cash	\$700,000.00
10/09/14	Republican Governors Association	RGA Maine PAC	Cash	\$150,000.00
10/14/14	Republican Governors Association	RGA Maine PAC	Cash	\$600,000.00
10/23/14	Republican Governors Association	RGA Maine PAC	Cash	\$250,000.00
10/28/14	Republican Governors Association	RGA Maine PAC	Cash	\$600,000.00
10/29/14	Republican Governors Association	RGA Maine PAC	Cash	\$25,000.00
11/13/14	Republican Governors Association	RGA Maine PAC	Cash	\$15,401.35
12/04/14	Republican Governors Association	RGA Maine PAC	Cash	\$942.65
				\$5,141,344.00

In-Kind Contributions:	0
Contributions:	\$5,141,344.00
TOTAL CONTRIBUTIONS	<u>\$5,141,344.00</u>

Title 21-A, Chapter 13: CAMPAIGN REPORTS AND FINANCES LAW

Subchapter 4: REPORTS BY POLITICAL ACTION COMMITTEES

§1051. APPLICATION

This subchapter applies to the activities of political action committees organized in and outside this State that accept contributions, incur obligations or make expenditures for the election of state, county or municipal officers, or for the support or defeat of any campaign, as defined in this subchapter. [2007, c. 477, §1 (AMD) .]

§1052. DEFINITIONS

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [1985, c. 161, §6 (NEW) .]

1. Campaign. "Campaign" means any course of activities to influence the nomination or election of a candidate or to initiate or influence any of the following ballot measures:

A. A people's veto referendum under the Constitution of Maine, Article IV, Part Third, Section 17; [2011, c. 389, §26 (AMD) .]

B. A direct initiative of legislation under the Constitution of Maine, Article IV, Part Third, Section 18; [2011, c. 389, §26 (AMD) .]

C. An amendment to the Constitution of Maine under Article X, Section 4; [1985, c. 161, §6 (NEW) .]

D. A referendum vote on a measure enacted by the Legislature and expressly conditioned upon ratification by a referendum vote under the Constitution of Maine, Article IV, Part Third, Section 19; [2011, c. 389, §26 (AMD) .]

E. The ratification of the issue of bonds by the State or any agency thereof; and [1989, c. 504, §§21, 31 (AMD) .]

F. Any county or municipal referendum. [1995, c. 483, §17 (AMD) .]

[2011, c. 389, §26 (AMD) .]

2. Committee. "Committee" means any political action committee, as defined in this subchapter, and includes any agent of a political action committee.

[2007, c. 443, Pt. A, §27 (AMD) .]

3. Contribution. "Contribution" includes:

A. A gift, subscription, loan, advance or deposit of money or anything of value made to a political action committee, except that a loan of money by a financial institution made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included; [1985, c. 161, §6 (NEW) .]

B. A contract, promise or agreement, expressed or implied whether or not legally enforceable, to make a contribution to a political action committee; [1985, c. 161, §6 (NEW) .]

C. Any funds received by a political action committee that are to be transferred to any candidate, committee, campaign or organization for the purpose of initiating or influencing a campaign; or [2011, c. 389, §27 (AMD) .]

D. The payment, by any person or organization, of compensation for the personal services of other persons provided to a political action committee that is used by the political action committee to initiate or influence a campaign. [2011, c. 389, §28 (AMD) .]

[2011, c. 389, §§27, 28 (AMD) .]

4. Expenditure. The term "expenditure:"

A. Includes:

- (1) A purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value, made for the purpose of initiating or influencing a campaign;
- (2) A contract, promise or agreement, expressed or implied, whether or not legally enforceable, to make any expenditure for the purposes set forth in this paragraph; and
- (3) The transfer of funds by a political action committee to another candidate or political committee; and [2011, c. 389, §29 (AMD) .]

B. Does not include:

- (1) Any news story, commentary or editorial distributed through the facilities of any broadcasting station, cable television system, newspaper, magazine or other periodical publication, unless these facilities are owned or controlled by any political party, political committee, candidate or the spouse or domestic partner of a candidate;
- (2) Activity designed to encourage individuals to register to vote or to vote, if that activity or communication does not mention a clearly identified candidate;
- (3) Any communication by any membership organization or corporation to its members or stockholders, if that membership organization or corporation is not organized primarily for the purpose of influencing the nomination or election of any person to state or county office;
- (4) The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by a political action committee in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities by the political action committee on behalf of any candidate does not exceed \$250 with respect to any election;

(5) Any unreimbursed travel expenses incurred and paid for by a political action committee that volunteers personal services to a candidate, if the cumulative amount of these expenses does not exceed \$100 with respect to any election; and

(6) Any communication by any political action committee member that is not made for the purpose of influencing the nomination or election of any person to state or county office. [2013, c. 334, §18 (AMD) .]

[2013, c. 334, §18 (AMD) .]

4-A. Influence. "Influence" means to promote, support, oppose or defeat.

[2011, c. 389, §30 (NEW) .]

4-B. Initiate. "Initiate" includes the collection of signatures and related activities to qualify a state or local initiative or referendum for the ballot.

[2011, c. 389, §31 (NEW) .]

5. Political action committee. The term "political action committee:"

A. Includes:

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

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

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

The staff proposes using the term "person," which is defined in the Election Law to mean an individual, committee, firm, partnership, corporation, association or organization.

B. Does not include:

(1) A candidate or a candidate's treasurer under section 1013-A, subsection 1;

(2) A candidate's authorized political committee under section 1013-A, subsection 1, paragraph B;

(3) A party committee under section 1013-A, subsection 3;

~~(4) An organization whose only payments of money in the prior 2 years for the purpose of influencing a campaign in this State are contributions to candidates, party committees, political action committees or ballot question committees registered with the commission or a municipality and that has not raised and accepted any contributions during the calendar year for the purpose of influencing a campaign in this State. [to be replaced with the following]~~

(4) A person who, within a calendar year,

- (a) has not made payments of money for the purpose of initiating or influencing a campaign in this State other than contributions to candidates, party committees, political action committees or ballot question committees that do not exceed \$25,000; and
- (b) has not received contributions that aggregate more than \$5,000 for the purpose of influencing a campaign in this State.

The Commission staff proposes to modify the current exception in the PAC definition for donors. Donors (particularly small ones) should not necessarily qualify as PACs, because donors are disclosed to the public in campaign finance reports filed by the recipient organizations. Qualifying as a PAC involves administrative burdens such as appointing a treasurer, keeping required records for three years, registering and filing financial reports. Under our proposal, as long as an organization's donations to influence Maine elections are below \$25,000 and the organization has received no more than \$5,000 to influence a Maine election, we propose that the organization should not qualify as a PAC.

Under our proposal, organizations that contribute more than \$25,000 in a calendar year to influence Maine elections would qualify as a PAC. Accordingly, certain labor and trade organizations that have regularly made donations to Maine political parties and PACS totaling more than \$25,000 in an election year would need to register as PACs under our proposal. This would involve providing basic information about the organization in the registration form and filing at least one campaign finance report. In the report, the organization would need to report all payments (including contributions) that the organization has made to influence Maine elections. On the receipt side, the PACs would report contributions received for the purpose of influencing a Maine election and other donations over \$1,000 received that accounted for the spending to influence a Maine election. See proposed new § 1060-A, below.

§1052-A. REGISTRATION

A political action committee shall register with the commission and amend its registration as required by this section. A registration is not timely filed unless it contains all the information required in this section. [2013, c. 334, §19 (NEW) .]

1. Deadlines to file and amend registrations. A political action committee shall register and file amendments with the commission according to the following schedule.

A. A political action committee as defined under section 1052, subsection 5, paragraph A, subparagraph (1) or (4) that makes expenditures in the aggregate in excess of \$1,500 and a political action committee as defined under section 1052, subsection 5, paragraph A, subparagraph (5) that makes expenditures in the aggregate in excess of \$5,000 shall register with the commission within 7 days of exceeding the applicable amount. [2013, c. 588, Pt. A, §23 (AMD) .]

B. A committee shall amend the registration within 10 days of a change in the information that committees are required to disclose under this section. [2013, c. 334, §19 (NEW) .]

C. A committee shall file an updated registration form between January 1st and March 1st of each year in which a general election is held. The commission may waive the updated registration requirement for a newly registered political action committee or other registered political action committee if the commission determines that the requirement would cause an administrative burden disproportionate to the public benefit of the updated information. [2013, c. 334, §19 (NEW) .]

[2013, c. 588, Pt. A, §23 (AMD) .]

2. Disclosure of treasurer and officers. A committee must have a treasurer and a principal officer. The same individual may not serve in both positions. The committee's registration must contain the names and addresses of the following individuals:

A. The treasurer of the committee; [2013, c. 334, §19 (NEW) .]

B. A principal officer of the committee; [2013, c. 334, §19 (NEW) .]

C. Any other individuals who are primarily responsible for making decisions for the committee; [2013, c. 334, §19 (NEW) .]

D. The individuals who are primarily responsible for raising contributions for the committee; and [2013, c. 334, §19 (NEW) .]

E. The names of any other candidates or Legislators who have a significant role in fund-raising or decision-making for the committee. [2013, c. 334, §19 (NEW) .]

[2013, c. 334, §19 (NEW) .]

3. Other disclosure requirements. A committee's registration must also include the following information:

- A. A statement indicating the specific candidates, categories of candidates or campaigns that the committee expects to support or oppose; [2013, c. 334, §19 (NEW) .]
- B. If the committee is formed to influence the election of a single candidate, the name of that candidate; [2013, c. 334, §19 (NEW) .]
- C. The form or structure of the organization, such as a voluntary association, membership organization, corporation or any other structure by which the committee functions, and the date of origin or incorporation of the organization; [2013, c. 334, §19 (NEW) .]
- D. If the committee has been formed by one or more for-profit or nonprofit corporations or other organizations for the purpose of initiating or influencing a campaign, the names and addresses of the corporations or organizations; [2013, c. 334, §19 (NEW) .]
- E. The name of the account that the committee will use to deposit contributions and make expenditures pursuant to section 1054, and the name and address of the financial institution at which the account is established; and [2013, c. 334, §19 (NEW) .]
- F. Any additional information reasonably required by the commission to monitor the activities of political action committees in this State under this subchapter. [2013, c. 334, §19 (NEW) .]

[2013, c. 334, §19 (NEW) .]

4. Acknowledgment of responsibilities. The treasurer, principal officer and any other individuals who are primarily responsible for making decisions for the committee shall submit a signed statement acknowledging their responsibilities on a form prescribed by the commission within 10 days of registering the committee. The signed acknowledgment statement serves as notification of the responsibilities of the committee to comply with the financial reporting, record-keeping and other requirements of this chapter and the potential personal liability of the treasurer and principal officer for civil penalties assessed against the committee. The commission shall notify the committee of any individual who has failed to submit the acknowledgment statement. Failure to return the acknowledgment statement is a violation of this subchapter for which a fine of \$100 may be assessed against the committee. This section also applies to individuals named in an updated or amended registration required by this subsection who have not previously submitted an acknowledgment statement for the committee with the commission.

[2013, c. 334, §19 (NEW) .]

5. Resignation and removal. An individual who resigns as the treasurer, principal officer or primary decision-maker of a committee shall submit a written resignation statement to the commission. An individual's resignation is not effective until the commission receives the written resignation statement from the individual. If an individual is involuntarily removed from the position of treasurer, principal officer or primary decision-maker by the committee, the committee shall notify the commission in writing that the individual has been removed from the position. The commission may prescribe forms for these purposes.

[2013, c. 334, §19 (NEW) .]

§1053-A. MUNICIPAL ELECTIONS

Organizations that qualify as political action committees under section 1052, subsection 5 and that receive contributions or make expenditures to influence a municipal campaign in towns or cities with a population of 15,000 or more shall register and file reports with the municipal clerk as required by Title 30-A, section 2502. The reports must be filed in accordance with the reporting schedule in section 1059 and must contain the information listed in section 1060. A political action committee registered with the commission and that receives contributions or makes expenditures relating to a municipal election shall file a copy of the report containing such contributions or expenditures with the clerk in the subject municipality. The commission retains the sole authority to prescribe the content of all reporting forms. The commission does not have responsibility to oversee the filing of registrations or campaign finance reports relating to municipal campaigns, except that the commission shall enforce late-filing penalties under section 1020-A, subsection 3 upon the request of a municipal clerk. [2011, c. 389, §35 (AMD) .]

§1053-B. OUT-OF-STATE POLITICAL ACTION COMMITTEES

An organization that is registered as a political action committee or political committee with the Federal Election Commission or a jurisdiction outside of this State shall register and file reports with the commission in accordance with this subchapter upon receiving contributions or making expenditures to initiate or influence a campaign in the State in excess of the amounts that would require registration under section 1052-A. ~~The committee is not required to register and file reports if the committee's only financial activity within the State is to make contributions to candidates, party committees, political action committees or ballot question committees registered with the commission or a municipality and the committee has not raised and accepted any contributions during the calendar year to influence a campaign in this State.~~ [2013, c. 334, §21 (AMD) .]

We propose deleting this sentence in order be consistent with the exception for donors in § 1052(5)(b)(4).

[§ 1054 omitted]

§1054-A. DUTIES AND LIABILITIES OF THE TREASURER, PRINCIPAL OFFICER AND PRIMARY DECISION MAKER

1. Duties of the treasurer. The treasurer of the committee shall ensure that the committee files and amends the committee's registration, files complete and accurate financial reports with the commission and maintains the committee's records as required by this chapter and the commission's rules. The treasurer is responsible for the committee's performance of these duties regardless of whether the treasurer has delegated administrative tasks related to these duties to another individual.

[2013, c. 334, §23 (NEW) .]

2. Joint responsibilities of the treasurer and principal officer. The treasurer and the principal officer are jointly responsible for the committee's compliance with the requirements of this chapter and the commission's rules. The treasurer and principal officer are responsible for accepting and responding to notices and correspondence from the commission on behalf of the committee.

[2013, c. 334, §23 (NEW) .]

3. Participation in spending decisions. An individual who is the treasurer, principal officer or primary decision maker of the committee and who has signed the acknowledgment statement required by section 1052-A, subsection 4 is deemed to have participated in the spending decisions of the committee until the commission receives the individual's resignation statement or a notice of the individual's involuntary removal from the committee.

[2013, c. 334, §23 (NEW) .]

4. Financial liability. The commission may hold the treasurer and principal officer jointly and severally liable with the committee for any fines assessed against the committee for violations of this chapter and chapter 14. In addition, the commission may assess all or part of a fine against any other agent of the committee who is directly responsible for a violation, including individuals who have resigned or have been removed involuntarily from the committee. In deciding whether to assess a penalty against a treasurer, principal officer or any other individual, the commission may consider, among other things, whether the individual had actual knowledge of the action that constituted the violation or had authorized that action and whether the violation was intentional or caused by an error by a vendor or someone outside the control of the committee.

[2013, c. 334, §23 (NEW) .]

[§1055-56-A omitted]

§1056-B. BALLOT QUESTION COMMITTEES

A person not defined as a political action committee who receives contributions or makes expenditures, other than by contributions totaling \$25,000 or less to a political action committee or a ballot question committee, aggregating in excess of \$5,000 for the purpose of initiating or influencing a campaign as defined by section 1052, subsection 1, shall register and file reports with the commission in accordance with this section. An individual is not subject to this section if the individual's only expenditures are contributions, regardless of amount, to a political action committee or ballot question committee and the individual has not accepted contributions that aggregate more than \$5,000 for the purpose of initiating or influencing a campaign. For the purposes of this section, "campaign" does not include activities to influence the nomination or election of a candidate. Within 7 days of receiving contributions or making expenditures that exceed \$5,000, the person shall register with the commission as a ballot question committee. For the purposes of this section, expenditures include paid staff time spent for the purpose of initiating or influencing a campaign. The commission must prescribe forms for the registration, and the forms must include specification of a treasurer for the committee, any other principal officers and all individuals who are the primary fund raisers and decision makers for the committee.

[2011, c. 389, §38 (AMD); 2011, c. 389, §62 (AFF) .]

Under the first sentence of this section (in current law), if an organization is spending money to influence a ballot question in cooperation with a PAC, and the PAC reports the organization's expenditures as in-kind contributions, the organization is not required to register and file reports as a ballot question committee.

The Commission staff proposes a \$25,000 maximum for this exception. Under our proposal, if an organization spent more than \$25,000 to influence a ballot question, it would qualify as a BQC with registration and reporting requirements – even if the organization's expenditures were reported by a PAC as in-kind contributions. Also, the Commission proposes moving the registration requirement to a separate subsection 1-A below.

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

[2009, c. 190, Pt. A, §20 (AMD) .]

1-A. Ballot question committee registration. Within 7 days of receiving contributions or making expenditures that exceed \$5,000, the person shall register with the commission as a ballot question committee. A ballot question committee must have a treasurer and a principal officer. The same individual may not serve in both positions unless the person establishing the

ballot question committee is an individual. The ballot question committee must identify all other individuals who are the primary decision makers and fundraisers, the person establishing the ballot question committee and the campaign the ballot question committee intends to initiate or influence. The ballot question committee shall amend the registration within 10 days of a change in the information required in this subsection. The commission must prescribe forms for the registration which must include the information required by this subsection and any additional information reasonably required for the commission to monitor the activities of the ballot question committee.

This proposed subsection would improve the registration requirements for ballot question committees. The committee would be required to identify both a treasurer and a principal officer who would be a separate individual (similar to PACs), unless the ballot question committee consisted of a single individual. Similar to PACs, the ballot question committee would be required to amend a registration within 10 days of a change in the information on file.

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

[2011, c. 389, §39 (AMD) .]

The Commission staff proposes a new subsection below (§ 1060-A) that would set out which contributions BQCs must report. Also, the Commission staff proposes that BQCs disclose all expenditures made to influence a campaign – even if less than \$100 – similar to PACs.

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

A. Funds that the contributor specified were given in connection with a campaign; [2009, c. 524, §10 (AMD) .]

B. Funds provided in response to a solicitation that would lead the contributor to believe that the funds would be used specifically for the purpose of initiating or influencing a campaign; [2011, c. 389, §40 (AMD) .]

~~C. Funds that can reasonably be determined to have been provided by the contributor for the purpose of initiating or influencing a campaign when viewed in the context of the contribution and the recipient's activities regarding a campaign; and [2011, c. 389, §41 (AMD) .]~~

~~D. Funds or transfers from the general treasury of an organization filing a ballot question report. [2007, c. 477, §4 (NEW) .]~~

[2011, c. 389, §§40, 41 (AMD) .]

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

[1999, c. 729, §8 (NEW) .]

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

A. The filer shall keep a detailed account of all contributions made to the filer for the purpose of initiating or influencing a campaign and all expenditures made for those purposes. [2011, c. 389, §42 (AMD) .]

B. The filer shall retain a vendor invoice or receipt stating the particular goods or services purchased for every expenditure in excess of ~~\$50~~ **\$100**. [2007, c. 477, §4 (NEW) .]

[2011, c. 389, §42 (AMD) .]

5. Liability for penalties. ~~The commission may hold the treasurer, principal officer and any for-profit, nonprofit or other person that established the committee jointly and severally liable with the ballot question committee for any fines assessed against the ballot question committee for violations of this chapter.~~

The Commission staff proposes holding the key individuals in positions of authority within a ballot question committee to be jointly liable for penalties assessed against the BQC. Also, the organization that formed the BQC would be jointly liable. This is consistent with § 1054-A, which holds a PAC treasurer and principal officer jointly liable with the PAC for penalties. This was adopted by the Legislature in 2013, at the request of the Commission.

§1057. RECORDS

Any political action committee that is required to register under section 1052-A or 1053-B shall keep records as provided in this section for 4 years following the election to which the records pertain. [2013, c. 334, §25 (AMD) .]

1. Details of records. The treasurer of a political action committee shall record a detailed account of:

A. All expenditures made to or in behalf of to promote, support, oppose or defeat a candidate, campaign or committee; [1985, c. 161, §6 (NEW).]

B. The identity ~~and address~~ of each candidate, campaign or committee; [1985, c. 161, §6 (NEW).]

C. The office sought by a candidate and the district he seeks to represent, for candidates which a political action committee has made an expenditure to or in behalf of; and [1985, c. 161, §6 (NEW).]

D. The date of each expenditure. [1985, c. 161, §6 (NEW).]

[2013, c. 334, §25 (AMD) .]

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

[2013, c. 334, §25 (AMD) .]

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

[2013, c. 334, §25 (AMD) .]

Below, in § 1060(6), the Commission staff proposes a single threshold (\$100) for PACs and ballot question committees to itemize their contributions in campaign finance reports. Currently the threshold is \$50 for PACs. Accordingly, in this subsection, we propose the same change in the record-keeping requirements for PACs.

4. Account statements. The treasurer of a political action committee shall keep account statements relating to the deposit of funds of the committee required by section 1054.

[2013, c. 334, §25 (NEW) .]

§1058. REPORTS; QUALIFICATIONS FOR FILING

A political action committee that is required to register under section 1052-A or 1053-B shall file reports with the commission on forms prescribed by the commission according to the schedule in section 1059. [2013, c. 334, §26 (AMD).]

§1059. REPORT; FILING REQUIREMENTS

Committees required to register under section 1052-A, 1053-B or 1056-B shall file an initial campaign finance report at the time of registration and thereafter shall file reports in compliance with this section. All reports must be filed by 11:59 p.m. on the day of the filing deadline, except that reports submitted to a municipal clerk must be filed by the close of business on the day of the filing deadline. [2013, c. 334, §27 (AMD) .]

1. Contents; quarterly reports and election year reports.

[2007, c. 443, Pt. A, §35 (RP) .]

2. Reporting schedule. Committees shall file reports according to the following schedule.

A. All committees shall file quarterly reports:

- (1) On January 15th, and the report must be complete as of December 31st;
- (2) On April 10th, and the report must be complete as of March 31st;
- (3) On July 15th, and the report must be complete as of June 30th; and
- (4) On October 5th, and the report must be complete as of September 30th. [2011, c. 691, Pt. A, §19 (RPR) .]

B. General and primary election reports must be filed:

- (1) On the 11th day before the date on which the election is held and must be complete as of the 14th day before that date; and
- (2) On the 42nd day after the date on which the election is held and must be complete as of the 35th day after that date. [2007, c. 443, Pt. A, §35 (AMD) .]

C. Preelection and post-election reports for special elections or ballot measure campaigns must be filed:

- (1) On the 11th day before the date on which the election is held and must be complete as of the 14th day before that date; and
- (2) On the 42nd day after the date on which the election is held and must be complete as of the 35th day after that date. [2011, c. 389, §45 (AMD) .]

D. A committee that files an election report under paragraph B or C is not required to file a quarterly report when the deadline for that quarterly report falls within 10 days of the filing deadline established in paragraph B or C. [1991, c. 839, §29 (RPR) .]

E. A committee shall report any single contribution of \$5,000 or more received or single expenditure of \$1,000 or more made after the 14th day before the election and more than 24 hours before 5:00 p.m. on the day of the election within 24 hours of that contribution or expenditure. The treasurer is not required to include in this report expenditures for overhead expenses or compensation paid to an employee or other member of the campaign staff who has received payments at regular intervals that have been disclosed in previously filed campaign finance reports. As used in this paragraph, "overhead expenses" includes, but is

not limited to, rent, utility payments, taxes, insurance premiums or similar administrative expenses. [2013, c. 334, §28 (AMD) .]

[2013, c. 334, §28 (AMD) .]

3. Report of expenditures made after the 11th day and more than 48 hours before any election.

[1989, c. 504, §§28, 31 (RP) .]

4. Special election reports.

[1989, c. 504, §§28, 31 (RP) .]

5. Electronic filing. Committees shall file each report required by this section through an electronic filing system developed by the commission. The commission may make an exception to this electronic filing requirement if a committee submits a written request that states that the committee lacks access to the technology or the technological ability to file reports electronically. The request for an exception must be submitted within 30 days of the registration of the committee. The commission shall grant all reasonable requests for exceptions.

[2007, c. 443, Pt. A, §35 (AMD) .]

§1060. CONTENT OF REPORTS

The reports must contain the following information and any additional information required by the commission to monitor the activities of political action committees: [1985, c. 161, §6 (NEW) .]

1. Identification of candidates. The names of and offices sought by all candidates whom the committee supports, intends to support or seeks to defeat;

[2007, c. 443, Pt. A, §36 (AMD) .]

2. Identification of committees; parties. The names of all political committees or party committees supported in any way by the committee;

[2007, c. 443, Pt. A, §36 (AMD) .]

3. Identification of referendum or initiated petition. The referenda or initiated petitions that the committee supports or opposes;

[2007, c. 443, Pt. A, §36 (AMD) .]

4. Itemized expenditures. An itemization of each expenditure made to initiate or influence any campaign, including the date, payee and purpose of the expenditure; the name of each candidate, campaign, political committee, political action committee or party committee supported or opposed; and each referendum or initiated petition supported or opposed by the

expenditure. If expenditures were made to a person described in section 1012, subsection 3, paragraph A, subparagraph (4), the report must contain the name of the person; the amount spent by that person on behalf of the candidate, campaign, political committee, political action committee, party committee, referendum or initiated petition, including, but not limited to, expenditures made during the signature gathering phase; the reason for the expenditure; and the date of the expenditure. The commission may specify the categories of expenditures that are to be reported to enable the commission to closely monitor the activities of political action committees;

[2011, c. 389, §46 (AMD) .]

5. Aggregate expenditures. An aggregation of expenditures and cumulative aggregation of expenditures to a candidate, campaign, political committee, political action committee, party committee, referendum or initiated petition;

[2007, c. 443, Pt. A, §36 (AMD) .]

6. Identification of contributions. Names, occupations, places of business and mailing addresses of contributors who have given more than ~~\$50~~ **\$100** to the political action committee in the reporting period and the amount and date of each contribution, except that an organization qualifying as a political action committee under section 1052, subsection 5, paragraph A, subparagraph (5) is required to report **only those contributions made to the organization for the purpose of influencing a ballot question or the nomination or election of a candidate to political office and all transfers to or funds used to support the political action committee from the general treasury of the organization; and in accordance with section 1060-A .**

[2011, c. 389, §47 (AMD) .]

The Commission staff proposes a new section below (§ 1060-A) that would set out which contributions must be reported by organizations that are formed for a purpose other than influencing a Maine election and that spend more than \$5,000 to influence a candidate election (a PAC) or a ballot question (a BQC).

We also propose a single threshold (\$100) for PACs to itemize their contributions that would be consistent with ballot question committees.

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

[2011, c. 389, §48 (AMD) .]

This is a terminological change to rely on the term “campaign,” which is defined in § 1052(1).

§1060-A. REPORTING OF CONTRIBUTIONS BY MULTIPURPOSE ORGANIZATIONS

A person qualifying as a political action committee under section 1052, subsection 5, paragraph A, subparagraph (5) or a ballot question committee shall disclose total contributions received in an amount at least equal to the committee's expenditures made in the reporting period. The report must include the following contributions and any additional information required by the commission to monitor the activities of political action committees:

The Commission staff proposes a new subsection setting out contributions that must be reported by organizations whose major purpose is not influencing Maine elections but that

- spend more than \$5,000 to influence Maine candidate elections (PACs under §1052(5)(A)(5))*
- spend more than \$5,000 to influence ballot question elections (BQCs under §1056-B)*

Under our proposal, the Election Law would require the organization to include in each campaign finance report contributions (set out in subsections 1 and 2 below) that, in total, are equal to or greater than the amount of spending included in the report.

1. Contributions to initiate or influence a campaign. The committee shall disclose the date and amount of any single contribution of more than \$100 received that satisfy any of the following criteria, and the name, occupation, place of business and mailing address of the contributor:

- A. Contributions solicited by the committee, in whole or in part, for the purpose of initiating or influencing a campaign;
- B. Funds that the contributor specified were given in connection with a campaign;
- C. Funds provided in response to a solicitation that would lead the contributor to believe that all or a portion of the funds would be used for the purpose of initiating or influencing a campaign; and
- D. Funds that can reasonably be determined to have been provided by the contributor, in whole or in part, for the purpose of initiating or influencing a campaign when viewed in the context of the contribution and the recipient's activities regarding a campaign.

Under subsection 1, the organization would need to report all contributions received to initiate or influence a campaign in Maine, which are defined in paragraphs 1(A) to 1(D). These criteria for reportable contributions are mostly drawn from the current BQC statute (§ 1056-B), which was reviewed favorably for vagueness by the federal courts in the NOM litigation.

2. Other contributions. For the balance of its contributions, the committee shall further report the information required in subsection 1 for any single contributions of more than \$1,000 received by the committee based on a last-in, first-out accounting method.

A. For purposes of this section, “last-in, first-out accounting method” means an accounting method by which the committee’s expenditures are attributed to contributions received by the committee in reverse chronological order beginning with the most recent contributions.

B. The committee shall not be required to report contributions received prior to May 1, 2016.

C. The committee may exclude funds from a donor who designates the funds to be used for a specific activity or program other than initiating or influencing a campaign.

D. For the purposes of this subsection, committees are not required to report income earned from providing goods, services or facilities, investment income, proceeds from the sale of assets, or other receipts that are not donations.

E. If the contributions reported under subsection 1 and this subsection do not account for the full balance of the committee’s expenditures during a report period, the committee shall identify itself as the contributor of the remaining balance. The commission may require the committee to provide a general description of the sources of funds used for the expenditures.

If the contributions reported under subsection 1 do not account for spending by the PAC or BQC in the report period, the organization that formed the PAC or BQC would need to report contributions over \$1,000 on a last-in, first-out accounting method. In other words, the organization’s political expenditures in Maine would be attributed to contributions received by the organization in reverse chronological order. The organization could exclude funds that were received from a donor that designated the funds for a specific activity or program other than initiating or influencing a Maine election (for example, a specific social service program, lobbying, or an election in other jurisdiction).

One of the objectives of this section is to require organizations that spending more than \$5,000 on Maine electoral activity to disclose outside sources of funding for which the Maine spending is reasonably attributable. There may be circumstances, however, in which the contributions set out in subsections 1 and 2 are insufficient to account for the election spending in Maine. For example, the election-related expenditures in Maine could be derived from non-donor funds such as business income, donations under \$1,000, or donations received prior to May 1, 2016. In those circumstances, the organization would report itself as a contributor, and the Commission’s forms would call upon the organization to provide a general description of the sources of funds used for the expenditures.

[§ 1061-62 omitted]