

**MAINE CITIZEN'S GUIDE TO THE
REFERENDUM ELECTION**

Tuesday, November 5, 1996



**In Accordance with
the April 16, 1996
Proclamation of the Governor
and with the Acts and Resolutions Passed by
the 117th Legislature at the
Second Regular Session
and the Second Special Session**

**Bill Diamond
Secretary of State**

Appropriation 010-29A-3213-012

Question 3: Citizen Initiative

Do you want Maine to adopt new campaign finance laws and give public funding to candidates for state office who agree to spending limits?

STATE OF MAINE

"An Act to Reform Campaign Finance"

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

Sec. 1. 1 MRSA §1002, sub-§1, as amended by PL 1991, c. 880, §1, is repealed and the following enacted in its place:

1. Membership. The Commission on Governmental Ethics and Election Practices, established by Title 5, section 12004-G, subsection 33 and referred to in this chapter as the "commission," consists of 5 members appointed as follows.

A. By March 31, 1997, and as needed after that date, the Governor, the President of the Senate, the Senate Minority Leader, the Speaker of the House and the House Minority Leader shall jointly establish and publish a nomination period during which members of the public, groups and organizations may nominate qualified individuals to the Governor for appointment to the commission. The initial nomination period must close by May 1, 1997.

B. The Governor shall appoint the members of the commission, taking into consideration nominations made during the nomination period, subject to review by the joint standing committee of the Legislature having jurisdiction over legal affairs and confirmation by the Legislature. No more than 2 commission members may be enrolled in the same political party.

C. Two initial appointees are appointed for 1-year terms, two are appointed for 2-year terms and one is appointed for a 3-year term according to a random lot drawing under the supervision of the Secretary of State. Subsequent appointees are appointed to serve 4-year terms. A person may not serve more than 2 terms.

D. The commission members shall elect one member to serve as chair for at least a 2-year term.

E. A vacancy during an unexpired term must be filled as provided in this subsection for the unexpired portion of the term only.

Sec. 2. 1 MRSA §1002, sub-§4, as amended by PL 1983, c. 812, §1, is further amended to read:

4. Legislative per diem. The members of the commission shall be compensated are entitled to receive legislative per diem according to Title 5, chapter 379.

Sec. 3. 1 MRSA §1008, sub-§2, as amended by PL 1993, c. 691, §1, is further amended to read:

2. **Election practices.** To administer and investigate any violations of the requirements for campaign reports and campaign financing, including the provisions of the Maine Clean Election Act and the Maine Clean Election Fund, and to investigate and make findings of fact and opinion on the final determination of the results, within the limits of the Constitution of Maine and the Constitution of the United States, of any contested ~~count~~ county, state or federal election within this State;

Sec. 4. 1 MRSA §1008, sub-§3, as amended by PL 1993, c. 691, §2, is further amended to read:

3. **Ethics seminar.** To conduct, in conjunction with the Attorney General and the Chair of the Legislative Council or their designees, an ethics seminar for Legislators after the general election and before the convening of the Legislature, in every even-numbered year. The Attorney General shall provide each Legislator with a bound compilation of the laws of this State pertaining to legislative ethics and conduct; ~~and~~

Sec. 5. 1 MRSA §1008, sub-§4, as enacted by PL 1993, c. 691, §3, is amended to read:

4. **Lobbyist activities.** To administer the lobbyist disclosure laws, Title 3, chapter 15-~~i~~;

Sec. 6. 1 MRSA §1008, sub-§§5 and 6 are enacted to read:

5. **Maine Clean Election Act and Maine Clean Election Fund.** To administer and ensure the effective implementation of the Maine Clean Election Act and the Maine Clean Election Fund according to Title 21-A, chapter 14; and

6. **Enhanced monitoring; source of revenue.** To provide for enhanced monitoring and enforcement of election practices and to institute electronic submission of reports and computerized tracking of campaign, election and lobbying information under the commission's jurisdiction. Funds to support enhanced monitoring and computerized data collection must come from the commission's share of lobbyist registration fees, penalties and other revenues pursuant to Title 3, section 320 as well as other revenue sources.

Sec. 7. 3 MRSA §313, as repealed and replaced by PL 1993, c. 691, §10, is amended to read:

§313. **Registration of lobbyist and employers**

Every employer of a lobbyist and every lobbyist and lobbyist associate who lobbies on behalf of that employer shall register jointly at the office of the commission no later than 15 business days after commencement of lobbying and pay a registration fee determined by the commission. The fee must be at least ~~\$200~~ \$400 for the registration of each lobbyist and at least ~~\$100~~ \$200 for the registration of each lobbyist associate.

Sec. 8. 3 MRSA §320, first ¶, as repealed and replaced by PL 1993, c. 691, §23, is amended to read:

~~All fees~~ Fees collected pursuant to this chapter must go in equal portions to the General Fund and to the commission.

Sec. 9. 5 MRSA §12004-G, sub-§33, as enacted by PL 1987, c. 786, §5, is amended to read:

33.	Commission on	Expenses	1 MRSA
State Government	Governmental	Only	\$1002
	Ethics and	<u>Legislative</u>	
	Election Practices	<u>Per Diem</u>	

Sec. 10. 21-A MRSA §23, sub-§11, as enacted by PL 1985, c. 161, §6, is amended to read:

11. Campaign reports. The Commission on Governmental Ethics and Election Practices shall keep the campaign reports or report data in its office for ~~2 years or until the expiration of the term of office to which the candidate aspired or was elected, whichever is longer~~ at least 8 years.

Sec. 11. 21-A MRSA §1015, sub-§§1 and 2, as enacted by PL 1985, c. 161, §6, are amended to read:

1. Individuals. ~~No~~ An individual may not make contributions to a candidate in support of the candidacy of one person, aggregating more than \$1,000 in any election. Beginning January 1, 1999, an individual may not make contributions to a candidate in support of the candidacy of one person aggregating more than \$500 in any election for a gubernatorial candidate or more than \$250 in any election for any other candidate. This limitation does not apply to contributions in support of a candidate by that candidate or ~~his~~ that candidate's spouse.

2. Committees; corporations; associations. ~~No~~ A political committee, other committee, corporation or association may not make contributions to a candidate, in support of the candidacy of one person, aggregating more than \$5,000 in any election. Beginning January 1, 1999, a political committee, other committee, corporation or association may not make contributions to a candidate, in support of the candidacy of one person aggregating more than \$500 in any election for a gubernatorial candidate or more than \$250 in any election for any other candidate.

Sec. 12. 21-A MRSA §1017, sub-§3-B is enacted to read:

3-B. Accelerated reporting schedule. In addition to other reports required by law, any candidate for Governor, State Senate or State House of Representatives who is not certified as a Maine Clean Election Act candidate under chapter 14 and who receives, spends or obligates more than 1% in excess of the primary or general election distribution amounts for a Maine Clean Election Act candidate in the same race shall file by any means acceptable to the commission, within 48 hours of that event, a report with the commission detailing the candidate's total campaign contributions, obligations and expenditures to date. After this filing, the candidate shall comply with an expedited reporting schedule that the commission shall establish by rule. The commission shall provide forms to facilitate compliance with this subsection.

Sec. 13. 21-A MRSA §1018, sub-§2, as amended by PL 1995, c. 483, §11, is repealed.

Sec. 14. 21-A MRSA §1019, as amended by PL 1995, c. 483, §§12 and 13, is repealed and the following enacted in its place:

§1019. Reports of independent expenditures

For the purposes of this section, an independent expenditure is any contribution or expenditure by a person, party committee, political committee or political action committee aggregating in excess of \$50 in an election that expressly advocates the election

or defeat of a clearly identified candidate, other than by contribution to a candidate or a candidate's authorized political committee. Any person, party committee, political committee or political action committee that makes an independent expenditure must file a report with the commission. In the case of a municipal election, a copy of the same information must be filed with the clerk in that candidate's municipality.

1. Filing requirements. Reports required by this section must be filed with the commission according to a reporting schedule that the commission shall establish by rule that takes into consideration existing campaign finance reporting requirements and matching fund provisions under chapter 14.

2. Content. This report must contain an itemized account of each contribution or expenditure aggregating in excess of \$50 in any election, the date and purpose of each and the name of each payee or creditor. Total contributions or expenditures of less than \$500 in any election need not be itemized. The report must state whether the contribution or expenditure is in support of or in opposition to the candidate and must include, under penalty of perjury, as provided in Title 17-A, section 451, a statement under oath or affirmation whether the expenditure is made in cooperation, consultation or concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of a candidate. Any membership organization or corporation that makes a communication to its members or stockholders expressly advocating the election or defeat of a clearly identified candidate must report any expenditures aggregating in excess of \$50 for such a communication in any election, whether or not the communication is defined as an expenditure under section 1012, subsection 3, paragraph A.

3. Forms. Reports required by this section must be on forms prescribed and prepared by the commission. Persons filing these reports may use additional pages if necessary, but the pages must be the same size as the pages of the form.

Sec. 15. 21-A MRSA §1020-A, sub-§4, as enacted by PL 1995, c. 483, §15, is amended to read:

4. Basis for penalties. The penalty for late filing of a report required under this subchapter is a percentage of the total contributions or expenditures for the filing period, whichever is greater, multiplied by the number of calendar days late, as follows:

- A. For the first violation, 1%;
- B. For the 2nd violation, 3%; and
- C. For the 3rd and subsequent violations, 5%.

Any penalty of less than \$5 is waived.

Violations accumulate on reports with filing deadlines in a 2-year period that begins on January 1st of each even-numbered year. Waiver of a penalty does not nullify the finding of a violation.

A report required to be filed under this subchapter that is sent by certified or registered United States mail and postmarked at least 2 days before the deadline is not subject to penalty.

A registration or report may be provisionally filed by transmission of a facsimile copy of the duly executed report to the commission, as long as an original of the same report is received by the commission within 5 calendar days thereafter.

Notwithstanding any other provisions of this section, a candidate who fails to file an accelerated campaign finance report as required in section 1017, subsection 3-B must be assessed a penalty at least equivalent to but no more than 3 times the amount by which the contributions received or expenditures obligated or made by the candidate, whichever is greater, exceed the applicable Maine Clean Election Fund disbursement amount, per day of violation. A penalty for failure to file an accelerated campaign finance report must be made payable to the Maine Clean Election Fund.

Sec. 16. 21-A MRSA §1056, sub-§1, as enacted by PL 1985, c. 161, §6, is amended to read:

1. Aggregate expenditures. No A committee may not make expenditures in support of or opposition to the candidacy of one person or to a political committee in an aggregate amount greater than \$5,000 in any election. Beginning January 1, 1999, a committee may not make contributions in support of the candidacy of one person aggregating more than \$500 in any election for a gubernatorial candidate, or \$250 in any election for any other candidate.

Sec. 17. 21-A MRSA c. 14 is enacted to read:

CHAPTER 14

THE MAINE CLEAN ELECTION ACT

§1121. Short title

This chapter may be known and cited as the "Maine Clean Election Act."

§1122. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Certified candidate. "Certified candidate" means a candidate running for Governor, State Senator or State Representative who chooses to participate in the Maine Clean Election Act and who is certified as a Maine Clean Election Act candidate under section 1125, subsection 5.

2. Commission. "Commission" means the Commission on Governmental Ethics and Election Practices established by Title 5, section 12004-G, subsection 33.

3. Contribution. "Contribution" has the same meaning as in section 1012, subsection 2.

4. Fund. "Fund" means the Maine Clean Election Fund established in section 1124.

5. Nonparticipating candidate. "Nonparticipating candidate" means a candidate running for Governor, State Senator or State Representative who does not choose to participate in the Maine Clean Election Act and who is not seeking to be certified as a Maine Clean Election Act candidate under section 1125, subsection 5.

6. Participating candidate. "Participating candidate" means a candidate who is running for Governor, State Senator or State Representative who is seeking to be certified as a Maine Clean Election Act candidate under section 1125, subsection 5.

7. Qualifying contribution. "Qualifying contribution" means a donation:

A. Of \$5 in the form of a check or a money order payable to the fund in support of a candidate;

B. Made by a registered voter within the electoral division for the office a candidate is seeking;

C. Made during the designated qualifying period and obtained with the knowledge and approval of the candidate; and

D. That is acknowledged by a written receipt that identifies the name and address of the donor on forms provided by the commission.

8. Qualifying period. "Qualifying period" means the following:

A. For a gubernatorial participating candidate, the qualifying period begins November 1st immediately preceding the election year and ends at 5:00 p.m. on March 16th of the election year unless the candidate is unenrolled, in which case the period ends at 5:00 p.m. on June 2nd of the election year.

B. For State Senate or State House of Representatives participating candidates, the qualifying period begins January 1st of the election year and ends at 5:00 p.m. on March 16th of that election year unless the candidate is unenrolled, in which case the period ends at 5:00 p.m. on June 2nd of the election year.

9. Seed money contribution. "Seed money contribution" means a contribution of no more than \$100 per individual made to a candidate, including a contribution from the candidate or the candidate's family. To be eligible for certification, a candidate may collect and spend only seed money contributions subsequent to becoming a candidate as defined by section 1, subsection 5 and throughout the qualifying period. A candidate may not collect or spend seed money contributions after certification as a Maine Clean Election Act candidate. The primary purpose of a seed money contribution is to enable a participating candidate to collect qualifying contributions. A seed money contribution must be reported according to procedures developed by the commission.

§1123. Alternate campaign financing option

This chapter establishes an alternative campaign financing option available to candidates running for Governor, State Senator and State Representative. This alternative campaign financing option is available to candidates for elections to be held beginning in the year 2000. The commission shall administer this Act and the fund. Candidates participating in the Maine Clean Election Act must also comply with all other applicable election and campaign laws and regulations.

§1124. The Maine Clean Election Fund established; sources of funding

1. Established. The Maine Clean Election Fund is established to finance the election campaigns of certified Maine Clean Election Act candidates running for Governor, State Senator and State Representative and to pay administrative and enforcement costs of the commission related to this Act. The fund is a special, dedicated, nonlapsing fund and any interest generated by the fund is credited to the fund. The commission shall administer the fund.

2. Sources of funding. The following must be deposited in the fund:

A. The qualifying contributions required under section 1125 when those contributions are submitted to the commission;

B. Two million dollars of the revenues from the taxes imposed under Title 36, Parts 3 and 8 and credited to the General Fund, transferred to the fund by the Treasurer of State on or before January 1st of each year, beginning January 1, 1999. These revenues must be offset in an equitable manner by an equivalent reduction within the administrative divisions of the legislative branch and executive branch agencies. This section may not affect the funds distributed to the Local Government Fund under Title 30-A, section 5681;

C. Revenue from a tax checkoff program allowing a resident of the State who files a tax return with the State Tax Assessor to designate that \$3 be paid into the fund. If a husband and wife file a joint return, each spouse may designate that \$3 be paid. The amounts designated for the fund must be appropriated from the General Fund and credited to the fund;

D. Seed money contributions remaining unspent after a candidate has been certified as a Maine Clean Election Act candidate;

E. Fund revenues that were distributed to a Maine Clean Election Act candidate and that remain unspent after the candidate has lost a primary election or after all general elections;

F. Other unspent fund revenues distributed to any Maine Clean Election Act candidate who does not remain a candidate throughout a primary or general election cycle;

G. Voluntary donations made directly to the fund; and

H. Fines collected under section 1020-A, subsection 4 and section 1127.

3. Determination of fund amount. By September 1st preceding each election year, the commission shall publish an estimate of revenue in the fund available for distribution to certified candidates during the upcoming year's elections.

§1125. Terms of participation

1. Declaration of intent. A participating candidate must file a declaration of intent to seek certification as a Maine Clean Election Act candidate and to comply with the requirements of this chapter. The declaration of intent must be filed with the commission prior to or during the qualifying period, except as provided in subsection 11, according to forms and procedures developed by the commission. A participating candidate must submit a declaration of intent prior to collecting qualifying contributions under this chapter.

2. Restrictions on contributions for participating candidates. Subsequent to becoming a candidate as defined by section 1, subsection 5 and prior to certification, a participating candidate may not accept contributions, except for seed money contributions. A participating candidate must limit the candidate's seed money contributions to the following amounts:

A. Fifty thousand dollars for a gubernatorial candidate;

B. One thousand five hundred dollars for a candidate for the State Senate; or

C. Five hundred dollars for a candidate for the State House of Representatives.

The commission may, by rule, revise these amounts to ensure the effective implementation of this chapter.

3. Qualifying contributions. Participating candidates must obtain qualifying contributions during the qualifying period as follows:

A. For a gubernatorial candidate, at least 2,500 verified registered voters of this State must support the candidacy by providing a qualifying contribution to that candidate;

B. For a candidate for the State Senate, at least 150 verified registered voters from the candidate's electoral division must support the candidacy by providing a qualifying contribution to that candidate; or

C. For a candidate for the State House of Representatives, at least 50 verified registered voters from the candidate's electoral division must support the candidacy by providing a qualifying contribution to that candidate.

A payment, gift or anything of value may not be given in exchange for a qualifying contribution.

4. Filing with commission. A participating candidate must submit qualifying contributions to the commission during the qualifying period according to procedures developed by the commission, except as provided under subsection 11.

5. Certification of Maine Clean Election Act candidates. Upon receipt of a final submittal of qualifying contributions by a participating candidate, the commission shall determine whether or not the candidate has:

A. Signed and filed a declaration of intent to participate in this Act;

B. Submitted the appropriate number of valid qualifying contributions;

C. Qualified as a candidate by petition or other means;

D. Not accepted contributions, except for seed money contributions, and otherwise complied with seed money restrictions; and

E. Otherwise met the requirements for participation in this Act.

The commission shall certify a candidate complying with the requirements of this section as a Maine Clean Election Act candidate as soon as possible and no later than 3 days after final submittal of qualifying contributions.

Upon certification, a candidate must transfer to the fund any unspent seed money contributions. A certified candidate must comply with all requirements of this Act after certification and throughout the primary and general election periods. Failure to do so is a violation of this chapter.

6. Restrictions on contributions and expenditures for certified candidates. After certification, a candidate must limit the candidate's campaign expenditures and obligations, including outstanding obligations, to the revenues distributed to the candidate from the fund and may not accept any contributions unless specifically authorized by the commission. All revenues distributed to certified candidates from the fund must be used

for campaign-related purposes. The commission shall publish guidelines outlining permissible campaign-related expenditures.

7. Timing of fund distribution. The commission shall distribute to certified candidates revenues from the fund in amounts determined under subsection 8 in the following manner.

A. Within 3 days after certification, for candidates certified prior to March 16th of the election year, revenues from the fund must be distributed as if the candidates are in an uncontested primary election.

B. Within 3 days after March 16th of the election year, for primary election certified candidates, revenues from the fund must be distributed according to whether the candidate is in a contested or uncontested primary election, reduced by any amounts previously distributed under paragraph A.

C. Within 3 days after the primary election, for general election certified candidates, revenues from the fund must be distributed according to whether the candidate is in a contested general election. Funds may not be distributed for uncontested general elections.

Funds may be distributed to certified candidates under this section by any mechanism that is expeditious, ensures accountability and safeguards the integrity of the fund.

8. Amount of fund distribution. By July 1, 1999 of the effective date of this Act, and at least every 4 years after that date, the commission shall determine the amount of funds to be distributed to participating candidates based on the type of election and office as follows.

A. For contested primary elections, the amount of revenues to be distributed is the average amount of campaign expenditures made by each candidate during all contested primary election races for the immediately preceding 2 primary elections as reported in the initial filing period subsequent to the primary election for the respective offices of Governor, State Senate and State House of Representatives.

B. For uncontested primary elections, the amount of revenues distributed is the average amount of campaign expenditures made by each candidate during all uncontested primary election races, or for contested races if that amount is lower, for the immediately preceding 2 primary elections as reported in the initial filing period subsequent to the primary election for the respective offices of Governor, State Senate and State House of Representatives.

C. For contested general elections, the amount of revenues distributed is the average amount of campaign expenditures made by each candidate during all contested general election races for the immediately preceding 2 general elections as reported in the initial filing period subsequent to the general election for the respective offices of Governor, State Senate and State House of Representatives.

D. Revenues may not be distributed for uncontested general elections.

If the immediately preceding two election cycles do not contain sufficient electoral data, the commission shall use information from the most recent applicable elections. For only the initial computations under subsections A to C that are conducted by July 1, 1999, the commission shall reduce the amounts to be distributed by 25%.

9. Matching funds. When any campaign, finance or election report shows that the sum of a candidate's expenditures or obligations, or funds raised or borrowed, whichever is greater, alone or in conjunction with independent expenditures reported under section 1019, exceeds the distribution amount under subsection 8, the commission shall issue immediately to any opposing Maine Clean Election Act candidate an additional amount equivalent to the reported excess. Matching funds are limited to 2 times the amount originally distributed under subsection 8, paragraph A or C, whichever is applicable.

10. Candidate not enrolled in a party. An unenrolled candidate certified by March 16th preceding the primary election is eligible for revenues from the fund in the same amounts and at the same time as an uncontested primary election candidate and a general election candidate as specified in subsections 7 and 8. For an unenrolled candidate not certified by March 16th at 5:00 p.m. the deadline for filing qualifying contributions is 5:00 p.m. on June 2nd preceding the general election. An unenrolled candidate certified after March 16th at 5:00 p.m. is eligible for revenues from the fund in the same amounts as a general election candidate, as specified in subsections 7 and 8.

11. Other procedures. The commission shall establish by rule procedures for qualification, certification, disbursement of fund revenues and return of unspent fund revenues for races involving special elections, recounts, vacancies, withdrawals or replacement candidates.

12. Reporting; unspent revenue. Notwithstanding any other provision of law, participating and certified candidates shall report any money collected, all campaign expenditures, obligations and related activities to the commission according to procedures developed by the commission. Upon the filing of a final report for any primary election in which the candidate was defeated and for all general elections that candidate shall return all unspent fund revenues to the commission. In developing these procedures, the commission shall utilize existing campaign reporting procedures whenever practicable. The commission shall ensure timely public access to campaign finance data and may utilize electronic means of reporting and storing information.

13. Distributions not to exceed amount in fund. The commission may not distribute revenues to certified candidates in excess of the total amount of money deposited in the fund as set forth in section 1124. Notwithstanding any other provisions of this chapter, if the commission determines that the revenues in the fund are insufficient to meet distributions under subsections 8 or 9, the commission may permit certified candidates to accept and spend contributions, reduced by any seed money contributions, aggregating no more than \$500 per donor per election for gubernatorial candidates and \$250 per donor per election for State Senate and State House candidates, up to the applicable amounts set forth in subsections 8 and 9 according to rules adopted by the commission.

14. Appeals. A candidate who has been denied certification as a Maine Clean Election Act candidate or the opponent of a candidate who has been granted certification as a Maine Clean Election Act candidate may challenge a certification decision by the commission as follows.

A. A challenger may appeal to the full commission within 3 days of the certification decision. The appeal must be in writing and must set forth the reasons for the appeal.

B. Within 5 days after an appeal is properly made and after notice is given to the challenger and any opponent, the commission shall hold a hearing. The appellant has the burden of providing evidence to demonstrate that the commission decision

was improper. The commission must rule on the appeal within 3 days after the completion of the hearing.

C. A challenger may appeal the decision of the commission in paragraph B by commencing an action in Superior Court according to the procedure set forth in section 356, subsection 2, paragraphs D and E.

D. A candidate whose certification by the commission as a Maine Clean Election Act candidate is revoked on appeal must return to the commission any unspent revenues distributed from the fund. If the commission or court find that an appeal was made frivolously or to cause delay or hardship, the commission or court may require the moving party to pay costs of the commission, court and opposing parties, if any.

§1126. Commission to adopt rules

The commission shall adopt rules to ensure effective administration of this chapter. These rules must include but must not be limited to procedures for obtaining qualifying contributions, certification as a Maine Clean Election Act candidate, circumstances involving special elections, vacancies, recounts, withdrawals or replacements, collection of revenues for the fund, distribution of fund revenue to certified candidates, return of unspent fund disbursements and compliance with the Maine Clean Election Act.

§1127. Violations

1. Civil penalty. In addition to any other penalties that may be applicable, a person who violates any provision of this chapter is subject to a civil penalty not to exceed \$10,000 per violation payable to the fund. This penalty is recoverable in a civil action. In addition to any fine, for good cause shown, a candidate found in violation of this chapter may be required to return to the fund all amounts distributed to the candidate from the fund. If the commission makes a determination that a violation of this chapter has occurred, the commission shall assess a fine or transmit the finding to the Attorney General for prosecution. Fines paid under this section must be deposited in the fund. In determining whether or not a candidate is in violation of the expenditure limits of this chapter, the commission may consider as a mitigating factor any circumstances out of the candidate's control.

2. Class E crime. A person who willfully or knowingly violates this chapter or rules of the commission or who willfully or knowingly makes a false statement in any report required by this chapter commits a Class E crime and, if certified as a Maine Clean Election Act candidate, must return to the fund all amounts distributed to the candidate.

§1128. Study report

By January 30, 2002 and every four years after that date, the commission shall prepare for the joint standing committee of the Legislature having jurisdiction over legal affairs a report documenting, evaluating and making recommendations relating to the administration, implementation and enforcement of the Maine Clean Election Act and the Maine Clean Election Fund.

Sec. 18. 36 MRSA §5286 is enacted to read:

§5286. Contribution to the Maine Clean Election Fund; voluntary checkoff

1. Designation. Resident taxpayers may designate that \$3 of their taxes be deposited in the Maine Clean Election Fund in accordance with Title 21-A, section 1124.

2. Forms. The State Tax Assessor shall provide on the first page of the income tax form a space for the filing individual to indicate whether that filer wishes to pay \$3, or \$6 if filing a joint return, from the General Fund of the State to finance the Maine Clean Election Fund.

3. Transfer of Funds. The State Tax Assessor shall transfer funds from the General Fund in accordance with Title 21-A, section 1124.

Sec. 19. Transition clause. The revised Commission on Governmental Ethics and Election Practices is the successor in interest to the existing Commission on Governmental Ethics and Election Practices. The members of the existing commission shall serve until appointment and confirmation of members to the revised commission. Members of the revised commission must be appointed and confirmed by June 15, 1997.

STATEMENT OF FACT

This initiative amends existing campaign and election practices as follows.

1. The initiative establishes an alternative, publicly financed campaign financing option by passage of the Maine Clean Election Act. This option is available to candidates running for Governor, State Senator and State Representative. A candidate may voluntarily choose to participate in the Maine Clean Election Act and be certified as a Maine Clean Election Act candidate after a qualifying process. A participating candidate may not accept or spend private contributions during the primary or general elections and must abide by other campaign contribution and spending restrictions.

2. The Maine Clean Election Fund is established to finance election campaigns of Maine Clean Election Act candidates. Sources of revenue for the fund are qualifying contributions obtained by participating candidates, a reduction in legislative and executive agencies' administrative division budgets, a voluntary \$3 income tax checkoff, voluntary donations, unspent Maine Clean Election Act campaign funds and fines.

3. The laws regarding the Commission on Governmental Ethics and Election Practices are amended by changing the process by which commission members are selected. The commission administers the Maine Clean Election Act and the Maine Clean Election Fund and conducts rulemaking to effectively implement these programs. The commission is provided resources to better monitor campaign finance data by increasing lobbyist registration fees.

4. Election campaign spending is reduced by limiting the amount of money that political action committees, committees, corporations, associations and individuals may contribute to candidates not participating in the Maine Clean Election Act and by capping campaign expenditures of certified Maine Clean Election Act candidates.

Proclamation

WHEREAS, written petitions bearing the signatures of 59,563 electors of this State, which number is in excess of ten percent of the total vote cast in the last gubernatorial election preceding the filing of such petitions, as required by Article IV, Part Third, Section 18, of the Constitution of Maine, were addressed to the Legislature of the State of Maine and were filed in the office of the Secretary of State within twenty-five days after the convening of the One Hundred and Seventeenth Legislature in the Second Regular Session, requesting that the Legislature consider an act entitled "An Act to Reform Campaign Finance"; and

WHEREAS, on March 28, 1996, the Maine House of Representatives accepted the Majority Ought Not to Pass Report of the Joint Standing Committee on Legal and Veterans Affairs on the initiated act, known as Legislative Document 1823; and

WHEREAS, on March 29, 1996, the Maine Senate accepted the Minority Ought to Pass Report of the Joint Standing Committee on Legal and Veterans Affairs on the initiated act, known as Legislative Document 1823; and

WHEREAS, on April 1, 1996, the initiated act, known as Legislative Document 1823, died between the Houses for lack of concurrence; and

WHEREAS, Article IV, Part Third, Section 18, of the Maine Constitution provides that the Governor shall, by proclamation, order an initiated bill proposed to, but not enacted by, the Legislature without change to the people for referendum in November within 10 days following the recess of the Legislature to which the measure was proposed and, in the event that the Governor fails to order the bill to referendum, requires the Secretary of State to do so by proclamation; and

WHEREAS, Governor King is not physically present in the State of Maine to sign the proclamation on April 16, 1996, due to a death in his family, the Governor has requested the Secretary of State to undertake the necessary proclamation within the 10 day period contemplated by the Constitution on behalf of the Governor and in full compliance with the constitutional mandate;

NOW THEREFORE, I, **BILL DIAMOND**, Secretary of State of the State of Maine, at the request of the Governor and in pursuance of the provisions of Article IV, Part Third, Section 18, of the Constitution of Maine, do hereby proclaim that an election shall be called for Tuesday, November 5, 1996, so that "An Act to Reform Campaign Finance" may be submitted to the people of this State for a referendum vote.

IN TESTIMONY WHEREOF, I have caused the Great Seal of the State to be hereunto affixed. Given under my hand at Augusta this Sixteenth day of April in the year One Thousand Nine Hundred and Ninety-Six.



BILL DIAMOND
Secretary of State

Intent and Content

This initiated legislation would enact the Maine Clean Election Act, under which candidates running for the offices of Governor, State Senator and State Representative in the elections of the year 2000 and thereafter may choose to have their campaigns funded publicly by the Maine Clean Election Fund. In order to qualify for public funding, candidates for Governor would have to receive contributions between \$5 and \$100 up to a maximum of \$50,000 from at least 2,500 Maine voters at the beginning of an election year; candidates for State Senator would have to receive contributions between \$5 and \$100 up to a maximum of \$1,500 from at least 150 voters within the applicable Senate district; and candidates for State Representative would have to receive contributions between \$5 and \$100 up to a maximum of \$500 from at least 50 voters within the applicable House district. Once qualified, a candidate could not receive any further contributions, but must finance his or her campaign solely from distributions from the Fund. The amount of those distributions would be the average amount of campaign expenditures for the office in question for the preceding 2 contested primaries, uncontested primaries, or contested general elections, as applicable. The Fund would be funded by an annual transfer of \$2 million from state income and sales tax revenues (to be offset by reductions in administrative divisions in the legislative and executive branches) and a voluntary \$3 state income tax checkoff, as well as unspent past distributions, voluntary contributions and fines imposed for violations of the Act and the campaign reporting laws.

The Act and Fund would be administered by the Commission on Governmental Ethics and Elections Practices, which would become a 5 member body appointed by the Governor and confirmed by the Legislature. The Commission would receive increased funding for its administration and enforcement of the campaign and lobbyist reporting laws from an increase in the annual registration fee for lobbying from \$200 to \$400 for a principal lobbyist and \$100 to \$200 for a lobbyist associate.

The initiative would also reduce permitted campaign contributions (now \$1,000 for each individual and \$5,000 for each corporation or political action committee) to \$500 for any election for Governor and \$250 for any other state or county election.

A "YES" vote approves the initiative.

A "NO" vote disapproves the initiative.