



Ballot Question Committee Guidebook

Maine Ethics Commission

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Commission on Governmental Ethics and Election Practices

The Commission is pleased to publish this edition of the Guidebook for Ballot Question Committees. As always, the Commission staff is available to assist you with any questions regarding campaign finance laws and reporting requirements for candidates, political action committees and ballot question committees. The Commission may be reached by calling (207) 287-4179.

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The information in this Guide reflects the current Election Law pertaining to ballot question committees as of the Second Regular Session of the 130th Legislature. The Commission has taken care to make this Guide concise and accurate. However, the Guide is not a substitute for the applicable statutory provisions of the Election Law and Commission's rules. The statutes and rules are controlling in the event of any omission or misstatement in this publication.

Table of Contents

Chapter 1 – Introduction	1
What is a Ballot Question Committee?	1
Important Definitions	1
Chapter 2 – Registration	4
Initiation of a Campaign	4
Registering with the Ethics Commission	4
Responsibilities of PAC Officers	5
Campaign Bank Account	6
Penalties for Late Registration	6
Exceptions to Registration	6
Chapter 3 - Restrictions and Prohibitions	9
Chapter 4 – Campaign Finance Reports	11
Initial Finance Reports	11
Regular Finance Reports	11
24-Hour Reports	12
Amendments	13
Electronic Filing	13
Contents of Reports	13
Contributions	13
Expenditures	14
Loans	16
Debts	16
Record Retention	16
Terminating a BQC	17
Chapter 5 – Candidates, Major Contributor, & Disclaimers	19
Supporting Candidates	19
Major Contributor	19
Disclaimers on Political Communications	20
Chapter 7 – Enforcement Actions by the Commission	21
Reminders by the Commission	21
Commission’s Review of Reports	21
Penalties	21
Requesting a Penalty Waiver	22

Appealing a Penalty Determination.....	22
Investigations & Audits	23
Directory	24

Chapter 1 – Introduction

Organizations and groups that raise or spend money to influence a referenda campaign may be required to register as a ballot question committee (BQC) and file campaign finance reports with the Commission. For purposes of registering, the Commission has recognized two types of BQCs: traditional and individual. In addition to BQCs, groups may form political action committees (PACs) to influence candidate elections, and various state and municipal party committees are required to file reports with the Commission. (Please see the PAC and Local Party Committee Guidebooks for more information.)

What is a Ballot Question Committee?

Maine law defines a BQC as:

A person that receives contributions or makes expenditures aggregating in excess of \$5,000 for the purpose of initiating or influencing a campaign, other than a campaign for the nomination or election of a candidate.

The Commission recognizes two distinct types of BQCs: traditional and individual. Most BQCs will be considered traditional because they are founded by a business, organization, or voluntary association. An individual BQC is a single person who raises or spends over \$5,000 for the purpose of influencing a referenda campaign.

This guide will focus primarily on traditional BQCs but will note exceptions to the general requirements for individual BQCs.

Important Definitions

CAMPAIGN. “Campaign” means any course of activities to initiative or influence:

- A. A people’s veto referendum under the Constitution of Maine, Article IV, Part Third, Section 17;
- B. A direct initiative of legislation under the Constitution of Maine, Article IV, Part Third, Section 18;
- C. An amendment to the Constitution of Maine under Article X, Section 4;
- 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;

- E. The ratification of the issue of bonds by the State or any agency thereof; and
- F. Any county or municipal referendum.

CONTRIBUTION. “Contribution” includes:

- A. A gift, subscription, loan, advance or deposit of money or anything of value made to or received by a committee for the purpose of initiating or influencing a campaign, including but not limited to:
 - 1. Funds that the contributor specified were given, in whole or in part, in connection with a campaign;
 - 2. Funds provided in response to a solicitation that would lead the contributor to believe that the funds would be used specifically, in whole or in part, for the purpose of initiating or influencing a campaign; and
 - 3. 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 committee’s activities regarding a campaign;
- B. Any funds deposited or transferred into the campaign account described in section 1054;
- C. A contract, promise or agreement, expressed or implied, whether or not legally enforceable, to make a contribution to a committee;
- D. Any funds received by a committee that are to be transferred to any candidate, committee, campaign or organization for the purpose of initiating or influencing a campaign; or
- E. The payment, by any person or organization, of compensation for the personal services of other persons provided to a committee that is used by the committee to initiate or influence a campaign.

“Contribution” does not include a loan of money by a financial institution made in accordance with applicable banking laws and regulations and in the ordinary course of business.

EXPENDITURE. The term “expenditure” includes:

- A. 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;
- B. Any purchase, payment, distribution, loan, advance, deposit or gift of money made from the campaign account described in section 1054;

- C. 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
- D. The transfer of funds by a political action committee to another candidate or committee.

INFLUENCE. “Influence” means to promote, support, oppose or defeat.

INITIATE. “Initiate” includes the collection of signatures and related activities to qualify a state or local initiative or referendum for the ballot.

Legal References

What is a ballot question committee?	21-A M.R.S. § 1052(2-A)
Important Definitions	21-A M.R.S. § 1052

Chapter 2 – Registration

Initiation of a Campaign

A citizen initiative or people's veto referendum campaign begins when the initial application is submitted to the Maine Secretary of State. Money that is spent prior to the submission of the application does not count toward the \$5,000 registration threshold. Activities after submission, including the collection of signatures to qualify for the ballot, count towards the campaign.

Registering with the Ethics Commission

Any organization that meets the criteria for being a BQC must register with the Commission no later than seven (7) calendar days after it meets the requirements (e.g. after raising or spending \$5,000). It is important for an organization to keep track of its contributions and expenditures from the beginning of its campaign-related activities in order to know if and when it has to register. An organization does not have to wait until it reaches the monetary threshold to register. Many organizations register before they raise or spend any money because they know they will be politically active and will eventually qualify as a BQC. The organization must also file an initial campaign finance report within seven (7) days after registering as a BQC, or within 14 days of being required to register as a PAC, whichever comes first. There is no fee to register a BQC.

REGISTRATION REQUIREMENTS.

- A. Select a treasurer and principal officer, who cannot be the same person.
- B. Identify all individuals who are primarily responsible for making decisions or raising funds for the committee.

Note - A PAC is not required to have officers beyond the treasurer and principal officer but if it does, they must be disclosed.

- C. Identify the particular campaign or issue(s) that the committee expects to support or oppose.

Note - If the purpose of the BQC is more general, the statement should be as descriptive as possible, e.g., opposes proposals that would raise taxes.

- D. Indicate whether an officer, decision-maker or fundraiser of the BQC is a legislator or a candidate for elected office.
- E. If formed by one or more for-profit or non-profit corporations or other organizations, state the names and addresses of those corporations and organizations.

- F. The name of the account that the committee will use to deposit contributions and make expenditures - frequently referred to the campaign account, and the name and address of the financial institution where it is established.

If an individual has formed and operates a BQC by themselves, the individual may serve as the BQC's principal officer and treasurer. The Commission may adopt other simplified registration procedures for individual BQCs.

AMENDMENTS. If at any time the information provided on the registration form changes, including contact information, treasurer information, statements of support and opposition, or principal officers, the committee must file an amended registration within 10 calendar days of the change.

BIENNIAL RE-REGISTRATION FOR BQCs. All BQCs registered with the Commission must file an updated registration every election (even-numbered) year, between January 1 and March 1. This biennial registration requirement applies even if there has been no change to the information provided on the previous registration. Unless the BQC's officers, decision-makers, and fundraisers have changed, new Acknowledgment of Responsibilities forms do not have to be filed.

Responsibilities of PAC Officers

TREASURER

- Responsible for filing complete and accurate reports and amendments as necessary with the Commission.
- Responsible for maintaining the BQC's records for four years following the election to which they pertain.
- Responsible for the BQC's performance of the above, regardless of whether the duty was delegated to another.

TREASURER & PRINCIPAL OFFICER

- Jointly responsible for the BQC's compliance with election laws and rules.
- Jointly responsible for responding to notices and correspondences from the Commission on behalf of the BQC.
- Jointly responsible for ensuring all required records are kept.
- Jointly and severally liable, along with the BQC, for all penalties assessed for violations

of reporting or record-keeping requirements.

TREASURER, PRINCIPAL OFFICER & DECISION-MAKER(S). Deemed to have participated in all spending decisions.

AGENTS AND FORMER OFFICERS. Liable for all or part of a fine if the agent or former officer is directly responsible for the violation.

Campaign Bank Account

A BQC must establish a separate account in a bank or other financial institution and must deposit and spend all money received and spent for the purpose of influencing an election from that account. Any other money deposited or spent from that account must also be reported, regardless of its purpose. The funds in that account may not be commingled with the personal funds of individuals or the general treasury of a business or non-profit.

An individual BQC may not commingle funds with their personal funds. The individual BQC may request an exemption to this requirement for being administratively burdensome; however, the Commission staff recommends against making this request. If the Commission authorized an audit or an investigation into the Individual BQC then personal financial transactions could be subject to subpoena and review by the Commission.

A BQC may request a waiver of this requirement if establishing a separate account would be administratively burdensome. Additionally, the founding organization of a BQC may pay its own employees out of its general treasury for campaign-related activities.

Penalties for Late Registration

A BQC that does not timely register with the Commission may be subject to a \$2,500 fine and may be assessed additional penalties for a late-filed initial campaign finance report.

Exceptions to Registration

OUT-OF-STATE POLITICAL COMMITTEES. A political committee organized outside of the state may be subject to the same requirements as a BQC organized under Maine law if it becomes involved in Maine elections. If an out-of-state committee meets the qualifications for being a BQC, it is subject to the same registration and reporting requirements as BQCs organized in-state.

An out-of-state political committee is not required to register and file reports with the Commission or municipality if its only financial activity in the state is making contributions to other BQCs, party committees, PACs, or candidates registered with the Commission or

municipality and the political committee has not raised or accepted any contributions to influence an election or campaign in Maine.

An out-of-state political committee that has received contributions or made expenditures for the purpose of influencing an election in Maine must register as a BQC in Maine and file reports in accordance with the Commission's procedures.

DONOR EXCEPTION. A person that has not received contributions for the purpose of influencing a campaign in the prior two (2) years and whose only payments of money to influence a campaign in the prior two (2) years are:

1. Cash contributions to candidates, party committees, PACs, or BQCs; or
2. Payments of goods or services (in-kind contributions) with an aggregate value of no more than \$100,000 to candidates, party committees, PACs, or BQCs.

If a person has contributed more than \$100,000 in goods or services during the previous 2 years, then that person must register as a BQC (if the \$100,000 went to influence a referendum) within seven days of exceeding that threshold. A BQC's Initial Campaign Finance Report must disclose all campaign related activity from the start of the campaign through the date of registration.

The Initial Finance Report should disclose contributions of a General Treasury Transfer from the founding organization that equals the amount of the expenditures contained in the report. This will result in a \$0 cash balance in the Initial Finance Report.

CROSS PURPOSE EXPENDITURES. A registered BQC may make cash contributions to a candidate, party committee, or PAC without having to register a PAC. If the BQC spends more than \$10,000 to influence candidate elections other than by making cash contributions (In-Kind Contributions or Independent Expenditures), the BQC must register a PAC within seven (7) days of exceeding this threshold.

This means that the founding organization/association must file both BQC and PAC Reports, unless it chooses to terminate one of the committees.

Legal References

Initiation of a Campaign	21-A M.R.S. § 1052(4-B)
Registering with the Ethics Commission	21-A M.R.S. § 1052-A(1)
Registration Requirements	21-A M.R.S. § 1052-A(2) & (3)
Amendments	21-A M.R.S. § 1052-A(1)(B)
Biennial Reregistration of BQCs	21-A M.R.S. § 1052-A(1)(C)
Responsibilities of Officers	21-A M.R.S. § 1054-A
Campaign Bank Account	21-A M.R.S. § 1054
Penalties for Late Registration	21-A M.R.S. § 1062-A(1)
Out-of-State Political Committees	21-A M.R.S. § 1053-B
Donor Exception	21-A M.R.S. § 1052(3-A)
Cross Purpose Expenditures	21-A M.R.S. § 1052-A (1-A)

Chapter 3 - Restrictions and Prohibitions

BUSINESS ENTITY FUNDS. Starting on January 1, 2023, BQCs cannot make contributions to candidates, Leadership PACs, or Separate Segregated Fund (SSF) PACs using funds that derive in whole or in part from a business entity. A business entity is defined as a “firm, partnership, corporation, incorporated association, labor organization, or other organization, whether organized as a for-profit or a nonprofit entity.” The Commission interprets this provision to mean that an unregistered sole proprietorship is not a business entity and contributions from sole proprietorships are treated as contributions from the individual owner.

If the BQC intends on making contributions to influence candidate elections (up to the \$10,000 threshold), the Commission recommends that a BQC keep a bookkeeping record demonstrating how the BQC has spent business entity funds.

EXPENDITURE LIMITATIONS. A BQC may not make a contribution to a candidate that exceeds the contribution limits set for that candidate. Candidates participating in Maine’s Clean Act (MCEA) program may not accept contributions.

PURCHASE OF ALCOHOL. A BQC may not make any expenditure for alcohol to be distributed or consumed by voters while the polls are open on election day.

COMPENSATION AND REIMBURSEMENTS. If a Legislator is a principal officer, treasurer, fundraiser, or decision maker for a BQC, the committee may not compensate the Legislator for services provided to the committee, except that the BQC may reimburse the Legislator for travel expenses incurred in the proper performance of their duties and for volunteering for the BQC. The committee may pay mileage as part of the travel reimbursement at a rate established by the Commission by rule, but not for the costs of repairing or maintaining the Legislator’s vehicle. The committee may also reimburse the Legislator for other expenses incurred in the proper performance of the Legislator’s official duties and for purchases made on behalf of the committee. The BQC may not reimburse the Legislator for expenses that have been reimbursed by any other source. The BQC may not pay or reimburse the Legislator for any expenses that are determined to be for the purpose of their personal financial enrichment.

The BQC may not compensate immediate family members of the Legislator for services provided to the committee or reimburse immediate family members for any expenses that are for the purpose of personal financial enrichment make payments to closely affiliated persons,

such as immediate family members or a business owned or operated by the Legislator or their immediate family. The BQC cannot make any payments to a business owned or operated by the Legislator or an immediate family member of the Legislator.

The funds of the BQC may not be commingled with the personal funds of the Legislator or the funds of a closely affiliated person.

A person who violated these prohibitions may be assessed a penalty of not more than \$500 or the amount of the impermissible payment or reimbursement, whichever is greater.

Legal References	
Business Entity Funds	21-A M.R.S. §§ 1015(2), 1056-C(2), 1056-D(2)
Expenditure Limitations	21-A M.R.S. § 1056(1)
Purchase of Alcohol	21-A M.R.S. § 1056(2).
Compensation and Reimbursement	21-A M.R.S. § 1054-B

Chapter 4 – Campaign Finance Reports

Initial Finance Reports

The initial campaign finance report is due seven (7) days after registration, or within 14 days after the BQC exceeded \$5,000 in contributions or expenditures, whichever comes first, and must include all contributions and expenditures made since the start of the campaign.

Regular Finance Reports

A BQC must file periodic reports until it terminates, even if the committee had no financial or campaign-related activity during the reporting period. The annual filing schedule, with exact deadlines, is available at: www.maine.gov/ethics.

Depending on the year and the committee's election-related activity, BQCs file between four and eight campaign finance per year according to regular deadlines established in the law. All regularly scheduled reports must be received by the Commission by 11:59 p.m. on the day of the deadline or will be subject to a civil penalty.

QUARTERLY REPORTS. Every year, each BQC must file four quarterly reports — even if the BQC had no financial activity for the reporting period.

TYPICAL FILING SCHEDULE FOR BALLOT QUESTION COMMITTEES		
Type of Report	Deadline	Reporting Period
April Quarterly	April 10	January 1 - March 31
July Quarterly	July 15	April 1 - June 30
October Quarterly	October 5	July 1 - September 30
January Quarterly	January 15	October 1 - December 31

PRE- AND POST-ELECTION REPORTS IN A CANDIDATE ELECTION YEAR. When a primary election and general election are held (even-numbered years), all BQCs must file reports 11 days before and 42 days after the primary and general elections. This is required even if the campaign that the BQC is attempting to influence is not on the ballot.


PRE- AND POST-ELECTION REPORTS IN OTHER YEARS. In odd-numbered years, if a committee is making expenditures to influence a ballot question election, in addition to regular quarterly

reports, the committee must file an 11-day pre-election report and a 42-day post-election report. This is only required for BQCs who are attempting to influence a campaign that is on the ballot for that election.

PRE- AND POST-ELECTION CAMPAIGN FINANCE REPORTS: DEADLINES AND REPORTING PERIODS		
Report Name	Deadline	Reporting Period
11-Day Pre-Election Report	The 11 th day before the date of the election	End of the last reporting period through the 14 th day before the election
42-Day Post-Election Report	The 42 nd day after the date of the election	End of the last reporting period through the 35 th day after the election

24-Hour Reports

The purpose of 24-hour reports is to provide disclosure of campaign activity in the period before an election when there are no other reports due. If a committee is required to file an 11-day pre-election report, the committee must file a 24-hour report of any single contribution of \$5,000 or more received during the last 13 days before the election, and any single expenditure of \$1,000 or more made during that 13-day period. The report must be filed within 24 hours of receiving the contribution or making the expenditure, even if the filing deadline falls on a weekend or a holiday. Contributions received and expenditures made on the day before an election must be reported on election day. Orders placed with or obligations made to vendors for goods or services are considered expenditures at the time the obligation is made, even if the payment has not been made.

24-HOUR REPORTS:	24-HOUR REPORT PERIOD						
	Sun	Mon	Tue	Wed	Thu	Fri	Sat
<ul style="list-style-type: none"> File within 24 hours of receiving the contribution or making the expenditure or obligation. Must be filed on a weekend or holiday if that is when it is due – you cannot wait until the next business day. File by online, fax, or in person. Contributions and expenditures received or made on the day before an election must be reported on election day. 							
			Election Day				
 Indicates 24-Hour Report period							

These reports may be filed online, through the Commission's e-filing system. The e-filing system will automatically add the transactions reported in a 24-hour report to the next regularly scheduled report.

Amendments

If the committee unintentionally makes an omission in a report or includes incomplete or inaccurate information, it must promptly file an amendment to that report. All amended reports are reviewed by the Commission staff. If a report does not substantially conform to the disclosure requirements, the Commission may consider the report late, even if it was filed on time.

Electronic Filing

All BQCs registered with the Commission are required to file their campaign finance reports electronically using the Commission's e-filing system. Usernames and passwords are assigned to the committee, Principal Officer, and Treasurer upon registration.

If a committee lacks access to the technology or the technological ability to file the reports electronically, they must submit a request for a waiver within 30 days of registering. The Commission will grant all reasonable requests; however, it is strongly recommended that BQCs file reports through the e-filing system. If a waiver is granted, the Commission must still receive paper reports by 11:59 p.m. on the filing deadline. Reports may be faxed to the Commission provided the signed original report is received within five (5) days. A report sent by certified or registered mail and postmarked at least two (2) days before the filing deadline will not be considered late, even if it is received after the deadline.

Contents of Reports

Each campaign finance report covers a specific period. This overview will give you a summary of the information required for the reports. The e-filing system also has instructions for entering each type of transaction.

Contributions. For cash contributions exceeding \$50, the committee must report the date and amount of the contribution, the name and mailing address of the contributor, and their occupation and employer for individuals. If the BQC is unable to obtain this information, please enter "information requested" on the report. The Commission staff may ask the committee to make additional efforts to obtain this information.

Cash contributions of \$50 or less do not have to be itemized and may be reported as a lump sum for the reporting period.

All in-kind contributions of goods or services valued more than \$50 must be reported and the contributor's name and address, occupation and employer for individuals, a date and description of the goods or services, and its fair market value. If another organization, such as another BQC, party committee, or other type of organization or business, makes an in-kind contribution in the form of paid staff time, the recipient BQC should include a description of those activities and the number of hours contributed. Contributed staff time and coordinated expenditures should not be lumped together as a single contribution for the reporting period but should be itemized as separate contributions.

In-kind contributions of \$50 or less do not have to be itemized and may be reported as a lump sum for the reporting period.

COMMONLY OVERLOOKED CONTRIBUTIONS. Commonly overlooked contributions include:

- Contributions from the general treasury of the organization which founded the BQC.
- Contributions of paid staff time received by the BQC from the founding organization or others.
- Other in-kind contributions of goods and services.

REPORTING INTEREST EARNED ON BANK ACCOUNTS

- Interest earned on bank accounts is reported using the "Other Receipts" contribution type in the Commission's e-filing system.

Expenditures. All expenditures to influence a candidate election or ballot question, contributions to other candidates or committees, any other expenditures that are made from the campaign account, regardless of their purpose must be reported. The law requires that the date, amount, payee, and purpose of the expenditure must be reported. The "payee" refers to the vendor that provided the goods and services. The committee should not report "cash" or "disbursement" as the payee. If someone is reimbursed for an expenditure, the committee must report the name of the vendor as the payee and report to whom the reimbursement is made, including a description of the expenditure.

If an expenditure was made to support or oppose a candidate or ballot question, the name of the candidate, committee, or ballot question supported or opposed must be reported as well as whether the expenditure was made to support or oppose the candidate or ballot question.

To report the purpose of the expenditure, the committee must select an expenditure type for each expenditure (see chart). The committee must enter as much information as possible to describe the expenditure. For instance, if the expenditure is for professional services, the committee should identify the specific type of service performed.

EXPENDITURE TYPES			
CON	Contribution to candidate or committee	PHO	Phone banks, automated telephone calls
CNS	Campaign consultants	POL	Polling and survey research
EQP	Equipment (office machines, furniture)	POS	Postage for U.S. Mail and mailbox fees
FND	Fundraising events	PRO	Professional services
FOD	Food for campaign events, volunteers	PRT	Print media ads only (newspapers, magazines, etc.)
LIT	Printing and graphics (flyers, signs, palm cards, t-shirts, etc.)	RAD	Radio ads, production costs
MHS	Mail house (all services purchased)	SAL	Campaign workers' salaries and personnel costs
OFF	Office rent, utilities, phone, internet & website services, supplies	TRV	Travel (fuel, mileage, lodging, etc.)
OTH	Other	TVN	TV or cable ads, production costs
PET	Petitioning costs for ballot campaigns	WEB	Internet and social media advertising, production costs

COMMONLY OVERLOOKED EXPENDITURES. All expenditures made in carrying out the committee's political activities and general operations must be tracked so they can ensure that it registers timely. Expenditures most overlooked by committees include:

- Paid staff time or paid consultants and pollsters or other personal services costs.
- Travel reimbursements.
- Fundraising expenses.
- Website set-up, design, and maintenance costs.

EXPENDITURES MADE BY A CONSULTANT

If a BQC hires a consultant or consulting firm to assist the committee, and the consultant makes expenditures on behalf of the committee, those expenditures must be reported as though the committee made them directly. The report must include the name of the third-party vendor or payee to whom the expenditure was made, and the date, the purpose, and amount of the

expenditure. It is not sufficient to report only the total retainer or fee paid to the consultant, if the consultant used the fee to pay others for campaign-related goods or services. If the committee reported a lump sum payment to a consultant in a previously filed report, the committee may need to amend that report to deduct from that amount any expenditures made by the consultant, so that the expenditures are not double-reported. The Commission also recommends that the committee note in the remarks section for the expenditure that the payment was made by the consultant.

However, if the committee has paid a media buyer, advertising consultant, or similar contractor to purchase advertising time or for the production of television or radio advertising, the committee does not have to report the individual stations the consultant purchased advertising on. Instead, the committee should simply report the advertising time and production costs separately.

The committee's treasurer should obtain receipts or paid invoices from the consultant for the goods and services purchased from sub-vendors by the consultant on behalf of the committee.

Loans. The committee must report all loans from commercial or noncommercial sources, loan repayments and forgiven amounts. For a transaction to be reported as a loan it must have been made by a financial institution in accordance with applicable banking laws and regulations. A non-financial institution may make a loan to a BQC; however, it should be reported as a contribution from the non-financial institution and the BQC can report the repayments as a return of contribution.

Debts. The committee must report all unpaid debts and obligations for goods and services and all existing unpaid bills. Debts must be disclosed in each report until payment is made to the vendor. If an order has been placed for goods and services but the exact amount is not known, the committee should obtain an estimate from the vendor for reporting purposes.

Record Retention

The treasurer is required to retain all relevant records for a minimum of four (4) years. Records that must be retained are:

- A detailed account (*i.e.*, payee, date, amount, and purpose) of all expenditures made to support or oppose a candidate or committee, or ballot question, including:
 - The name and address of each candidate or committee supported or

- opposed;
- The office sought by the candidate and district the candidate seeks to represent; and
- The title or question number of each ballot question, initiated petition, or referendum supported or opposed.
- Vendor invoices or receipts in excess of \$50, which must identify the particular good or service purchased.
- A record of all contributions from contributors who gave in excess of \$50. When any donor's contributions exceed the \$50 threshold, the record must include the aggregate amount of all contributions from that donor:
 - The name and mailing address of that contributor;
 - The amount given; and
 - The date of the contribution.

The committee is not required to submit bills or invoices to the Commission unless requested. For example, the Commission may request bills or invoices to verify the accuracy of reports.

Terminating a BQC

Whenever a BQC determines that it will no longer accept any contributions or make any expenditures, the committee can file a final report and a termination statement. The final report must cover the period from the close of the last reporting period to the date of termination. Prior to terminating, the BQC must dispose of any surplus and report how the funds were disposed of in the final report. The committee can do this by making contributions to other PACs, BQCs, party committees, candidates, non-profits, or by making a transfer back to the general treasury, if appropriate. The committee must also dispose of any loans, debts, or other obligations that are unpaid and outstanding at the time of their termination in the manner prescribed by the Commission. Until the termination statement is filed, the committee must continue to file reports.

Legal References

Initial Finance Reports	21-A M.R.S. § 1059
Regular Finance Reports	21-A M.R.S. § 1059(2)
24-Hour Reports	21-A M.R.S. § 1059(2)(E)
Amendments	21-A M.R.S. § 1062-A(2)
Electronic Filing	21-A M.R.S. § 1059(5)
Contents of Reports	21-A M.R.S. § 1060
Expenditures made by a Consultant	94-270 C.M.R. Ch. 1. § 7(1)
Loans	21-A M.R.S. §§ 1052(3)(A), 1060
Debts	94-270 C.M.R. Ch. 1. § 7(3)
Record Retention	21-A M.R.S. § 1057
Terminating a BQC	21-A M.R.S. § 1061

Chapter 5 – Candidates, Major Contributor, & Disclaimers

Supporting Candidates

A BQC can spend up to \$10,000 to support candidate elections, if it exceeds that threshold then it must also register a PAC account and file candidate related disclosures through that account. BQCs intending on influencing candidate elections are encouraged to review the PAC Guidebook Chapters 5 & 6 as these requirements apply to BQCs who are attempting to influence a candidate election.

Major Contributor

A “major contributor” is a person, other than an individual, that makes one or more contributions that aggregate in excess of \$100,000 to a BQC for the purpose of initiating or influencing any one people’s veto referendum campaign or direct initiative campaign.

Once a person becomes a major donor, the recipient BQC is required to provide written notice to the major contributor within five (5) calendar days of their obligation to file a Major Contributor Report. If the \$100,000 threshold is exceeded during the last two weeks before an election (regardless whether the referenda will appear on the ballot in that election) then the recipient BQC shall provide a written notice within 24 hours of receiving the contribution. When a major contributor notice is sent to a major contributor a copy must also be provided to the Commission.

The major contributor must file a Major Contributor Report by the next regular finance report due date (See Chapter 4). If the notice is received during the last two weeks before an election, then the major contributor shall file the Major Contributor Report within two (2) business days of receiving the notice.

Once a person becomes a major contributor, they are not required to file a second major contributor report if they exceed the threshold a second time to the same committee for the same campaign. For example, if ABC Corp. gives \$150,000 to BQC1 to influence important referenda and files a Major Contributor Report, they are not required to file a second Major Contributor Report if they make another contribution of \$200,000 to the same BQC to support the same referendum.

Failure to provide a timely notice to the major contributor shall result in a financial penalty against the recipient BQC equal to 10% of the amount of the contributions to be reported in the

Major Contributor Report. Failure for the major contributor to file timely shall result in a financial penalty against the major contributor equal to 10% of the amount of the contributions to be reported in the Major Contributor Report.

Disclaimers on Political Communications

Whenever a person makes an expenditure that exceeds \$500 for the purpose of expressly advocating for or against a referendum, the name and address of the person who financed the communication must clearly and conspicuously state the name and address of the person who financed the expenditure. The disclaimer should read "Paid for by [Name of BQC], [Address of BQC]." Except, that if the communication is in the form of telephone calls (scripted or robocalls) then only the name of the person who financed the communication must be stated.

If the disclaimer would be so small as to be illegible or infeasible then the disclaimer is not required. This includes small promotional items such as: ashtrays, badges, balloons, campaign buttons, coasters, combs, key rings, etc.

A violation of this section may result in a penalty of no more than \$5,000. In assessing the penalty the Commission shall consider, among other things, how widely the communication was disseminated, whether the violation was intentional, whether the violation occurred as the result of an error by a printer or other paid vendor, and whether it conceals or misrepresents the identity of the person who financed it.

Legal References	
Supporting Candidates	21-A M.R.S. § 1052-A(1-A)
Major Contributors	21-A M.R.S. § 1060-A
Disclaimers on Political Communications	21-A M.R.S. § 1055-A

Chapter 7 – Enforcement Actions by the Commission

Reminders by the Commission

BQCs are responsible for knowing their reporting obligations and the due dates for reports. The Commission staff publishes the filing schedule on its website; the required reports and their due dates are listed on the committee's e-filing homepage. While the Commission staff send courtesy reminders before each filing, failure to receive such a reminder is no excuse for a late filing.

Commission's Review of Reports

The Commission staff reviews reports for completeness and compliance with the law. The Commission staff may contact the committee if it believes that a report is incomplete or requires additional information. If necessary, the staff will request the committee amend the report.

Penalties

Penalties are assessed for late campaign finance reports using a formula established by statute. The formula considers the number of days the report was filed late, any previous violations by the committee during a two-year period, and the amount of financial activity that took place during the reporting period. The two-year period begins on January 1 of each even-numbered year. The table below illustrates how late-filing penalties are calculated.

Example: The treasurer files the report two (2) calendar days late. The committee has not had any previous late filings in the past two years. The BQC reports a total of \$2,500 in contributions and \$1,500 in expenditures for the filing period. The penalty is calculated as follows:

\$2,500	Greater of the amount of total contributions received or expenditures made during the filing period
X	
<u>.02</u>	Percent prescribed for first violation
\$50.00	Two percent of total contributions
X	
<u>2</u>	Number of calendar days late
\$100.00	Total penalty the Commission may assess

The maximum penalty that can be assessed against a PAC or BQC for a late-filed, or substantially non-conforming, quarterly, pre- or post-election, or a late-filed 24-hour report is

\$10,000 or, if the amount of the financial activity reported late exceeds \$50,000, the maximum penalty is the dollar amount of that financial activity. A person who fails to file a required report within 30 days of the filing deadline may also be charged with Class E crime.

Requesting a Penalty Waiver

If a committee files a report late, the Commission will send a letter informing the treasurer of the preliminary amount of the penalty and request that the committee pay the penalty or seek a waiver. If the committee does not request a waiver within 14 days, the staff will send a final notice of the penalty to the treasurer.

Generally, the committee treasurer or other representative of the committee requests a waiver of the preliminary penalty by submitting a letter within 14 days of receiving the penalty notice. Requests for waivers are considered by members of the Commission at a public meeting — not by the Commission staff. Although not required, the committee's treasurer or representative is encouraged to attend the Commission meeting. After the Commission meets, notice of its final determination and the penalty imposed, if any, is sent by U.S. mail to the treasurer or other committee representative.

The Commission may waive a penalty in whole or in part if there are mitigating circumstances such as a valid emergency, an error by Commission or municipal staff, or any other circumstances that the Commission determines warrant mitigation of a penalty. Other factors the Commission may consider are the level or experience of the committee officers and treasurer, or the harm suffered by the public from the late disclosure. A penalty of less than \$10 is automatically waived. However, the late-filed report will still be considered a violation and will count toward the calculation of any future penalty.

The penalty must be paid in full within 30 days of the date of the Commission's final penalty notice, unless other payment arrangements are made. If the penalty is not paid within 30 days, the Commission may refer the matter to the Attorney General's office for collection in a civil action.

Appealing a Penalty Determination

A committee may appeal the Commission's final determination by filing a petition for review with the Superior Court within 30 days of receiving notice of the final determination. The Maine Administrative Procedures Act (5 M.R.S. § 11001 *et seq.*) and Rule 80C of the Maine Rules of Civil Procedure govern the process for an appeal to the Superior Court.

Investigations & Audits

The Commission is authorized to undertake investigations or audits of the financial reporting of BQCs. The Commission may initiate an investigation on its own or in response to a request submitted to the Commission. Any person may make a request for an investigation, which must be in writing and set forth facts in sufficient detail to specify the alleged violation. The statements made in the request must be based on the personal knowledge of the person making the request. If not, the identity of the source of the information must be explained in the request. The Commission will review the request to determine whether the allegations set forth sufficient grounds for believing that a violation may have occurred.

Legal References

Commission's Review of Reports	94-270 C.M.R. Ch. 1. § 5(1)
Penalties for Late-Filed Campaign Finance Reports & Failure to File Reports	21-A M.R.S. § 1062-A (2)
Requesting a Waiver of a Late-Filing Penalty	21-A M.R.S. § 1062-A(5)
Appealing a Penalty Determination	21-A M.R.S. § 1062-A(5)
Investigations & Audits	21-A M.R.S. § 1003

Directory

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Fax: (207) 287-6775
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Website: www.maine.gov/ethics
E-Filing: <https://secure.maine.campaignfinance.com/CampaignFinance/UserLogin.aspx>

Department of the Secretary of State, Division of Elections

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Website: <http://www.maine.gov/sos/cec/elec/index.html>

Department of Transportation, Right of Way Control Section

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Federal Elections Commission

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