



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

Commission Meeting 09/29/2021
Agenda Item #7

To: Commission
From: Jonathan Wayne, Executive Director
Date: September 20, 2021
Re: Update on 2021 Legislation

For your information, I have enclosed five chapter laws enacted earlier this year that affect the laws within the Commission's jurisdiction. No action is required by you.

Three of the laws (Chapters 114, 132, and 217) were based (in part) on proposed legislation that the Commission considered at its December 18, 2021 meeting. The Commission staff has already begun educating the regulated constituencies on these law changes.

I have enclosed a newsletter-format summary prepared by Martha Currier and Michael Dunn. Michael has prepared an educational program in October and 108 people have signed up to participate (mostly remotely), and the program has been approved for continuing legal education credit.

Thank you.



SUMMARY OF ENACTED LEGISLATION - 2021 SESSION



Questions?

(207) 287-4179

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www.maine.gov/ethics

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

AMENDMENTS TO CAMPAIGN FINANCE & LOBBYING DISCLOSURE LAWS

Unless otherwise noted, the effective date of the amendments to the laws within this document is **October 18, 2021**. The Commission has taken care to make this Summary concise and accurate; however, it is not a substitute for the applicable statutory provisions of the Election Law and Commission's rules, which are controlling in the event of any omission or misstatement in this publication.

CHANGES TO CAMPAIGN FINANCE LAWS (P.L. 2021 CH. 132, 217, 274 & 276)

Changes Affecting Candidates and Candidate Committees

Prohibited Contributions to Candidates: Starting on 1/1/2023, candidates may not accept contributions from a business entity. "Business entity" includes most types of businesses, non-profit corporations, labor organizations, and other organizations. P.L. 2021, Ch. 274, §§ 6-7.

Candidates Cannot Change from Traditional to MCEA: A candidate who has accepted traditional campaign contributions for the Legislature or Governor that do not comply with seed money restrictions may *not* change financing methods and run as a Maine Clean Election Act candidate in the same election year. P.L. 2021, Ch. 132, § 10.

Changes Affecting Party Committees

Restrictions on Funds Contributed to Candidates and Leadership PACs: Starting on 1/1/2023, a party committee may contribute to a candidate or a leadership PAC as long as the funds used for the contribution are not derived, in whole or in part, from a business entity. "Business entity" includes most types of businesses, non-profit corporations, labor organizations, and other organizations. P.L. 2021, Ch. 274, §§ 5 & 11.

Changes Affecting Businesses, Non-Profits and Labor Organizations

Prohibited Contributions: Starting on 1/1/2023, business entities may not make contributions to candidates and two types of PACs (leadership PACs and separate segregated fund committees). Business entities may contribute to other types of PACs, party committees, and ballot question committees. P.L. 2021, Ch. 274, §§ 5, 11, & 12.

Formation of PACs. A business entity may establish a separate or segregated fund to influence candidate elections. The business entity is required to register this fund as a PAC (a "separate segregated fund committee"). The business entity may not contribute its own funds to the PAC, but it may solicit others to contribute to the PAC as allowed by law. P.L. 2021, Ch. 274, §§ 10 & 12.

Independent Expenditure Communications

Internet Video Communications: When a PAC, party committee, or other spender pays for the design, production or dissemination of a video on the internet that qualifies as an independent expenditure communication, the video must contain a message disclosing the top three funders of the spender. P.L. 2021, Ch. 132, §§ 5-6.

Independent Expenditures—Rebutting the Presumption: Any paid communications to voters that identify a candidate disseminated immediately before an election are presumed to be made to influence the election. The purchaser of the communication may rebut the presumption by submitting a statement that they did not incur the costs of the communication with the intention to influence the election. The timeframe to rebut the presumption has been increased from 48 hours to seven days after disseminating the communication. P.L. 2021, Ch. 132, §§ 7-8.

Changes Affecting PACs and BQCs

Definition and Registration Triggers for PACs and BQCs: PACs are now defined as a committee who influences candidate elections only; whereas BQCs are now defined as a group whose purpose is to initiate or influence a ballot question election. PACs and BQCs must register with the Commission within seven days of receiving or spending more than \$2,500 (PAC) or \$5,000 (BQC). P.L. 2021, Ch. 217, §§ 1-3.

Separate Bank Account: PACs and BQCs are required to have a separate bank account where all funds utilized by the committee are deposited and spent. This account cannot be commingled with personal funds. All contributions and expenditures originating from this account must be disclosed in regularly filed campaign finance reports. P.L. 2021, Ch. 217, § 6.

Contributions and Expenditures: A contribution to a PAC or BQC includes, but is not limited to money or anything of value received for the purpose of initiating or influencing a campaign, and any other funds that are transferred or deposited into the campaign account. Expenditures now include any payments made from the campaign account for the committee, regardless of purpose. P.L. 2021, Ch. 217, § 3.

Exempt Donors: An exempt donor is a person (individual, organization, or business) who has not raised any contributions in the prior two years for the purpose of influencing a Maine election and donates its own money to influence a campaign. The new law allows an exempt donor to donate cash contributions without having to register as a PAC or BQC; however, if a person donates over \$100,000 in goods or services (in-kind contributions) to a PAC or BQC then that person is no longer considered an exempt donor and must register as a PAC or BQC within seven days. P.L. 2021, Ch. 217, § 3.

\$10,000 Exception: PACs seeking to influence ballot questions, and BQCs seeking to influence candidate elections are permitted to receive contributions and make expenditures totaling up to \$10,000 to influence the “other” type of election without registering and filing reports as a second committee. If the existing committee exceeds the threshold, they would need to register a second committee with the Commission and file two sets of financial reports. P.L. 2021, Ch. 217, § 4.

Leadership PAC Defined: Leadership PACs are defined as a PAC, other than a caucus PAC, that is directly or indirectly established or controlled by a current member of the Legislature. P.L. 2021, Ch. 217, § 3.

Payments to Legislators: A new law changed the spending restrictions for a committee (PAC or BQC) if a Legislator is the principal officer or treasurer of the committee, or one of the individuals primary responsible for making decisions or raising contributions for the committee. The committee may not compensate the Legislator or an immediate family member for services provided to the committee. The committee may not pay for expenses that personally enrich the Legislator or an immediate family member. The committee may not make payments or loans to a business owned or operated by the Legislator or an immediate family member, or give anything of value to the business. The committee may reimburse the Legislator for expenses incurred in performing his or her legislative duties or for purchases made on behalf of the committee, provided that the reimbursements are not for the personal financial enrichment of the Legislator. The committee may reimburse for travel expenses incurred in performing legislative duties or volunteering for the committee, but the committee may not pay to repair or maintain the Legislator's vehicle, or for any expenses reimbursed by the Legislature or other source. A committee and the Legislator who violates this section may be fined up to \$500 or the amount of the illegal payment(s), whichever is greater. P.L. 2021, Ch. 276, § 1.

Prohibited Contributions to Candidates: Starting on 1/1/2023, a party committee or PAC may make contributions to a candidate, subject to the applicable contribution limit, as long as the funds used are **not** derived in whole or in part, from a business entity. "Business entity" includes most types of businesses, non-profit corporations, labor organizations, and other organizations. A business entity may not make contributions to a candidate. P.L. 2021, Ch. 274, § 5.

Prohibited Contributions to Leadership PACs: Starting on 1/1/2023, an individual may not make contributions to a leadership PAC that exceeds the contribution limit for legislative candidates in one year. A party committee or PAC may make contributions to a leadership PAC, subject to the contribution limits for legislative candidates, as long as the funds used are not derived, in whole or in part, from a business entity. A business entity may not make contributions to a leadership PAC. P.L. 2021, Ch. 274, § 11.

Limits on Contributions to Separate Segregated Fund Committees: Effective 1/1/2023, an individual is prohibited from contributing more than \$5,000 per year to a separate segregated fund PAC established by any corporation, membership organization, cooperative, labor or other organization. A business entity (business, non-profit corporation, labor organization, or other organization) may not make contributions to a separate segregated fund committee. The parent entity of a separate segregated fund committee may provide the use of offices, telephones, computers, and other similar equipment to that committee provided that the use does not result in an additional cost to the parent entity. P.L. 2021, Ch. 274, § 12.

CHANGES TO LOBBYING LAWS (P.L. 2021 CH. 114)

Lobbyist Registration Fee Increase: This law increases registration fees for lobbyists to \$250 per registration, and lobbyist associate fees to \$125. If the fees cause an economic hardship, the lobbyist may request a waiver. P.L. 2021, Ch. 114, § 1.

STATE OF MAINE

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TWO THOUSAND TWENTY-ONE

H.P. 497 - L.D. 670

An Act To Increase the Lobbyist Registration Fee

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

Sec. 1. 3 MRSA §313, as amended by PL 2019, c. 587, §7 and affected by §18, is repealed and the following enacted in its place:

§313. Registration of lobbyists, lobbyist associates and employers

1. Registration. No later than 15 business days after lobbying more than 8 hours in a calendar month on behalf of an employer, a lobbyist shall submit a joint registration to the commission for the employer, the lobbyist and any lobbyist associates and pay a registration fee of \$250. The lobbyist shall pay an additional \$125 for each lobbyist associate included in the joint registration.

2. Fee waiver. The commission may waive the fee or fees required under subsection 1 in whole or in part if the commission determines that the fee or fees constitute an economic hardship to the employer. A lobbyist or employer may submit an application for a waiver under this subsection on a form or in the format approved by the commission. After receiving an application for a fee waiver, the commission may request relevant information from the lobbyist or employer, including, but not limited to, the amount of compensation the employer expects to pay the lobbyist in the coming lobbying year, the employer's budgeted expenditures for personnel or for all programs and activities in the coming year and the employer's revenues or expenses in the prior year.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

**ETHICS AND ELECTION PRACTICES, COMMISSION ON GOVERNMENTAL
Governmental Ethics and Election Practices - Commission on 0414**

Initiative: Provides ongoing allocations for expenditures related to administering and enforcing lobbyist disclosure requirements, including the costs of obtaining, maintaining and upgrading technology to facilitate disclosure of lobbying and campaign finance information to the public.

OTHER SPECIAL REVENUE FUNDS	2021-22	2022-23
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All Other	\$31,350	\$26,350
OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$31,350</u>	<u>\$26,350</u>

STATE OF MAINE

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H.P. 1011 - L.D. 1377

**An Act Regarding Campaign Finance Disclosure and the Filing of Statements
of Sources of Income**

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

Sec. 1. 1 MRSA §1016-C, as amended by PL 2011, c. 634, §8, is further amended to read:

§1016-C. Reports by legislative candidates

A candidate, as defined in Title 21-A, section 1, subsection 5, for the Legislature who is not required to file a report under section 1016-G shall file a report containing the same information required of Legislators under section 1016-G no later than 5 p.m. on ~~the first Monday~~ in August 15th preceding the general election unless the candidate withdraws from the election in accordance with Title 21-A, section 374-A by that date.

Sec. 2. 5 MRSA §19, sub-§2-A, as amended by PL 2009, c. 524, §3, is repealed.

Sec. 3. 5 MRSA §19, sub-§3-A, as enacted by PL 2011, c. 634, §22, is amended to read:

3-A. Filing upon termination of employment. An executive employee whose employment has terminated shall file a statement of finances as described in subsection 2 and a statement of positions as described in subsection 2-A within 45 days after the termination of employment relating to the final calendar year of the employment.

Sec. 4. 21-A MRSA §1013-A, sub-§3, as amended by PL 2019, c. 323, §4, is further amended to read:

3. Party committees. The district, county and municipal committees of parties shall submit to their state party committees the names, mailing addresses and e-mail addresses of all their officers and of their treasurers and the name and address of the principal paid employee, if any, within 10 days after the appointment, election or hiring of these persons. Municipal committees shall file copies of the same information with the municipal clerk. No later than June 15th of each year in which a general election is scheduled, the state party committee shall submit to the commission a consolidated report of the names, mailing addresses and e-mail addresses of the chair and treasurer of the district, county and

municipal committees of that party or of another officer if a chair or treasurer has not been appointed.

Sec. 5. 21-A MRSA §1014, sub-§2-B, as enacted by IB 2015, c. 1, §3, is amended by amending the 2nd blocked paragraph to read:

The information required by this subsection may appear simultaneously with any statement required by subsection 2 or 2-A. A communication that contains a visual aspect must include the statement in written text. A communication that does not contain a visual aspect must include an audible statement. This statement is required only for communications made through broadcast or cable television, broadcast radio, Internet audio and video programming, direct mail or newspaper or other periodical publications.

Sec. 6. 21-A MRSA §1014, sub-§2-B, as enacted by IB 2015, c. 1, §3, is amended by amending the 3rd blocked paragraph to read:

A cable television or broadcast television or Internet video communication must include both an audible and a written statement. For a cable television or broadcast television or Internet video communication 30 seconds or less in duration, the audible statement may be modified to include only the single top funder.

Sec. 7. 21-A MRSA §1019-B, sub-§1, as amended by PL 2019, c. 323, §15, is further amended to read:

1. Independent expenditures; definition. For the purposes of this section, an "independent expenditure" means any expenditure made by a person, party committee or political action committee that is not made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate's authorized political committee or an agent of either and that:

A. ~~Is any expenditure made by a person, party committee or political action committee, other than by contribution to a candidate or a candidate's authorized political committee, for to design, produce or disseminate~~ any communication that expressly advocates the election or defeat of a clearly identified candidate; ~~and or~~

B. ~~Is presumed to be any expenditure~~ Unless the person, party committee or political action committee making the expenditure demonstrates under subsection 2 that the expenditure was not intended to influence the nomination, election or defeat of the candidate, is made to design, produce or disseminate a communication that names or depicts a clearly identified candidate and is disseminated during the 28 days, including election day, before a primary election; during the 35 days, including election day, before a special election; or from Labor Day to a general election day.

Sec. 8. 21-A MRSA §1019-B, sub-§2, as amended by PL 2019, c. 323, §16, is further amended to read:

2. Rebutting presumption Commission determination. ~~A person presumed under this section to have made an independent expenditure, party committee or political action committee may rebut the presumption~~ request a determination that an expenditure that otherwise meets the definition of an independent expenditure under subsection 1, paragraph B is not an independent expenditure by filing a signed written statement with the commission within ~~48 hours~~ 7 days of disseminating the communication stating that the cost was not incurred with the intent to influence the nomination, election or defeat of a

candidate, supported by any additional evidence the person, party committee or political action committee chooses to submit. The commission may gather any additional evidence it ~~deems~~ determines relevant and material and shall determine by a preponderance of the evidence whether the cost was incurred with intent to influence the nomination, election or defeat of a candidate.

Sec. 9. 21-A MRSA §1019-B, sub-§5, ¶A, as enacted by PL 2011, c. 389, §21, is repealed.

Sec. 10. 21-A MRSA §1125, sub-§2-C is enacted to read:

2-C. Change in campaign financing. If a candidate has accepted contributions as a candidate for Governor, State Senator or State Representative that are not seed money contributions as defined in section 1122, subsection 9 or do not comply with the seed money restrictions in subsections 2 and 2-A, the candidate is ineligible for certification in the same election cycle.

Sec. 11. 21-A MRSA §1125, sub-§5-A, as amended by PL 2009, c. 363, §6, is further amended to read:

5-A. Revocation of certification. The certification of a ~~participating~~ certified candidate may be revoked at any time if the commission determines that the candidate or an agent of the candidate:

- A. Did not submit the required number of valid qualifying contributions;
- B. Failed to qualify as a candidate by petition or other means;
- C. Submitted any fraudulent qualifying contributions or qualifying contributions that were not made by the named contributor;
- D. Misrepresented to a contributor the purpose of the qualifying contribution or obtaining the contributor's signature on the receipt and acknowledgement form;
- E. Failed to fully comply with the seed money restrictions;
- F. Knowingly accepted any contributions, including any in-kind contributions, or used funds other than fund revenues distributed under this chapter to make campaign-related expenditures without the permission of the commission;
- G. Knowingly made a false statement or material misrepresentation in any report or other document required to be filed under this chapter or chapter 13;
- H. Otherwise substantially violated the provisions of this chapter or chapter 13; or
- I. As a gubernatorial candidate, failed to properly report seed money contributions as required by this section.

The determination to revoke the certification of a candidate must be made by a vote of the members of the commission after an opportunity for a hearing. A candidate whose certification is revoked shall return all unspent funds to the commission within 3 days of the commission's decision and may be required to return all funds distributed to the candidate. In addition to the requirement to return funds, the candidate may be subject to a civil penalty under section 1127. The candidate may appeal the commission's decision to revoke certification in the same manner provided in subsection 14, paragraph C.

Sec. 12. 21-A MRSA §1125, sub-§6-E, as enacted by PL 2011, c. 389, §55, is amended to read:

6-E. Expenditures for television advertising. A certified candidate must include closed-captioning within any television advertisement that the candidate provides to a broadcasting or cable television station for broadcast to the public, except for an advertisement aired in the final 4 days before an election if inclusion of closed-captioning during that period is impractical or would materially affect the timing of the candidate's advertisement.

Sec. 13. 21-A MRSA §1125, sub-§8-B, as enacted by IB 2015, c. 1, §25, is amended to read:

8-B. Distributions to ~~participating~~ certified gubernatorial candidates. Distributions from the fund to ~~participating~~ certified gubernatorial candidates must be made as follows.

A. For an uncontested primary election, the total distribution of revenues is \$200,000 per candidate.

B. For a contested primary election, the amount of revenues distributed is as follows:

(1) The initial distribution of revenues is \$400,000 per candidate;

(2) For each increment of 800 additional qualifying contributions a candidate collects and submits pursuant to subsection 8-E, not to exceed a total of 3,200 additional qualifying contributions, the supplemental distribution of revenues to that candidate is \$150,000; and

(3) The total amount of revenues distributed for a contested primary election may not exceed \$1,000,000 per candidate.

C. For an uncontested general election, the total distribution of revenues is \$600,000 per candidate.

D. For a contested general election, the amount of revenues distributed is as follows:

(1) The initial distribution of revenues is \$600,000 per candidate;

(2) For each increment of 1,200 additional qualifying contributions a candidate collects and submits pursuant to subsection 8-E, not to exceed a total of 9,600 additional qualifying contributions, the supplemental distribution of revenues to that candidate is \$175,000; and

(3) The total amount of revenues distributed for a contested general election may not exceed \$2,000,000 per candidate.

Sec. 14. 21-A MRSA §1125, sub-§8-C, as enacted by IB 2015, c. 1, §25, is amended to read:

8-C. Distributions to ~~participating~~ certified candidates for State Senate. Distributions from the fund to ~~participating~~ certified candidates for the State Senate must be made as follows.

A. For an uncontested primary election, the total distribution of revenues is \$2,000 per candidate.

- B. For a contested primary election, the total distribution of revenues is \$10,000 per candidate.
- C. For an uncontested general election, the total distribution of revenues is \$6,000 per candidate.
- D. For a contested general election, the amount of revenues distributed is as follows:
 - (1) The initial distribution of revenues is \$20,000 per candidate;
 - (2) For each increment of 45 additional qualifying contributions a candidate collects and submits pursuant to subsection 8-E, not to exceed a total of 360 additional qualifying contributions, the supplemental distribution of revenues to that candidate is \$5,000; and
 - (3) The total amount of revenues distributed for a contested general election may not exceed \$60,000 per candidate.

Sec. 15. 21-A MRSA §1125, sub-§8-D, as enacted by IB 2015, c. 1, §25, is amended to read:

8-D. Distributions to participating certified candidates for State House of Representatives. Distributions from the fund to participating certified candidates for the State House of Representatives must be made as follows.

- A. For an uncontested primary election, the total distribution of revenues is \$500 per candidate.
- B. For a contested primary election, the total distribution of revenues is \$2,500 per candidate.
- C. For an uncontested general election, the total distribution of revenues is \$1,500 per candidate.
- D. For a contested general election, the amount of revenues distributed is as follows:
 - (1) The initial distribution of revenues is \$5,000 per candidate;
 - (2) For each increment of 15 additional qualifying contributions a candidate collects and submits pursuant to subsection 8-E, not to exceed a total of 120 additional qualifying contributions, the supplemental distribution of revenues to that candidate is \$1,250; and
 - (3) The total amount of revenues distributed for a contested general election may not exceed \$15,000 per candidate.

STATE OF MAINE

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TWO THOUSAND TWENTY-ONE

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H.P. 1099 - L.D. 1485

**An Act to Modify the Requirements for Political Action Committees and
Ballot Question Committees**

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

Sec. 1. 21-A MRSA §1, sub-§3-A, as enacted by PL 2019, c. 563, §1, is amended to read:

3-A. Ballot question committee. "Ballot question committee" ~~means a person required to register as a ballot question committee under section 1056-B~~ has the same meaning as in section 1052, subsection 2-A.

Sec. 2. 21-A MRSA §1, sub-§29-A, as enacted by PL 2019, c. 563, §2, is amended to read:

29-A. Political action committee. "Political action committee" ~~means a person required to register as a political action committee under section 1052-A~~ has the same meaning as in section 1052, subsection 5.

Sec. 3. 21-A MRSA §1052, as amended by PL 2019, c. 563, §3, is further amended to read:

§1052. Definitions

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

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;
- 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.

2. Committee. "Committee" means any political action committee, ~~as defined in this subchapter, or any ballot question committee required to be registered under section 1056-B~~ or ballot question committee and includes any agent of a political action committee or ballot question committee.

2-A. Ballot question committee. "Ballot question committee" means 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 term "ballot question committee" does not include a political action committee or an exempt donor.

3. Contribution. "Contribution" includes:

A. A gift, subscription, loan, advance or deposit of money or anything of value made to ~~or received by 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;~~ 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;

A-1. Any funds deposited or transferred into the campaign account described in section 1054;

B. A contract, promise or agreement, expressed or implied, whether or not legally enforceable, to make a contribution to a ~~political action~~ committee;

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

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.

"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.

3-A. Exempt donor. "Exempt donor" means a person that has not received contributions for the purpose of influencing a campaign in the prior 2 years and whose only payments of money to influence a campaign in the prior 2 years are:

A. Contributions of money to candidates, party committees, political action committees or ballot question committees registered with the commission or a municipality; or

B. Payments for goods or services with an aggregate value of no more than \$100,000 contributed to candidates, party committees, political action committees or ballot question committees registered with the commission or a municipality.

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;

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

(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

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~~ a committee member that is not made for the purpose of influencing the nomination or election of any person to state or county office; and

(7) Any payments to initiate a people's veto referendum or the direct initiative of legislation made prior to the submission of an application to the Department of the Secretary of State as provided in section 901.

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

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

4-C. Leadership political action committee. "Leadership political action committee" means a political action committee, other than a caucus political action committee under section 1053-C, that was directly or indirectly established by a current member of the Legislature or that is directly or indirectly maintained or controlled by a current member of the Legislature.

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; that receives contributions or makes expenditures aggregating more than \$2,500 in a calendar year for the purpose of influencing the nomination or election of a candidate to political office; and~~

~~(4) Any person, including any corporation or association, other than an individual, 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 person, ~~including any corporation or association,~~ 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~~ \$2,500 in a calendar year for the purpose of influencing the nomination or election of any candidate to political office; and

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; or

(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~~ exempt donor.

Sec. 4. 21-A MRSA §1052-A, as amended by PL 2019, c. 563, §4, is further amended to read:

§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.

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 receives (5) shall register with the commission within 7 days of receiving~~ contributions or ~~makes making~~ 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 receives contributions or makes~~ expenditures in the aggregate in excess of \$5,000 for the purpose of influencing the nomination or election of any candidate to political office shall register with the commission within 7 days of exceeding the applicable amount \$2,500.

A-1. A ballot question committee shall register with the commission within 7 days of receiving contributions or making expenditures in the aggregate in excess of \$5,000.

A-2. A registered committee that does not qualify for an exception to registration pursuant to subsection 1-A shall register as a political action committee or ballot question committee, as applicable, within 7 days of exceeding the \$10,000 threshold specified in subsection 1-A.

B. A ~~political action~~ committee shall amend the registration within 10 days of a change in the information that ~~political action~~ committees are required to disclose under this section.

C. A ~~political action~~ 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.

1-A. Exceptions to registration. The following exceptions to the registration requirements in subsection 1 apply to registered committees.

A. A registered political action committee that receives contributions or makes expenditures of \$10,000 or less in the aggregate for the purpose of influencing one or more ballot question campaigns in a calendar year is not required to register as a ballot question committee. If a registered political action committee's only expenditures to influence ballot question campaigns in an election year are monetary contributions to registered ballot question committees, the political action committee is not required to register as a ballot question committee regardless of the aggregated amount of such contributions.

B. A registered ballot question committee that receives contributions or makes expenditures of \$10,000 or less in the aggregate for the purpose of influencing the

nomination or election of one or more candidates in a calendar year is not required to register as a political action committee. If a registered ballot question committee's only expenditures to influence candidate elections in an election year are monetary contributions to registered political action committees, party committees or candidates, the ballot question committee is not required to register as a political action committee regardless of the aggregated amount of such contributions.

2. Disclosure of treasurer and officers. A ~~political action~~ committee must have a treasurer and a principal officer. The same individual may not serve in both positions, unless the committee is an individual registering as a ballot question committee. The ~~political action~~ committee's registration must contain the names and addresses of the following individuals:

- A. The treasurer of the ~~political action~~ committee;
- B. A principal officer of the ~~political action~~ committee;
- C. Any other individuals who are primarily responsible for making decisions for the ~~political action~~ committee;
- D. The individuals who are primarily responsible for raising contributions for the ~~political action~~ committee; and
- E. The names of any other candidates or Legislators who have a significant role in fund-raising or decision-making for the ~~political action~~ committee.

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

- A. A statement indicating the specific candidates, categories of candidates or campaigns or ballot questions that the ~~political action~~ committee expects to support or oppose;
- B. If the ~~political action~~ committee is formed to influence the election of a single candidate, the name of that candidate;
- C. The form or structure of the organization, such as a voluntary association, membership organization, corporation or any other structure by which the ~~political action~~ committee functions, and the date of origin or incorporation of the organization;
- D. If the ~~political action~~ 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;
- E. The name of the account that the ~~political action~~ 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~~

E-1. A certification of whether the committee is a leadership political action committee; and

- F. Any additional information reasonably required by the commission to monitor the activities of ~~political action~~ committees in this State under this subchapter.

4. Acknowledgment of responsibilities. The treasurer, principal officer and any other individuals who are primarily responsible for making decisions for the ~~political action~~ committee shall submit a signed statement acknowledging their responsibilities on a form

prescribed by the commission within 10 days of registering the ~~political-action~~ committee. The signed acknowledgment statement serves as notification of the responsibilities of the ~~political-action~~ 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 ~~political-action~~ committee. The commission shall notify the ~~political-action~~ 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 ~~political-action~~ 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 ~~political-action~~ committee with the commission.

5. Resignation and removal. An individual who resigns as the treasurer, principal officer or primary decision maker of a ~~political-action~~ 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 ~~political-action~~ committee, the ~~political-action~~ committee shall notify the commission in writing that the individual has been removed from the position. The commission may prescribe forms for these purposes.

6. Modified registration. The commission may adopt simplified registration procedures and forms for an individual registering as a ballot question committee to initiate or influence a ballot question.

Sec. 5. 21-A MRSA §1053-A, as amended by PL 2019, c. 563, §5, is further amended to read:

§1053-A. Municipal elections

If an organization qualifies as a ~~political-action~~ committee under section 1052, subsection 5 ~~or is a ballot question committee required to register under section 1056-B 2~~ and that organization receives contributions or makes expenditures to influence a municipal campaign in towns or cities with a population of 15,000 or more, that organization must 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 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. If a municipal clerk becomes aware of a potential violation of this subchapter that the clerk considers to be substantial, the clerk may refer the matter to the commission for enforcement. The commission may conduct an investigation if the information referred by the municipal clerk shows sufficient grounds for believing that a violation may have occurred. After conducting the investigation, if the commission determines that a violation of this subchapter has occurred, the commission may assess penalties provided in this subchapter.

Sec. 6. 21-A MRSA §1054, as amended by PL 2019, c. 563, §7, is repealed and the following enacted in its place:

§1054. Appointment of treasurer; segregated campaign account

1. Appointment of treasurer. A committee required to register under section 1052-A shall appoint a treasurer before registering with the commission.

2. Segregated campaign account. A committee registered under section 1052-A shall establish a separate account in a bank or other financial institution, referred to in this section as a "campaign account." The committee shall deposit all funds contributed to or received by the committee for the purpose of initiating or influencing a campaign in the campaign account and shall finance all of the committee's expenditures to initiate or influence the campaign through the campaign account. If a business or corporate entity has established the committee, the campaign account must be segregated from the general treasury funds of the entity that established the committee. If the committee is established by one or more individuals, the campaign account must be segregated from and not commingled with the personal funds of those individuals.

3. Exceptions. The commission may adopt procedures by rule for waiving the requirement under subsection 2 to maintain a segregated campaign account upon a showing by a committee that a separate account would be administratively burdensome, including but not limited to committees organized outside this State or an individual who registers as a ballot question committee. If the committee was formed by another organization, that other organization may pay its employees for their campaign-related activities on behalf of the committee through its own treasury, rather than the campaign account. Rules adopted pursuant to this subsection are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A.

Sec. 7. 21-A MRSA §1054-A, as amended by PL 2019, c. 563, §8, is further amended to read:

§1054-A. Duties and liabilities of the treasurer, principal officer and primary decision maker of ~~political action~~ committees

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

2. Joint responsibilities of the treasurer and principal officer. The treasurer and the principal officer are jointly responsible for the ~~political action~~ 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 ~~political action~~ committee.

3. Participation in spending decisions. An individual who is the treasurer, principal officer or primary decision maker of the ~~political action~~ 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 ~~political action~~ committee until the

commission receives the individual's resignation statement or a notice of the individual's involuntary removal from the ~~political-action~~ committee.

4. Financial liability. The commission may hold the treasurer and principal officer jointly and severally liable with the ~~political-action~~ committee for any fines assessed against the ~~political-action~~ 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 ~~political-action~~ committee who is directly responsible for a violation, including individuals who have resigned or have been removed involuntarily from the ~~political-action~~ 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 ~~political-action~~ committee.

Sec. 8. 21-A MRSA §1056-B, as amended by PL 2019, c. 323, §23 and c. 563, §11, is repealed.

Sec. 9. 21-A MRSA §1057, as amended by PL 2019, c. 563, §12, is further amended to read:

§1057. Required records for ~~political-action~~ committees

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.

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 a candidate, campaign or ~~political-action~~ committee;
- B. The identity of each candidate, campaign or ~~political-action~~ committee;
- C. The office sought by a candidate and the district the candidate seeks to represent, for candidates that a ~~political-action~~ committee has made an expenditure to or in behalf of; and
- D. The date of each expenditure.

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 to initiate or influence a campaign.

3. Record of contributions. The treasurer of a ~~political-action~~ committee shall keep a record of all contributions to the ~~political-action~~ 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 or less for an election or referendum campaign. When any donor's contributions to a ~~political-action~~ committee exceed \$50, the record must include the aggregate amount of all contributions from that donor.

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

5. Simplified record-keeping requirements. The commission may adopt by rule simplified record-keeping requirements for an individual registering as a ballot question committee to initiate or influence a ballot question. Rules adopted pursuant to this subsection are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A.

Sec. 10. 21-A MRSA §1059, first ¶, as amended by PL 2019, c. 323, §24, is further amended to read:

A committee required to register under section 1052-A, or 1053-B or 1056-B shall file an initial campaign finance report within 7 days of registration or within 14 days of having been required to register, whichever comes first, 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.

Sec. 11. 21-A MRSA §1060, as amended by PL 2019, c. 563, §§14 to 16, is further amended to read:

§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:

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

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

3. Identification of referendum or initiated petition ballot question campaigns. ~~The referenda or initiated petitions~~ ballot question campaigns that the ~~political action~~ committee supports or opposes intends to initiate or influence;

4. Itemized expenditures. An itemization of each expenditure made to initiate or influence any campaign, including the date, payee and purpose of the expenditure; and 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;

~~**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;~~

6. Identification of contributions. ~~Names, occupations~~ An itemization of each contribution of more than \$50 made to or received by the committee for the purpose of initiating or influencing a campaign, including the name, occupation, places of business

and mailing addresses ~~address of contributors who have given more than \$50 to the political action committee in the reporting period~~ each contributor and the amount and date of each ~~the~~ 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

6-A. Funds deposited into campaign account. Any funds deposited into or transferred into the campaign account described in section 1054, including but not limited to funds from the general treasury of an organization that is required to establish a committee; and

7. Other expenditures payments. Operational expenses and any 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 campaign payments made from the campaign account described in section 1054.

Sec. 12. 21-A MRSA §1125, sub-§6-F, as amended by PL 2019, c. 635, §6, is further amended to read:

6-F. Participation in political action committees. A participating candidate or a certified candidate may not establish a political action committee for which the candidate is a treasurer or principal officer or for which the candidate is primarily responsible for fund-raising or decision making. This prohibition applies between April 1st immediately preceding a general election through:

- A. The date on which the candidate withdraws from a race;
- B. The date of the primary election or general election for a candidate who loses either election; or
- C. January 1st immediately preceding the next general election for a candidate who wins the general election.

This prohibition also applies to a participating candidate or certified candidate in a special election, except that the prohibition begins on the date of the candidate's nomination. This subsection does not prohibit a participating candidate or certified candidate, including a certified candidate who wins a general or special election, from engaging in fund-raising or decision making for a caucus political action committee, ~~a ballot question committee or a political action committee formed for the purpose of promoting or opposing a ballot question.~~ This prohibition applies to a participating candidate or certified candidate regardless of the date on which the political action committee was established.

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-ONE

S.P. 467 - L.D. 1417

An Act Regarding Campaign Finance Reform

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

Sec. 1. 21-A MRSA §1004-A, sub-§2, as enacted by PL 2003, c. 628, Pt. A, §1, is amended to read:

2. Contribution in excess of limitations. A person that accepts or makes a contribution that exceeds the limitations set out in ~~section 1015, subsections 1 and 2~~ this chapter may be assessed a penalty of no more than the amount by which the contribution exceeded the limitation.

Sec. 2. 21-A MRSA §1012, sub-§4-B is enacted to read:

4-B. Leadership political action committee. "Leadership political action committee" has the same meaning as in section 1052, subsection 4-C.

Sec. 3. 21-A MRSA §1012, sub-§6 is enacted to read:

6. Separate segregated fund committee. "Separate segregated fund committee" has the same meaning as in section 1052, subsection 6.

Sec. 4. 21-A MRSA §1015, sub-§1, as amended by PL 2019, c. 51, §1 and affected by §3, is further amended to read:

1. Individuals Contributions by individuals. An individual may not make contributions to a candidate in support of the candidacy of one person aggregating more than \$1,500 in any election for a gubernatorial candidate, more than \$350 for a legislative candidate, more than \$500 for a candidate for municipal office and beginning January 1, 2012 more than \$750 in any election for any other candidate. This limitation does not apply to contributions in support of a candidate by that candidate or that candidate's spouse or domestic partner. Beginning December 1, 2010, contribution limits in accordance with this subsection are adjusted every 2 years based on the Consumer Price Index as reported by the United States Department of Labor, Bureau of Labor Statistics and rounded to the nearest amount divisible by \$25. The commission shall post the current contribution limit and the amount of the next adjustment and the date that it will become effective on its

publicly accessible website and include this information with any publication to be used as a guide for candidates.

Sec. 5. 21-A MRSA §1015, sub-§2, as amended by PL 2019, c. 51, §2 and affected by §3, is repealed and the following enacted in its place:

2. Contributions by party committees and political action committees. Except as provided in paragraph A, a party committee under section 1013-A, subsection 3, a political action committee and any other committee may not make contributions to a candidate.

A. A party committee under section 1013-A, subsection 3, a leadership political action committee, a separate segregated fund committee, a caucus political action committee and any other political action committee may make contributions to a candidate in support of the candidacy of one person aggregating no more than the amount that an individual may contribute to that candidate under subsection 1, except that the committee may not make any monetary contributions to a candidate using funds that derive, in whole or in part, from a business entity. Nothing in this paragraph prohibits a separate segregated fund committee that receives nonmonetary contributions from a business entity under section 1056-D, subsection 2, paragraph A from making monetary contributions to a candidate within the limits described in this paragraph.

Sec. 6. 21-A MRSA §1015, sub-§2-A is enacted to read:

2-A. Contributions by business entities. A business entity may not make contributions to a candidate.

Sec. 7. 21-A MRSA §1015, sub-§10 is enacted to read:

10. Business entity defined. For purposes of this section, "business entity" includes a firm, partnership, corporation, incorporated association, labor organization or other organization, whether organized as a for-profit or a nonprofit entity.

Sec. 8. 21-A MRSA §1015-A, as amended by PL 2013, c. 334, §§5 and 6, is repealed.

Sec. 9. 21-A MRSA §1052, sub-§4-C is enacted to read:

4-C. Leadership political action committee. "Leadership political action committee" means a political action committee, other than a caucus political action committee under section 1053-C, that was directly or indirectly established by a current member of the Legislature or that is directly or indirectly maintained or controlled by a current member of the Legislature.

Sec. 10. 21-A MRSA §1052, sub-§6 is enacted to read:

6. Separate segregated fund committee. "Separate segregated fund committee" means a political action committee described in subsection 5, paragraph A, subparagraph (1).

Sec. 11. 21-A MRSA §1056-C is enacted to read:

§1056-C. Limits on contributions to leadership political action committees

1. Contributions by individuals. An individual may not make contributions to a leadership political action committee aggregating more in a calendar year than the amount

that the individual may contribute to a legislative candidate in any election under section 1015, subsection 1.

2. Contributions by party committees and political action committees. Except as provided in paragraph A, a party committee under section 1013-A, subsection 3, a political action committee and any other committee may not make contributions to a leadership political action committee.

A. A party committee under section 1013-A, subsection 3, a leadership political action committee, a separate segregated fund committee, a caucus political action committee and any other political action committee may make contributions to a leadership political action committee aggregating no more in a calendar year than the amount that the committee may contribute to a legislative candidate in any election under section 1015, subsection 2, paragraph A, except that the committee may not make any monetary contributions to a leadership political action committee using funds that derive, in whole or in part, from a business entity. Nothing in this paragraph prohibits a separate segregated fund committee that receives nonmonetary contributions from a business entity under section 1056-D, subsection 2, paragraph A from making monetary contributions to a candidate within the limits described in this paragraph.

3. Contributions by business entities prohibited. A business entity may not make contributions to a leadership political action committee.

4. Business entity defined. For purposes of this section, "business entity" includes a firm, partnership, corporation, incorporated association, labor organization or other organization, whether organized as a for-profit or a nonprofit entity.

Sec. 12. 21-A MRSA §1056-D is enacted to read:

§1056-D. Limits on contributions to separate segregated fund committees

1. Contributions by individuals. An individual may not make contributions to a separate segregated fund committee aggregating more than \$5,000 in a calendar year.

2. Contributions by business entities. Except as provided in paragraph A, a business entity may not make contributions to a separate segregated fund committee. For purposes of this subsection, "business entity" includes a firm, partnership, corporation, incorporated association, labor organization or other organization, whether organized as a for-profit or a nonprofit entity.

A. The corporation, membership organization, cooperative or labor or other organization that established the separate segregated fund committee, referred to in this paragraph as "the parent entity," may provide the separate segregated fund committee with the use of offices, telephones, computers and similar equipment when that use does not result in additional cost to the parent entity.

Sec. 13. Effective date. This Act takes effect January 1, 2023.

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-ONE

—
S.P. 514 - L.D. 1621

**An Act To Reform Payments to Legislators by Political Action Committees
and Ballot Question Committees**

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

Sec. 1. 21-A MRSA §1054-B, as amended by PL 2019, c. 21, §1 and c. 563, §9, is repealed and the following enacted in its place:

§1054-B. Payments to Legislators by political action committees and ballot question committees

1. Payments to Legislators. If a Legislator is a principal officer or treasurer of a political action committee or a ballot question committee or is one of the individuals primarily responsible for raising contributions or making decisions for a political action committee or a ballot question committee, the committee is subject to the following restrictions regarding payments to that Legislator.

A. Except as provided in paragraphs B and C, the committee may not compensate the Legislator for services provided to the committee.

B. The committee may pay for or reimburse the Legislator for travel expenses incurred in the proper performance of the Legislator's legislative duties and in volunteering for the committee. If the Legislator uses the Legislator's vehicle when conducting the activities described in this paragraph, the committee may pay the Legislator mileage reimbursement at a rate established by the commission by rule but may not pay for or reimburse the Legislator for the direct costs of repairing or maintaining the Legislator's vehicle.

C. The committee may pay for or reimburse the Legislator for other expenses incurred in the proper performance of the Legislator's legislative duties and for purchases made by the Legislator on behalf of the committee.

D. Notwithstanding any other provision of this section, the committee may not pay for or reimburse the Legislator for any expenses that have been or will be paid for or reimbursed by the Legislature or any other source of payment or reimbursement.

E. The committee may not make any payments for or reimburse the Legislator for any expenses that are determined by the commission to be for the purpose of personal financial enrichment of the Legislator.

2. Payments to immediate family members and businesses. If a Legislator is a principal officer or treasurer of a political action committee or a ballot question committee or is one of the individuals primarily responsible for raising contributions or making decisions for a political action committee or a ballot question committee, the committee is subject to the following restrictions regarding payments to an immediate family member of the Legislator or a business owned or operated by the Legislator or an immediate family member of the Legislator.

A. The committee may not compensate an immediate family member of the Legislator for services provided to the committee.

B. The committee may not make payments to or distribute, loan, advance, deposit or give money or anything of value to or compensate a business owned or operated by the Legislator or an immediate family member of the Legislator.

C. The committee may not make any payments for or reimburse the immediate family member of a Legislator for any expenses that are determined by the commission to be for the purpose of personal financial enrichment of the immediate family member of the Legislator.

3. Commingling of funds. If a Legislator is a principal officer or treasurer of a political action committee or a ballot question committee or is one of the individuals primarily responsible for raising contributions or making decisions for a political action committee or a ballot question committee, the committee's funds may not be commingled with the personal funds of the Legislator or the funds of a business owned or operated by the Legislator or any other person.

4. Penalties. A political action committee or ballot question committee that violates subsection 1, 2 or 3 commits a civil violation for which a fine of not more than \$500 or the amount of the impermissible payment or reimbursement, whichever is greater, may be imposed by the commission according to the procedures set forth in section 1004-A. A Legislator who accepts a payment or reimbursement from a committee that is prohibited by subsection 1 or who violates subsection 3 commits a civil violation for which a fine of not more than \$500 or the amount of the impermissible payment or reimbursement, whichever is greater, may be imposed by the commission according to the procedures set forth in section 1004-A.

5. Rules. The commission may adopt rules as necessary to implement this section, including rules establishing mileage reimbursement rates, record-keeping requirements and reporting requirements and rules related to reimbursable travel expenses. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.