



Testimony before the Joint Standing Committee  
on Veterans and Legal Affairs

LD 1023: An Act to Provide Transparency in Fund-raising by  
and Lobbying of a Governor-Elect

Monday, April 22, 2013

Senator Tuttle, Representative Luchini and members of the Joint Standing Committee on Veterans and Legal Affairs:

Thank you for the opportunity to testify on LD 1023 – An Act to Provide Transparency in Fund-raising by and Lobbying of a Governor-elect.

My name is Andrew Bossie, and I am Executive Director of Maine Citizens for Clean Elections.

Maine Citizens for Clean Elections (MCCE) is a nonpartisan organization that works in the public interest to advocate for, defend and improve the Maine Clean Election Act and related campaign finance law. We have been at this work since the 1990's. Whenever there is legislation relating to our campaign finance and reporting system, MCCE works to bring the point of view of Maine citizens to the decision-making table.

We believe any fundraising activities by elected officials and candidates for office must be conducted in the full light of day. The public has a strong interest in knowing who is giving money or anything of value to the Governor-elect to pay these expenses and how that money is being used. The public interest in these transactions is every bit as strong as the public interest in knowing who is making contributions to candidates and how much they are giving. We support the proposals in LD 1023. In fact, we have worked with Representative Mike Carey to incorporate a similar provision into LD 1271 which the committee will hear very soon.

Let me point out from the start that this is not a partisan issue. Following each gubernatorial election we at MCCE hear many questions and comments about the fundraising activities relating to inaugural events and the expenses incurred by the Governor-elect as he prepares to assume office.

Many states and the federal government currently have some kind of system for disclosure of inaugural or transition expenses.

Turning to the specifics of LD 1023, this bill authorizes the creation of transition and inaugural committees which can raise and spend money to fund expenses of a Governor-elect. It also provides for disclosure and reporting of the fundraising activities of those committees.

LD 1023 also requires the Governor-elect to report "all individuals who are raising funds for the committee." We think this is a very important step. These "solicitors" are an increasingly common feature of political fundraising, and there is a movement toward greater disclosure of solicitors in many states and at the federal level. We welcome this level of disclosure and believe it is an important element of the bill. In fact, we would like to see "solicitor" disclosure become a standard part of all similar financial reporting.

We also support the provision adding the Governor-elect and the Governor-elect's staff to the list of officials who are covered by the lobbying disclosure laws. There is no doubt that lobbying of the Governor-elect begins well before Inauguration Day, and this type of interaction should be reported just as any other lobbying is reported.

This bill will be very beneficial to the public, closing a significant loophole in the current disclosure system. We commend the Commission on Governmental Ethics and Election Practices for bringing LD 1023 forward.

One change that is needed in the bill, however, is that this system should be mandatory. As written, the bill now only says that a Governor-elect "may" establish a transition committee. We believe that the bill should be amended simply to ensure that any transition fundraising must be conducted through such a committee. This should not be discretionary any more than campaign finance reports filed by candidates are discretionary.

In addition, the bill as written only applies to fundraising for transition and inaugural expenses that occur after Election Day. We have been advised by persons active in Maine campaigns that fundraising for this purpose before Election Day is a very real possibility, if not common practice. The bill should cover this kind of fundraising activity, if any, taking place before an election.

For similar reasons, we do not believe the bill should be limited to a committee established by the governor-elect. It should be written to encompass fundraising by any person, candidate or elected official, if the funds are to be used for the transition or the inauguration.

One additional improvement we would like to see in LD 1023 is to require reporting of expenditures of a transition committee. We think the public should have access to information about how this money is spent, just as candidates and political action committees must report their expenditures. This could easily be added to the bill.

We have also identified a small number of relatively technical changes which we believe would enhance the bill and help give full effect to the sponsor's intention. Those are listed at the end of our testimony.

MCCE ultimately believes that the inauguration and preparation of the governor to assume office are essential functions, and that it would be appropriate to use public funds to defer any reasonable expenses incurred for these purposes. We would support such a proposal, but that

is not on the table at this point. For so long as private funds are used to pay for these expenses we believe it is very important to institute a system of transparency and accountability. LD 1023 would provide that, and it is a welcomed addition to our disclosure and ethics system.

In short, we strongly support LD 1023 provided it is amended to become mandatory rather than discretionary. Thank you, and we are happy to answer any questions you may have.

Possible technical amendments to LD 1023:

- We believe the public would benefit from an interim report in addition to the final report.
- Section 3 of the bill exempts lobbying of legislative candidates from the lobbying disclosure rules. If the goal is consistency between the treatment of legislative candidates and gubernatorial candidates, then the solution is to add disclosure of lobbying of gubernatorial candidates, not to eliminate disclosure where it is already required.
- We don't see the purpose of exempting "officer of the Legislature" from the list of persons who are covered by the lobbying disclosure rules.
- "Anything of value" should specifically be defined to include in-kind contributions of goods or professional services.
- The IRS terminology should be "exempt organization," not "nonprofit corporation."
- Another option for disposing of a surplus is to refund money to one or more donors. This may be administratively easier than giving it to the state or a nonprofit.