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H.P. 1099

House of Representatives, April 14, 2021

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

Reported by Representative CAIAZZO of Scarborough for the Commission on Governmental Ethics and Election Practices pursuant to the Maine Revised Statutes, Title 1, section 1009.

Received by the Clerk of the House on April 12, 2021. Referred to the Committee on Veterans and Legal Affairs pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

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

2 **Sec. 1. 21-A MRS §1052**, as amended by PL 2019, c. 563, §3, is further amended
3 to read:

4 **§1052. Definitions**

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

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

9 A. A people's veto referendum under the Constitution of Maine, Article IV, Part Third,
10 Section 17;

11 B. A direct initiative of legislation under the Constitution of Maine, Article IV, Part
12 Third, Section 18;

13 C. An amendment to the Constitution of Maine under Article X, Section 4;

14 D. A referendum vote on a measure enacted by the Legislature and expressly
15 conditioned upon ratification by a referendum vote under the Constitution of Maine,
16 Article IV, Part Third, Section 19;

17 E. The ratification of the issue of bonds by the State or any agency thereof; and

18 F. Any county or municipal referendum.

19 **2. Committee.** "Committee" means any political action committee, ~~as defined in this~~
20 ~~subchapter, or any ballot question committee required to be registered under section~~
21 ~~1056-B or ballot question committee~~ and includes any agent of a political action committee
22 or ballot question committee.

23 **2-A. Ballot question committee.** "Ballot question committee" means a person that
24 receives contributions or makes expenditures aggregating in excess of \$5,000 for the
25 purpose of initiating or influencing a campaign, other than a campaign for the nomination
26 or election of a candidate. The term "ballot question committee" does not include a political
27 action committee or an exempt donor.

28 **3. Contribution.** "Contribution" includes:

29 A. A gift, subscription, loan, advance or deposit of money or anything of value made
30 to ~~or received by a political action committee, except that a loan of money by a financial~~
31 ~~institution made in accordance with applicable banking laws and regulations and in the~~
32 ~~ordinary course of business is not included; for the purpose of initiating or influencing~~
33 a campaign, including but not limited to:

34 (1) Funds that the contributor specified were given, in whole or in part, in
35 connection with a campaign;

36 (2) Funds provided in response to a solicitation that would lead the contributor to
37 believe that the funds would be used specifically, in whole or in part, for the
38 purpose of initiating or influencing a campaign; and

39 (3) Funds that can reasonably be determined to have been provided by the
40 contributor for the purpose of initiating or influencing a campaign when viewed in

1 the context of the contribution and the recipient committee's activities regarding a
2 campaign;

3 A-1. Any funds deposited or transferred into the campaign account described in section
4 1054;

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

7 C. Any funds received by a ~~political action~~ committee that are to be transferred to any
8 candidate, committee, campaign or organization for the purpose of initiating or
9 influencing a campaign; or

10 D. The payment, by any person or organization, of compensation for the personal
11 services of other persons provided to a ~~political action~~ committee that is used by the
12 ~~political action~~ committee to initiate or influence a campaign.

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

16 **3-A. Exempt donor.** "Exempt donor" means a person that has not received
17 contributions for the purpose of influencing a campaign in the prior 2 years and whose only
18 payments of money to influence a campaign in the prior 2 years are:

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

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

25 **4. Expenditure.** The term "expenditure:"

26 A. Includes:

27 (1) A purchase, payment, distribution, loan, advance, deposit or gift of money or
28 anything of value, made for the purpose of initiating or influencing a campaign;

29 (1-A) Any purchase, payment, distribution, loan, advance, deposit or gift of money
30 made from the campaign account described in section 1054;

31 (2) A contract, promise or agreement, expressed or implied, whether or not legally
32 enforceable, to make any expenditure for the purposes set forth in this paragraph;
33 and

34 (3) The transfer of funds by a political action committee to another candidate or
35 political committee; and

36 B. Does not include:

37 (1) Any news story, commentary or editorial distributed through the facilities of
38 any broadcasting station, cable television system, newspaper, magazine or other
39 periodical publication, unless these facilities are owned or controlled by any
40 political party, political committee, candidate or the spouse or domestic partner of
41 a candidate;

- 1 (2) Activity designed to encourage individuals to register to vote or to vote, if that
- 2 activity or communication does not mention a clearly identified candidate;
- 3 (3) Any communication by any membership organization or corporation to its
- 4 members or stockholders, if that membership organization or corporation is not
- 5 organized primarily for the purpose of influencing the nomination or election of
- 6 any person to state or county office;
- 7 (4) The use of real or personal property and the cost of invitations, food and
- 8 beverages, voluntarily provided by a political action committee in rendering
- 9 voluntary personal services for candidate-related activities, if the cumulative value
- 10 of these activities by the political action committee on behalf of any candidate does
- 11 not exceed \$250 with respect to any election;
- 12 (5) Any unreimbursed travel expenses incurred and paid for by a political action
- 13 committee that volunteers personal services to a candidate, if the cumulative
- 14 amount of these expenses does not exceed \$100 with respect to any election; ~~and~~
- 15 (6) Any communication by ~~any political action a~~ committee member that is not
- 16 made for the purpose of influencing the nomination or election of any person to
- 17 state or county office; ~~and~~
- 18 (7) Any payments to initiate a people's veto referendum or the direct initiative of
- 19 legislation made prior to the submission of an application to the Department of the
- 20 Secretary of State as provided in section 901.

21 **4-A. Influence.** "Influence" means to promote, support, oppose or defeat.

22 **4-B. Initiate.** "Initiate" includes the collection of signatures and related activities to
 23 qualify a state or local initiative or referendum for the ballot.

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

25 A. Includes:

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

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

33 (5) Any person, including any corporation or association, other than an individual,
 34 ~~that does not have as its major purpose influencing candidate elections but that~~
 35 receives contributions or makes expenditures aggregating more than \$5,000 \$2,500
 36 in a calendar year for the purpose of influencing the nomination or election of any
 37 candidate to political office; and

38 B. Does not include:

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

40 (2) A candidate's authorized political committee under section 1013-A, subsection
 41 1, paragraph B;

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

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

8 **Sec. 2. 21-A MRSA §1052-A**, as amended by PL 2019, c. 563, §4, is further
9 amended to read:

10 **§1052-A. Registration**

11 A ~~political action~~ committee shall register with the commission and amend its
12 registration as required by this section. A registration is not timely filed unless it contains
13 all the information required in this section.

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

16 A. A political action committee as defined under section 1052, subsection 5, paragraph
17 A, subparagraph (1) or (4) that receives (5) shall register with the commission within
18 7 days of receiving contributions or makes making expenditures in the aggregate in
19 excess of \$1,500 and a political action committee as defined under section 1052,
20 subsection 5, paragraph A, subparagraph (5) that receives contributions or makes
21 expenditures in the aggregate in excess of \$5,000 for the purpose of influencing the
22 nomination or election of any candidate to political office shall register with the
23 commission within 7 days of exceeding the applicable amount \$2,500.

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

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

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

33 C. A ~~political action~~ committee shall file an updated registration form between January
34 1st and March 1st of each year in which a general election is held. The commission
35 may waive the updated registration requirement for a newly registered political action
36 committee or other registered ~~political action~~ committee if the commission determines
37 that the requirement would cause an administrative burden disproportionate to the
38 public benefit of the updated information.

39 **1-A. Exceptions to registration.** The following exceptions to the registration
40 requirements in subsection 1 apply to registered committees.

41 A. A registered political action committee that receives contributions or makes
42 expenditures of \$10,000 or less in the aggregate for the purpose of influencing one or
43 more ballot question campaigns in a calendar year is not required to register as a ballot

1 question committee. If a registered political action committee's only expenditures to
2 influence ballot question campaigns in an election year are monetary contributions to
3 registered ballot question committees, the political action committee is not required to
4 register as a ballot question committee regardless of the aggregated amount of such
5 contributions.

6 B. A registered ballot question committee that receives contributions or makes
7 expenditures of \$10,000 or less in the aggregate for the purpose of influencing the
8 nomination or election of one or more candidates in a calendar year is not required to
9 register as a political action committee. If a registered ballot question committee's only
10 expenditures to influence candidate elections in an election year are monetary
11 contributions to registered political action committees, party committees or candidates,
12 the ballot question committee is not required to register as a political action committee
13 regardless of the aggregated amount of such contributions.

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

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

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

- 29 A. A statement indicating the specific candidates, categories of candidates or
30 campaigns or ballot questions that the ~~political action~~ committee expects to support or
31 oppose;
- 32 B. If the ~~political action~~ committee is formed to influence the election of a single
33 candidate, the name of that candidate;
- 34 C. The form or structure of the organization, such as a voluntary association,
35 membership organization, corporation or any other structure by which the ~~political~~
36 ~~action~~ committee functions, and the date of origin or incorporation of the organization;
- 37 D. If the ~~political action~~ committee has been formed by one or more for-profit or
38 nonprofit corporations or other organizations for the purpose of initiating or
39 influencing a campaign, the names and addresses of the corporations or organizations;
- 40 E. The name of the account that the ~~political action~~ committee will use to deposit
41 contributions and make expenditures pursuant to section 1054, and the name and
42 address of the financial institution at which the account is established; and

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

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

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

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

28 **Sec. 3. 21-A MRSA §1053-A**, as amended by PL 2019, c. 563, §5, is further
29 amended to read:

30 **§1053-A. Municipal elections**

31 If an organization qualifies as a ~~political-action~~ committee under section 1052,
32 subsection 5 ~~or is a ballot question committee required to register under section 1056-B~~ 2
33 and that organization receives contributions or makes expenditures to influence a municipal
34 campaign in towns or cities with a population of 15,000 or more, that organization must
35 register and file reports with the municipal clerk as required by Title 30-A, section 2502.
36 The reports must be filed in accordance with the reporting schedule in section 1059 and
37 must contain the information listed in section 1060. A committee registered with the
38 commission and that receives contributions or makes expenditures relating to a municipal
39 election shall file a copy of the report containing such contributions or expenditures with
40 the clerk in the subject municipality. The commission retains the sole authority to prescribe
41 the content of all reporting forms. The commission does not have responsibility to oversee
42 the filing of registrations or campaign finance reports relating to municipal campaigns. If
43 a municipal clerk becomes aware of a potential violation of this subchapter that the clerk
44 considers to be substantial, the clerk may refer the matter to the commission for
45 enforcement. The commission may conduct an investigation if the information referred by

1 the municipal clerk shows sufficient grounds for believing that a violation may have
2 occurred. After conducting the investigation, if the commission determines that a violation
3 of this subchapter has occurred, the commission may assess penalties provided in this
4 subchapter.

5 **Sec. 4. 21-A MRSA §1054**, as amended by PL 2019, c. 563, §7, is repealed and the
6 following enacted in its place:

7 **§1054. Appointment of treasurer; segregated campaign account**

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

10 **2. Segregated campaign account.** A committee registered under section 1052-A shall
11 establish a separate account in a bank or other financial institution, referred to in this section
12 as a “campaign account.” The committee shall deposit all funds contributed to or received
13 by the committee for the purpose of influencing a campaign in a the campaign account and
14 shall finance all of the committee’s expenditures to influence the election through the
15 campaign account. If a business or corporate entity has established the committee, the
16 campaign account must be segregated from the general treasury funds of the entity that
17 established the committee. If the committee is established by one or more individuals, the
18 campaign account must be segregated from and not commingled with the personal funds
19 of those individuals.

20 **3. Exceptions.** The commission may adopt procedures by rule for waiving the
21 requirement under subsection 2 to maintain a segregated campaign account upon a showing
22 by a committee that a separate account would be administratively burdensome, including
23 but not limited to committees organized outside this State or an individual who registers as
24 a ballot question committee. If the committee was formed by another organization, that
25 other organization may pay its employees for their campaign-related activities on behalf of
26 the committee through its own treasury, rather than the campaign account.

27 **Sec. 5. 21-A MRSA §1054-A**, as amended by PL 2019, c. 563, §8, is further
28 amended to read:

29 **§1054-A. Duties and liabilities of the treasurer, principal officer and primary decision**
30 **maker of ~~political action~~ committees**

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

38 **2. Joint responsibilities of the treasurer and principal officer.** The treasurer and
39 the principal officer are jointly responsible for the ~~political action~~ committee's compliance
40 with the requirements of this chapter and the commission's rules. The treasurer and
41 principal officer are responsible for accepting and responding to notices and
42 correspondence from the commission on behalf of the ~~political action~~ committee.

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

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

18 **Sec. 6. 21-A MRSA §1056-B**, as amended by PL 2019, c. 323, §23 and c. 563, §11,
19 is repealed.

20 **Sec. 7. 21-A MRSA §1057**, as amended by PL 2019, c. 563, §12, is further amended
21 to read:

22 **§1057. Required records for ~~political-action~~ committees**

23 Any ~~political-action~~ committee that is required to register under section 1052-A or
24 1053-B shall keep records as provided in this section for 4 years following the election to
25 which the records pertain.

26 **1. Details of records.** The treasurer of a ~~political-action~~ committee shall record a
27 detailed account of:

- 28 A. All expenditures made to or in behalf of a candidate, campaign or ~~political-action~~
29 committee;
- 30 B. The identity of each candidate, campaign or ~~political-action~~ committee;
- 31 C. The office sought by a candidate and the district the candidate seeks to represent,
32 for candidates that a ~~political-action~~ committee has made an expenditure to or in behalf
33 of; and
- 34 D. The date of each expenditure.

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

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

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

4 **5. Simplified record-keeping requirements.** The commission may adopt by rule
5 simplified record-keeping requirements for an individual registering as a ballot question
6 committee to initiate or influence a ballot question.

7 **Sec. 8. 21-A MRSA §1059, first ¶**, as amended by PL 2019, c. 323, §24, is further
8 amended to read:

9 A committee required to register under section 1052-A, or 1053-B or 1056-B shall file
10 an initial campaign finance report within 7 days of registration or within 14 days of having
11 been required to register, whichever comes first, and thereafter shall file reports in
12 compliance with this section. All reports must be filed by 11:59 p.m. on the day of the
13 filing deadline, except that reports submitted to a municipal clerk must be filed by the close
14 of business on the day of the filing deadline.

15 **Sec. 9. 21-A MRSA §1060**, as amended by PL 2019, c. 563, §§14 to 16, is further
16 amended to read:

17 **§1060. Content of reports**

18 The reports must contain the following information and any additional information
19 required by the commission to monitor the activities of ~~political action~~ committees:

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

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

24 **3. Identification of referendum or initiated petition.** The referenda or initiated
25 petitions that the ~~political action~~ committee supports or opposes;

26 **4. Itemized expenditures.** An itemization of each expenditure made to initiate or
27 influence any campaign, including the date, payee and purpose of the expenditure; and the
28 name of each candidate, ~~campaign, political committee, political action committee or party~~
29 ~~committee supported or opposed~~; and each referendum or initiated petition supported or
30 opposed by the expenditure. If expenditures were made to a person described in section
31 1012, subsection 3, paragraph A, subparagraph (4), the report must contain the name of the
32 person; the amount spent by that person on behalf of the ~~candidate, campaign, political~~
33 ~~committee, political action committee, party committee, referendum or initiated petition~~;
34 including, but not limited to, expenditures made during the signature gathering phase; the
35 reason for the expenditure; and the date of the expenditure. The commission may specify
36 the categories of expenditures that are to be reported to enable the commission to closely
37 monitor the activities of ~~political action~~ committees;

38 ~~**5. Aggregate expenditures.**—An aggregation of expenditures and cumulative~~
39 ~~aggregation of expenditures to a candidate, campaign, political committee, political action~~
40 ~~committee, party committee, referendum or initiated petition;~~

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

1 and mailing addresses ~~address of contributors who have given more than \$50 to the political~~
2 ~~action committee in the reporting period~~ each contributor and the amount and date of each
3 ~~the contribution, except that an organization qualifying as a political action committee~~
4 ~~under section 1052, subsection 5, paragraph A, subparagraph (5) is required to report only~~
5 ~~those contributions made to the organization for the purpose of influencing a ballot question~~
6 ~~or the nomination or election of a candidate to political office and all transfers to or funds~~
7 ~~used to support the political action committee from the general treasury of the organization;~~
8 ~~and~~

9 **6-A. Funds deposited into campaign account.** Any funds deposited into or
10 transferred into the campaign account described in section 1054, including but not limited
11 to funds from the general treasury of an organization that is required to establish a
12 committee; and

13 **7. Other expenditures payments.** Operational expenses and any other expenditures
14 ~~that are not made on behalf of a candidate, committee or campaign, except that an~~
15 ~~organization qualifying as a political action committee under section 1052, subsection 5,~~
16 ~~paragraph A, subparagraph (5) is required to report only those expenditures made for the~~
17 ~~purpose of influencing a campaign~~ payments made from the segregated campaign account
18 described in section 1054.

19 SUMMARY

20 This bill amends the laws governing registration and financial reporting by political
21 action committees and ballot question committees by:

22 1. Redefining "political action committee" to mean any person, including a corporation
23 or association, that receives contributions or makes expenditures aggregating in excess of
24 \$2,500 in a calendar year for the purpose of influencing the nomination or election of any
25 candidate to political office;

26 2. Defining "ballot question committee" to mean a person that receives contributions
27 or makes expenditures aggregating in excess of \$5,000 for the purpose of initiating or
28 influencing a ballot question campaign;

29 3. Unifying the registration, financial reporting and record-keeping requirements for
30 political action committees and ballot question committees;

31 4. Requiring a political action committee or ballot question committee to establish a
32 campaign account in a bank or other financial institution that is separate from the other
33 financial accounts of the person that established the political action committee or ballot
34 question committee;

35 5. Amending the definitions of "contribution" and "expenditure" to include all funds
36 deposited into a campaign account and all payments made from the campaign account,
37 respectively;

38 6. Imposing a \$100,000 limit on the exemption for organizations that pay for services
39 and contribute those services to political action committees, ballot question committees,
40 party committees and candidates; and

41 7. Exempting from the definition of "expenditure" payments made for the purpose of
42 initiating a citizen's initiative or people's veto referendum prior to applying to the Secretary
43 of State to initiate the question.