

Policy Brief

Maine Does Not Need Leadership PACs

Large special interest contributions directly to legislators are undemocratic.

Current Law: Long ago Maine and many other states enacted laws putting a strict limit on the size of campaign contributions candidates can accept. This was done to combat corruption and assure the public that legislators were working for them. In Maine, legislative candidates cannot accept more than \$400 per contributor. But over the years,

legislators have devised a work-around. They realized that political action committees (“PACs”) have no limits, and that there was no law against

legislators having their own personal PAC. Today, legislators can create a PAC, raise unlimited amounts for their PAC, and control how the PAC spends its money. Legislators’ PACs have no contribution limits, and they often accept far more than they could for their own campaigns. This practice has grown from a trivial exception to a gaping abuse of the rules. **At least 21 current legislators have their own personal PACs.** And eight other legislators had PACs during the previous legislative session. Only Clean Election legislators are forbidden from creating and controlling a PAC.

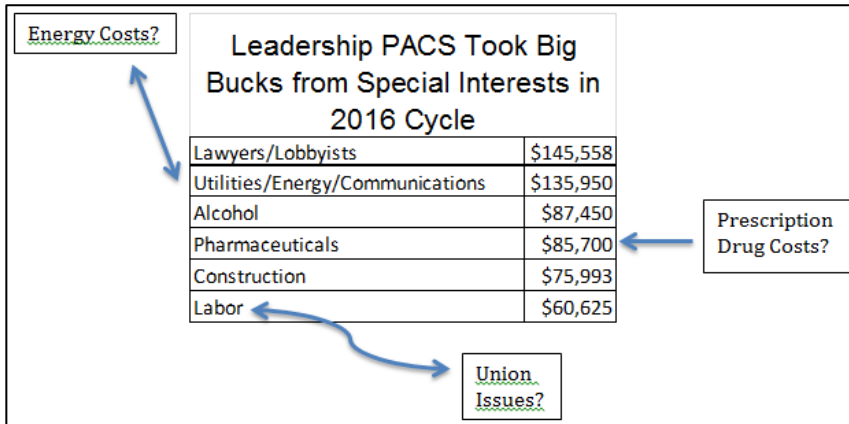
Why do we have “leadership PACs”? Until recently, the conventional wisdom around Augusta held that anyone who wants to run for legislative leadership (Speaker, Majority Leader,

Minority Leader, etc.) must earn their position by raising money for their caucus. And that meant setting up your own PAC and asking for contributions -- usually from lobbyists. Legislative leaders don’t have to have a PAC, but it has become the norm.

Many people are surprised to learn that these special legislator-controlled PACs – commonly known as “leadership PACs” – are not specifically defined or regulated in current law. They fall in a gap between the laws governing ordinary

campaign committees and the political action committee statute.

What is different now? The 2016 election cycle shattered the conventional wisdom. Two candidates successfully supported their caucuses without setting up their own PACs. Although they did raise money to support their political party and its candidates, they put some distance between themselves and the special interests by pooling their funds into their caucus. Crucially, these candidates did not personally control how the money is spent. Rather, they shared control with the rest of their political party in that chamber of the legislature. Both of these candidates are now serving in legislative leadership. They proved that a personal “leadership PAC” is not necessary.



Leadership PACS Make a Mockery Out of Contribution Limits:

So long as we allow legislators to have their own personal PAC, they will continue to use this loophole to pull in huge contributions from special interests, creating powerful ties of allegiance and loyalty that threaten to interfere with legislators’ duty to their constituents. Every cycle these leadership PACs receive thousands of dollars from pharmaceutical interests, chemical companies, cable TV businesses, and a litany of big money sources with significant business before these lawmakers. One legislator used his personal PAC to accept over \$20,000 from drug companies and their allies in just one election cycle. Another accepted over \$10,000 from interests that promote the sale of alcohol. Construction interests, labor groups, and insurance companies gave contributions of thousands of dollars to leadership PACs. Under current law, all individual contributions would be capped at \$400 if they were used for the candidate’s own campaign; accepting \$401 would be a Class E crime. So why allow \$10,000 or more for these personal PACs? It is an unjustifiable loophole and it hurts our democracy.

Leadership Hopefuls Can Still Raise Money to help their Political Party and Caucus:

Fundraising chops aren’t the same as real legislative leadership. But if legislative leadership aspirants want to help their caucus secure a majority, they have many ways to raise money to support their political team without having their own personal PAC. Each caucus currently has its

own PAC controlled by the members and their elected leaders. Democrats (Senate Democratic Campaign Committee and House Democratic Campaign Committee) and Republicans (Maine Senate Republican Majority and House Republican Majority Fund) already have the structure in place to raise all the funds they need without continuing the practice of personal leadership PACs.

The Solution: The public needs assurance that recipients of huge contributions are not indebted to the contributor. Political party funds and caucus PAC funds are controlled by a large number of people – not one legislator. Therefore

Large Contributions from Single Contributor		
PAC Controlled by Democratic Senator	\$4,000	casino interest
PAC Controlled by Democratic Representative	\$7,500	construction interest
PAC Controlled by Republican Senator	\$20,600	construction interest
PAC Controlled by Republican Representative	\$18,500	trucking interests

these organizations afford a much more accountable and democratic way to

raise private funds for their political party. These options balance the legitimate campaign fundraising needs of partisan legislators, with the public’s concern that individual lawmakers could become beholden to large private contributions. No one – least of all an elected official – should be able to get around the contribution limits by establishing a personal PAC.

It’s time to end these private PACs. The political parties – and their caucuses in the legislature – have legitimate fundraising needs. We support them. But their fundraising should be done through more transparent and democratic structures that are already available. **MCCE supports [LR 1122] – An Act To Amend the Laws Regarding Legislative Political Action Committees.** [This bill] is the best way to cut the ties between individual legislative leaders and those seeking special access and influence.

MCCE is not naming specific legislators in this Policy Brief because we do not wish to impugn anyone’s integrity for playing by the rules that now exist. We hope everyone will agree to better rules going forward.