

Maine Citizens for Clean Elections

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TO: The Honorable Senator Lisa T. Marraché, Senate Chair
The Honorable Representative John L. Patrick, House Chair
The Joint Standing Committee on Legal and Veterans Affairs

DATE: April 30, 2007

RE: **LD 1498** "An Act to Prohibit Out-of-state Corporations from Contributing to State and County Elections

Maine Citizens for Clean Elections (MCCE) testifies neither for nor against LD 1498.

MCCE believes that corporations should not be able to make contributions to candidates. Should Maine enact such a ban, we do not think it should be limited to out of state corporations.

The federal government has barred corporations from contributing to federal campaigns for a century. The rationale is clear: Corporations may amass significant wealth thanks to the regulatory assistance of government. Care must be taken in order that this wealth is not used to then distort the process of government.

The same rationale applies to political action committees (PACs) that contribute to candidate campaigns. Many states prohibit PACs from accepting corporate contributions, and MCCE is in favor of such a prohibition in Maine.

We believe the prohibitions included in 1498 may be so broad as to run afoul of established court precedents having to do with limiting independent expenditures and contributing to referendum campaigns. This is not our area of expertise, however, so we simply urge the committee to seek legal advice should it decide to move forward with this idea so that it can do so in an informed way.