

TO: The Honorable Senator Nancy B. Sullivan, Senate Chair

The Honorable Representative Pamela Jabar Trinward, House Chair

The Joint Standing Committee on Legal and Veterans Affairs

DATE: April 6, 2009

RE: LD 1249 "An Act to Raise the Campaign Contribution Limit,"

Representative Harvell, sponsor

Maine Citizens for Clean Elections (MCCE) strongly opposes LD 1249.

This bill increases the contribution limit to privately funded candidates to \$1,000 from each donor. This doubles the existing contribution limit for a privately funded gubernatorial candidate, and it quadruples it for legislative candidates.

Contribution limits are in place so that Maine citizens can be confident that campaign contributors cannot exercise undue influence over any state elected official. Maine voters set the limits where they are today in a citizen-initiated referendum in 1996. Our limits are fairly low because that is what Maine people want.

The current limits were subjected to a robust legal challenge that concluded a little more than eight years ago, and they were found to be fully constitutional. In its decision, the U.S. District Court of Appeals determined that "Maine's contribution limits of \$250 [for legislative candidates] do not unconstitutionally infringe upon candidates' and donors' free association rights because they are supported by a sufficiently important governmental interest to which the ceilings are closely tailored." The Court also found sufficient evidence that Mainers are concerned about political corruption and that limits do play a role in combating this corruption or the perception of corruption saying, "a survey of Maine residents showed that over 70% of respondents believed that large campaign

¹ It's true that the Supreme Court struck down contribution limits in Vermont, but there were several important differences between the Vermont limits and Maine's, the most significant of which was that Vermont's gubernatorial limit was \$400 per election cycle – that's only 200 for the primary and \$200 for the general election, much lower that what we have here.

contributions were a major source of political corruption, that large donors received special treatment from legislators, that the new contribution limits would renew currently lagging faith in the integrity of the process among the electorate, and that the new limits would help decrease the potential for undue influence."

The interest that would most benefit from an increase in contribution limits is political action committees (PACs). PACs account for 38% of the \$250 contributions to legislative candidates in the 2008 cycle. Individuals accounted for 30% and commercial interests for 29%. Prior to the 1996 reforms, PACs and corporations could give five times the amount that individuals were allowed to give (\$5,000 per election for PACs and corporations; \$1,000 for individuals). Today, PACs and corporations combined make up two-thirds of the top givers, which should be no surprise. Raising the limits now will once again widen the giving gap between ordinary citizens and concentrated wealth. Our limits have effectively worked to rein in the ability of moneyed interests to wield undue influence in candidate races, and this was one of the primary goals of the referendum.

It is clear that with moneyed interests bumping up against the limit today, raising the contribution limits so drastically would more dramatically increase what candidates privately funded candidates raise. This bill does not yet have a fiscal note, but there can be no doubt that this could have the effect of raising the amount of matching funds that are required in races that pit a privately funded candidate against a publicly funded candidate.

Furthermore, this change would upset the balance between publicly funded candidates and privately funded ones. Today we have parity in such races, but this would no longer be the case if the limits are raised so high on the private side. Matching funds for Clean Election candidates are capped, but privately funded candidates have no limit. To maintain parity, we would have to consider raising the distribution amounts to publicly funded candidates, a change we cannot afford to make in this budget climate. We see no rationale for these dramatic increases in contribution limits. We would be concerned if we saw evidence that privately funded candidates are unable to raise adequate resources to run vigorous campaigns, but that is not the case. Those candidates

who choose the private funding route are able to raise funds appropriate to their particular race. In the 2008 election, five House candidates raised more than \$10,000 (high of \$22,890), and three Senate candidates raised more than \$22,000 (high of \$31,172). In 2006, one House candidate raised \$38,000 and the governor raised more than \$1.2 million under the current limits. Now is not the time to turn back the clock on this important citizen-initiated reform. We believe the limits serve the public very well. We urge a vote of "ought not to pass."

Alison Smith, Co-chair 207.879.7440