



TO: The Honorable Senator Nichi Farnham, Senate Chair  
The Honorable Representative Michael Beaulieu, House Chair  
Joint Standing Committee on Veterans and Legal Affairs

DATE: April 29, 2011

RE: L.D. 1355 An Act To Encourage Transparency in Certain Organizations Involved in Political Campaigns *Sponsored by Senator Phil Bartlett*

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**Maine Citizens for Clean Elections offers testimony neither for nor against LD 1355.**

We applaud the sponsor's intent with this bill to improve disclosure and reduce the appearance of corruption. Some of the ideas in this bill are intriguing and parallel reforms in other states and at the federal level.

However, we have concerns about how some of the elements of this bill would work in practice.

The prohibition on political communications by recipients of state funding is now worded in such a way that it might include state employees and pension recipients. This is surely not the intent.

We generally support enhanced donor disclosure and providing voters with more information on who is actually funding the political advertisements that they see and hear. However, the requirement proposed here for disclaimers and disclosures on PAC-funded communication might have the unfortunate consequence of engendering more PAC-to-PAC transfers using shell PACs set up for the purpose of shielding donor identities. If the committee is interested in moving forward on enhanced disclosure by independent spenders, we might look at a new Maryland law that requires independent spenders who submit financial reports to shareholders, members, or donors to include information about political spending in their regular reports. And, if that entity maintains a website, it must include a link to its disclosure reports on its homepage.

**Member Organizations**

AARP Maine, Common Cause Maine, EqualityMaine, League of Women Voters of Maine, League of Young Voters, Maine AFL-CIO, Maine Council of Churches, Maine People's Alliance/Maine People's Resource Center, Maine State Employees Association/SEIU Local 1989, Maine Women's Lobby, NAACP-Portland, Sierra Club Maine Chapter

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Regarding the provision on television advertisements, we share the sponsors' concern for the situation in which independent spenders buy up all the available media time in a particular market and crowd out actual candidates. However, this provision as written might provide the candidate with a better media rate than that received by the independent spender, thus triggering a benefit to the candidate. We raise this point only to say that other "trigger" provisions in campaign finance law have been challenged in the courts, and it is possible that this element of LD 1355 could invoke a complaint similar to those made in *Davis v FEC*, *McComish v Bennett* and *Cushing/Respect Maine PAC v McKee*. The expected June decision in *McComish* might offer guidance on this issue.

We are uncertain about the intent of the proposed changes in language in the section on PAC definitions. On their own, they don't seem to make sense. If they are intended to coordinate with changes proposed in other bills, we suggest that they be eliminated here to avoid conflicting language in final drafting.

Ann Luther, Co-president

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