

Testimony before the Joint Standing Committee on Veterans and Legal Affairs

LD 361 An Act to Amend the Laws Governing Political Action Committees

February 11, 2019

Senator Luchini, Representative Schneck, and members of the Joint Standing Committee on Veterans and Legal Affairs:

Thank you for the opportunity to testify on LD 361.

My name is Anna Kellar. I am the Executive Director of Maine Citizens for Clean Elections.

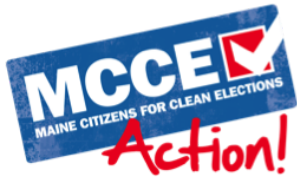
As Maine people work toward a campaign system that reduces special interest influence and puts people first, reform of the state's PAC laws is essential. The wide-open nature of these laws is out of sync with the rest of Maine's campaign finance system. Until the problem of unlimited money flowing through legislator-controlled PACs is addressed, Maine people will be rightly concerned that legislative leaders might be beholden to large donors. In our view, eliminating so-called leadership PACs is one of the most important changes we can make in our campaign laws.

While fundraising for candidate campaigns operates under strict limits that keep big money from buying influence or access, fundraising by legislative leaders through political action committees is subject to virtually no restrictions. This is all perfectly legal, and we can't fault the legislators who run these PACs for taking full advantage of what the law and the rules allow. But we do think it is time to change the rules of the game. LD 361 will accomplish that in a fair and even-handed manner.

Maine Citizens for Clean Elections analyzed ten years of PAC activity, and the results are troubling.<sup>1</sup> Between 2002 and 2012, more than \$12 million flowed through PACs controlled by candidates and legislators. That's a lot of money in Maine politics. During that period, legislators raised over \$5 million from a handful of major players with commercial, vested

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<sup>1</sup> MCCE analyzed leadership PACs in our 2012 report "PACs Unlimited." <https://www.mainecelelections.org/money-1>



interests, each of whom gave over \$60,000. Contributions from these major donors far exceeded contributions of any size from individuals, and they dwarfed contributions from Maine people of ordinary means. Only 13% of all funds given to these PACs came in amounts of \$350 or less.

This is not a partisan issue. Members of both parties have used leadership PACs for years. It is impossible to say whether Democrats or Republicans benefit more from leadership PACs. What is clear is that the public does not benefit from them.

Some might argue that the practice of legislators raising money for caucus PACs is just as bad as raising money for their own personal PACs. We disagree. There is an important difference between a PAC controlled by one person and a PAC controlled by the entire caucus. The legislature itself has already drawn a distinction between raising money for caucus PACs and raising funds for leadership PACs. (See 21-A M.R.S.A. § 1125 (6-F).)

A significant amount of the money raised by leadership PACs eventually finds its way into a caucus PAC or party committee. Some might argue that having leadership PACs serve as a conduit to caucus PACs preserves an element of transparency so that we can tell which legislator raised money from which donor. While we generally favor transparency measures, in this case we question whether there is a practical benefit to the general public in preserving this system and whether the information provided is actionable in any way or provides meaningful accountability.

Under longstanding Maine law, the State Treasurer, Auditor, and Attorney General are legally prohibited from having their own political action committees. This has never been questioned by any court, and the constitutionality is not in doubt. All LD 361 would do is to apply that rule to legislators. In addition, legislators could still maintain their campaign committees, and the contribution limits applicable to those committees have been upheld in court.

We urge a unanimous ought-to-pass vote on LD 361. Eliminating these leadership PACs will be good for Maine's democracy. Your constituents will thank you.