An Act To Require Shareholder Consent for Corporate Political Contributions

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

Presented by Representative RYKERSON of Kittery.
Cosponsored by Representative STUCKEY of Portland, Senator GRATWICK of Penobscot and Representatives: BEAVERS of South Berwick, BLUME of York, CAMPBELL of Orrington, CHIPMAN of Portland, EVANGELOS of Friendship, GOODE of Bangor, HARLOW of Portland, MASTRACCIO of Sanford.
Be it enacted by the People of the State of Maine as follows:

Sec. 1. 13-C MRSA §305 is enacted to read:

§305. Political contributions

1. Political contributions. A corporation must obtain the consent of a majority of its shareholders before making a contribution or expenditure in a political campaign. The consent of a majority of shareholders under this subsection must be an affirmative vote of a majority of all votes entitled to be cast at a properly held shareholder meeting prior to making the political contribution or expenditure. If a majority of a corporation's shares are owned by one or more institutional investors that cannot hold public office, such as a pension fund or a for-profit or nonprofit corporation, the corporation may not make any political contributions or expenditures.

2. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Contribution" has the same meaning as in Title 21-A, section 1052, subsection 3.

B. "Expenditure" has the same meaning as in Title 21-A, section 1052, subsection 4.

3. Notice. If the corporation has a website accessible to its shareholders, within 48 hours after making a political contribution or expenditure under this section the corporation shall post the notice of the contribution or expenditure on the website.

4. Pro rata rebate. If a shareholder disagrees with a political contribution or expenditure made under this section, the shareholder may receive from the corporation upon request a pro rata rebate in an amount of the percentage of the political contribution or expenditure equal to the percentage of ownership the shareholder has in the corporation.

SUMMARY

This bill requires a majority vote of a corporation's shareholders before the corporation makes a political contribution or expenditure and requires that once the contribution or expenditure has been made, the corporation posts notice of the contribution or expenditure on its website. This bill disallows a corporation that has over half of its shares owned by one or more institutional investors who cannot hold public office, such as a pension fund or a for-profit or nonprofit corporation, from making any political contributions or expenditures. This bill also allows a shareholder who disagrees with a corporation's political contribution or expenditure to receive from the corporation upon request a rebate of a percentage of the political contribution or expenditure equal to the percentage of ownership the shareholder has in the corporation.