



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
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AUGUSTA, MAINE
04333-0135

**Testimony of Jonathan Wayne, Executive Director of the
Commission on Governmental Ethics and Election Practices
before the Joint Standing Committee on Veterans and Legal Affairs
April 22, 2013**

Senator Tuttle, Representative Luchini, and distinguished members of the committee: my name is Jonathan Wayne, and I am the Executive Director of the Maine Ethics Commission. Thank you for the opportunity to testify in support of L.D. 1023. This is one of two “agency bills” proposed by the Commission for the First Regular Session.

If this bill is enacted, a person elected to the office of Governor who wishes to raise funds for a transition to office or for an inauguration would be required to file a single financial report of all donors who contributed more than \$100 for those purposes. Under current law, there is no requirement to report these donations and they are not subject to any limits. The Commission makes the proposal because it is consistent with the objectives of the campaign finance disclosure law and the lobbying disclosure law to provide the public with information about persons and organizations who are potentially seeking to influence governmental decisions and legislation. Our research from last year indicated that at least eight states have separate disclosure requirements for funds raised to pay for a transition to office or an inauguration (*see* list on page 3).

Under our proposal:

- A Governor-elect wishing to raise funds for a transition to office or for an inauguration would be required to appoint a committee of persons to conduct the fundraising. The Governor-elect would be prohibited from personally soliciting the contributions.

- The committee could raise the money from the day after the election until January 31st. (A new Governor takes office on the first Wednesday after the first Tuesday in January.)
- The Governor-elect would select a treasurer for the committee, who would be responsible for filing a disclosure statement by February 15th.
- The statement would include an itemization of all donors who gave more than \$100.
- Lobbyists and their clients could not give a donation once the First Regular Session begins (typically, the first Wednesday in December) – similar to the current restrictions on election-related contributions.

The Commission wrote the legislation to move the State of Maine forward in an area of public transparency while keeping the reporting requirement reasonable for a new governor. As written, our bill does not limit the amount that a donor could give to a transition committee, and the committee is not required to disclose its expenditures (*e.g.*, staff or food). The bill's focus is on disclosure of donations received.

Governor LePage voluntarily disclosed the names of the donors to his transition committee on an internet webpage that is still available to the public. We are unsure whether previous governors made similar disclosure voluntarily.

In the past, some Maine governors have established a non-profit corporation in connection with their transition to government or inauguration. The proposed reporting in this bill would not interfere with the formation of a corporation. It would simply be an additional disclosure that the corporation would need to file with the State of Maine.

The Commission staff proposes a committee amendment on the last page of this testimony in order to clarify that the reporting requirement would be mandatory, if funds were raised for a transition or inauguration.

The Commission's bill would also increase the disclosure by lobbyists during a transition period. Under our proposal, if a client or employer pays someone to communicate with a Governor-elect (or his or her staff) for purposes of influencing legislation, that paid communication would constitute "lobbying" even though the Governor-elect had not yet taken office. We believe this is a reasonable step forward in informing the public who is influencing legislative action. This would not affect business owners or other individuals who contacted a Governor-elect concerning legislation on a voluntary basis without being compensated.

Thank you for your consideration of this testimony.

**Transition or Inaugural Disclosure
Requirements in Other States**

Kansas Statutes Annotated, § 25-4186

Kentucky Revised Statutes Annotated, § 121.015(3)(f)

Louisiana Revised Statutes Annotated, § 42:1125

Massachusetts General Laws, Chapter 55, § 18E

New Jersey Revised Statutes, § 19:44A-18.1

Tennessee Code Annotated, § 2-10-401

Virginia Code Annotated, § 24.2-952.1

West Virginia Code, § 3-8-2a

Proposed Amendment to LD 1023

Prior to raising any money to be used to finance the costs related to an inauguration or the transition to office, a Governor-elect or the political committee of a Governor-elect or their agents shall establish a separate committee to raise and spend money for these purposes and appoint a treasurer for the committee. The treasurer is responsible for keeping records of donations and for filing the financial disclosure statement required by subsection 1. All donations received must be deposited in a separate and segregated account and may not be commingled with any campaign contributions received by the Governor-elect or the political committee of the Governor-elect or any personal or business funds of the Governor-elect or any other person. The Governor-elect may not personally solicit or accept donations for these purposes.

1. Registration with the commission and financial disclosure statement of donors; record-keeping.

...

F. The treasurer shall keep a detailed and exact account of the name and address of every person making a donation in excess of \$10, including the date and amount of the donation. The treasurer shall preserve this account of donors for two years after filing the financial statement required by this section.