

The Maine Heritage Policy Center Testimony to Oppose LD 1423 "An Act To Require Corporate Transparency When Taxpayer Funding Is Provided"

Senator Carpenter, Representative Bailey and distinguished members of the Committee on Judiciary, my name is Adam Crepeau and I am a policy analyst at The Maine Heritage Policy Center. Thank you for the opportunity to testify in opposition to LD 1423, "An Act To Require Corporate Transparency When Taxpayer Funding Is Provided."

The Maine Heritage Policy Center is opposed to LD 1423 for several reasons. First and foremost, it violates the privacy of contributors to nonprofit organizations. This bill would require some businesses to disclose the organizations to which they contribute.¹ In addition, it would require domestic and foreign corporations to provide the names of individuals or entities that provided them with private contributions and the date at which each contribution was received. By requiring this information, the privacy of these individuals or entities would be exposed to the public. We believe all Mainers should be able to support an organization or cause without the fear of being intimidated or harassed by people with dissenting opinions.

For example, businesses in Maine have been boycotted in the past because board members contributed to or supported a candidate.² In addition, Margie Christofferson donated \$100 to a group that supported Proposition 8, which banned same-sex marriage in California. Ultimately, her name was made available to the public and individuals that opposed her stance boycotted her workplace. This contributed to her losing her job. Do we support subjecting donors to all organizations to this kind of harassment?

To be clear, this bill would not disclose donations to political candidates because that is already public information maintained by the Maine Ethics Commission.³ This bill would disclose donations made by companies that receive corporate welfare to nonprofits, even if the organization's mission is purely educational or serves the public good.

Over 70 percent of registered voters believe the government does not have a right to know what groups or causes voters support.⁴ The United States Supreme Court agrees with that sentiment. When the Court ruled on *NAACP v. Alabama*, it affirmed that individuals have the freedom to associate with organizations for the advancement of ideas and beliefs, and that disclosure of membership lists "is likely to constitute an effective restraint on its members' freedom of association."⁵ Thus, mandating that businesses release a list

¹ <http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=HP1036&item=1&snum=129>

² <https://www.mainepublic.org/post/group-says-it-ll-take-ll-bean-boycott-list-if-company-takes-linda-bean-board>

³ <https://www.maine.gov/ethics/party/reporting.htm>

⁴ <http://unitedforprivacy.com/whats-at-stake/>

⁵ <https://supreme.justia.com/cases/federal/us/357/449/>

of organizations to which they donate, or that nonprofits release information about their private donors, may be a violation of the Due Process Clause of the Fourteenth Amendment of the United States Constitution.⁶

Lastly, LD 1423 would unjustly punish nonprofits in an attempt to make corporate welfare more transparent. This could have been accomplished through the enactment of LD 749 this session, though lawmakers ultimately voted to kill the bill. While we agree with making government more transparent and ending corporate welfare, this bill targets organizations that do not receive a dime in subsidies from the government. It is not the fault of nonprofit organizations in Maine that government has elected to dole out subsidies to corporations. If we actually want to make corporate welfare more transparent in Maine, the value of tax credits should be published on Maine Open Checkbook for everyone to see. We should not be punishing nonprofit organizations for government's mistake.

Because this bill unjustly diminishes donor privacy and punishes nonprofits that do not receive any government funding, The Maine Heritage Policy Center urges the committee to vote, "Ought Not to Pass" on this bill. Thank you.

⁶ Ibid.