



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

To: Commission
From: Jonathan Wayne, Executive Director
Date: September 18, 2024
Re: Report Back on Investigation - Anonymous Postcard in St. George Referendum

At the Commission's July 24, 2024 meeting, the Commission directed staff to investigate an anonymous postcard mailing opposing a municipal referendum that some residents of St. George, Maine received around May 10, 2024. Because of the probability that the mailing cost over \$500 and because the postcard explicitly urged a "no" vote, it is likely the card was required to include the name and address of the person who made the expenditure for the mailing.

Relevant Law

Application of State Campaign Finance Law to Local Referenda

In 2023, Maine's Counties and Municipalities Law was amended to provide for campaign finance reporting concerning referenda in towns and cities with a population of 15,000 or less. 30-A M.R.S. § 2052(2).

Disclosure Requirements

Disclaimer statements in paid communications. When a person make expenditures exceeding \$500 for paid communications expressly advocating for or against a ballot question, the communication must state the name and address of the person who made or financed the expenditure for the communication. 21-A M.R.S. § 1055-A(1). This disclosure statement is sometimes referred to as a disclaimer because of the typically small format of the message.

Registration and financial reporting. A ballot question committee is defined as a person (either an individual or organization) that receives contributions or makes expenditures of more than \$5,000 for the purpose of initiating or influencing a ballot question campaign. 21-A M.R.S. § 1052(2-A). Once a ballot question committee raises or spends more than \$5,000 to influence a

municipal referendum in a town with less than 15,000 people, the ballot question committee is required to register with the Commission. 21-A M.R.S. §§ 1052-A(1)(A-1) & 1053-A.

Standard for Initiating an Investigation

When the Commission has received a request for investigation from a source outside the department, campaign finance law states the Commission “shall make the investigation if the reasons stated for the request show sufficient grounds for believing that a violation may have occurred. 21-A M.R.S. § 1003(2).

Control of an Investigation

Once an enforcement matter has reached the agenda of a Commission meeting, “the Commission will control any further investigation or proceedings.” Commission Rules, 94-270 C.M.R. ch. 1, § 5(2).

Decision to Investigate

May 13, 2024 Referendum in St. George, Maine

On May 13, 2024, the town of St. George held a referendum on whether the town should transfer a portion of a 78-acre parcel of land that includes the Kinney Woods to a subsidiary of the St. George Community Development Corporation (CDC) so that up to seven affordable homes could be built there. The CDC is a private, nonprofit organization. The referendum failed by a vote of 327-304.

Initiation of Investigation

Rep. Ann Higgins Matlack filed a complaint on May 31, 2024 requesting an investigation into whether the postcards should have contained contact information regarding who sent the mailing and whether the mailing organizers were required to file information with the Commission. She received the card on May 10, 2024, three days before the election. In her complaint, she wrote that misleading information in the card could not be rebutted because of the timing of the mailing and because there was no way to contact the people responsible for the mailing. At a meeting on July 24, 2024, the Commission authorized an investigation.

Results of Investigation To Date

Political disclaimer laws for ballot questions. “Paid for by” disclaimers in election-related communications can play a valuable role in informing the electorate about the sources of campaign messages. This allows members of the public to give proper weight to the messages they are receiving in their mailboxes, on television, or digitally.

In 2013, disclaimers became mandatory for certain paid communications in the context of statewide ballot questions and referenda in Maine’s larger towns and cities. Eleven months ago (October 2023), the requirement took effect for referenda in smaller towns and cities like St. George. In administering the requirement in the past year, Commission staff has encountered people active in municipal affairs that were not aware of the new requirement.

Press coverage of Ethics Commission investigation. On July 24, 2024, the Bangor Daily News published a story on the Commission’s decision to investigate this matter that invited people to come forward with information.¹ The story concluded with the message: “*Anyone with information about the mailers sent to St. George residents can share it with the Maine ethics commission by calling 207-287- 4179.*” On the same day, an article was published in the Courier-Gazette/Village Soup stating “[Mr. Wayne] said if anyone has information who was behind the mailing to contact the Commission office at 287-4179.”² An article also appeared in the July 24, 2024 issue of the Penobscot Bay Pilot.³

No one came forward with information, but the Commission staff is gratified that the news coverage may have had the effect of publicizing the disclosure requirements for referenda in smaller towns.

¹ <https://www.bangordailynews.com/2024/07/24/midcoast/midcoast-government/maine-ethics-commission-st-george-housing-proposal-mailer/>

² https://knox.villagesoup.com/news/maine-ethics-commission-oks-probe-of-anonymous-mailing-that-opposed-st-george-workforce-housing/article_96f053cc-49eb-11ef-b9f4-d794e1c85813.html

³ <https://www.penbaypilot.com/article/maine-ethics-commission-discuss-investigation-anonymous-st-george-political-postcard/189281>

Interviews and review of written materials. Between July 25 and August 25, 2024 (along with one follow-up today), I interviewed 14 witnesses, including:

- Rep. Anne Matlack
- three current members of the St. George select board
- a former member of the select board
- the new town manager who began in his position in July 2024
- the former town manager
- the chair/executive director of the CDC
- two members of relevant municipal committees relating to housing and the town comprehensive plan, and
- four print shops.

The interviews were conducted by telephone, in Rockland (the adjacent town farther up the peninsula), and in the Ethics Commission office. Of the four select board members I interviewed, two supported the Kinney Woods housing project and two were against.

Town consideration of the Kinney Woods housing project. According to one witness, the concept of an affordable housing project in St. George had been under consideration for roughly two years. The idea developed that the project could be sited as part of the Kinney Woods property. More than two decades earlier, the town had purchased 78 acres that included the Kinney Woods, but the property had not been used for any purpose.

A majority of the select board was supportive of providing the land to the CDC for the affordable housing project. The specific proposal presented to St. George voters as part of the May 13, 2024 town ballot was that the town would transfer a portion of the 78 acres at no cost to a subsidiary of the CDC.

The town held a public hearing on the project on March 25, 2024. The CDC director presented information. He explained that the CDC, a nonprofit, would obtain funding to build the housing from state and federal sources, rather than town money. The criteria for who could buy the homes was not finalized at that time. Some 50-75 members of the public attended. Some members of the public were opposed to the project. I listened to an audio recording of the public hearing and reviewed the minutes. Subsequently, two informational meetings were held at the offices of the CDC prior to the May 13 vote which were not recorded.

Opposition to the project. Collectively, the witnesses confirmed they were aware that some residents opposed the Kinney Woods project. Some described the opposition as significant. The witnesses were not aware of an organized opposition, however. Three of the witnesses suggested that the cards were probably the work of one person but had no personal knowledge. One witness said he heard a rumor that a house party had been held to oppose the project but couldn't remember who told him that. When I followed up two weeks later, he couldn't provide me with more information so (for my part) I can't assign that rumor much weight.

Based on the interview responses, I am not well-positioned to provide a reliable description of the reasons for the opposition. At the March 25, 2025 public hearing, at least one resident opposed transferring the property for free. Others were concerned that the homes would be bought by people who would move to St. George, rather than current residents. Probably, other reasons motivated the opposition, but I am not in a position to comment.

May 10, 2024 mailing. Some of the witnesses received the card, but some did not. Of the ten St. George residents I interviewed, three did not receive the card which may not be representative. I received comments that the list of voters used in the mailing was out of date. For example, a resident affiliated with one of the witnesses received a card addressed to a previous property-owner who had moved out eight years earlier.

Most witnesses presumed that the cards were printed by a commercial business. The print manager of the Staples in Rockland, however, said the cards were created on a laser printer and "probably" were printed in someone's home on 8½ x 11 paper and cut in half. Her opinion was based on the "uneven cut" of the card (*i.e.*, the rows of printed text were not parallel to the top edge of the card) and some blurriness on one side of the card. This was not a majority opinion. None of the other print shops volunteered that the cards could have been printed at someone's home. All four print shops were cooperative but confirmed they did not print the cards.

No confirmation of those responsible. My objective in conducting the interviews was to ascertain who paid for and organized the mailing, so that I could verify the costs and assess the compliance of the situation. Unfortunately, I have been unable to verify the individual(s) responsible. All ten residents and the four print shops said they did not know who organized the mailing. Some of the residents had already poked around themselves. I asked the witnesses to identify people who might be able to provide me with more information. I followed up with the individuals identified, but these leads did not provide me with any well-sourced information.

Some witnesses identified the names of people that they thought *might* have arranged the mailing. I received a total of four names. I am grateful for these witnesses' cooperation, but the witnesses did not provide me with a firm basis for believing that any one of these four individuals was responsible for the mailing. My view of these suggested names is that they fall somewhere on the spectrum of speculation to educated hunches. Two of the individuals were identified to me because they spoke against the project at the March 25, 2024 public hearing. Another was named because they used Facebook to share an image of the mailing with several friends prior to the election. Some of the individuals were identified because statements made in the card were consistent with political viewpoints they had expressed on other matters.

These four people are discussed briefly in a separate confidential memo. I did not contact them directly because at the Commission's July 24, 2024 meeting some Commissioners cautioned me not to contact individuals merely because they expressed a viewpoint against the referendum on social media or at a public hearing unless there is some solid reason to believe they are connected to the mailing. If the Commission would like me to follow up with them, I certainly can, but the Commission should consider whether there needs to be a sufficient predicate for those types of inquiries, as well as the potential chill on political expression that could result when someone is contacted by a State investigator because they shared a political view on a local issue through social media or at a public hearing.

Conclusion

As mentioned at the Commission's July meeting, in several cases the Commission staff has been successful in identifying who paid for an anonymous communication based on tips. The Commission took enforcement action in these matters where appropriate. The Commission staff recognizes the strong interest of some St. George officials in addressing what may be a breach of Maine's political disclosure laws. We regret that, to date, we have been unable to identify the person(s) responsible. We suspect it was organized by one person or a small group who wanted to proceed anonymously, regardless of their knowledge of legal requirements. This is the first case within memory in which we could not find the responsible parties. The Commission staff is open to whatever next steps the Commission would like to suggest. If no other avenues seem suitable, the Commission has the option of terminating the investigation.

Received

MAY 31 2024

Maine Ethics Commission

Ann Higgins Matlack
130 Scraggle Point
Spruce Head, Maine 04859
(207) 594-4831 • ahmatlack@gmail.com

May 31, 2024

Ms Martha Currier
Maine Ethics Commission
45 Memorial Circle, 2nd Floor
Augusta, Maine 04330

Dear Ms Currier,

I write regarding an anonymous postcard sent to residents of St George, just prior to a referendum vote. I attach the postcard I received Friday, May 10. The referendum vote was Monday, May 13, though absentee ballots were available prior to that date.

This postcard contained erroneous, inflammatory and misleading information that could not be rebutted due to the mailing being so close to the election and there being no way to contact the person or persons responsible for the postcard.

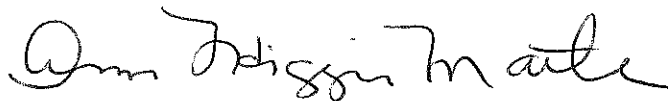
I do not know who initiated these postcards, but I have attached screenshots from Facebook posts of two people displaying the postcard and asking that residents vote on this issue. Mr Montgomery posted this message to nearly a dozen individuals on Facebook.

Nor do I know who paid for this mailing. The postcard itself was professionally printed on card stock and mailed from South Portland. Forever Stamps were used in the mailing.

But I do know that, per legislation, those who mail out flyers, postcards, etc or post signs, must include contact information regarding who or what organization is providing these messages and must file with the Ethics Commission regarding expenditures on local issues.

Please investigate these postcards to ensure that this does not happen again in St George or any other small community.

Sincerely,



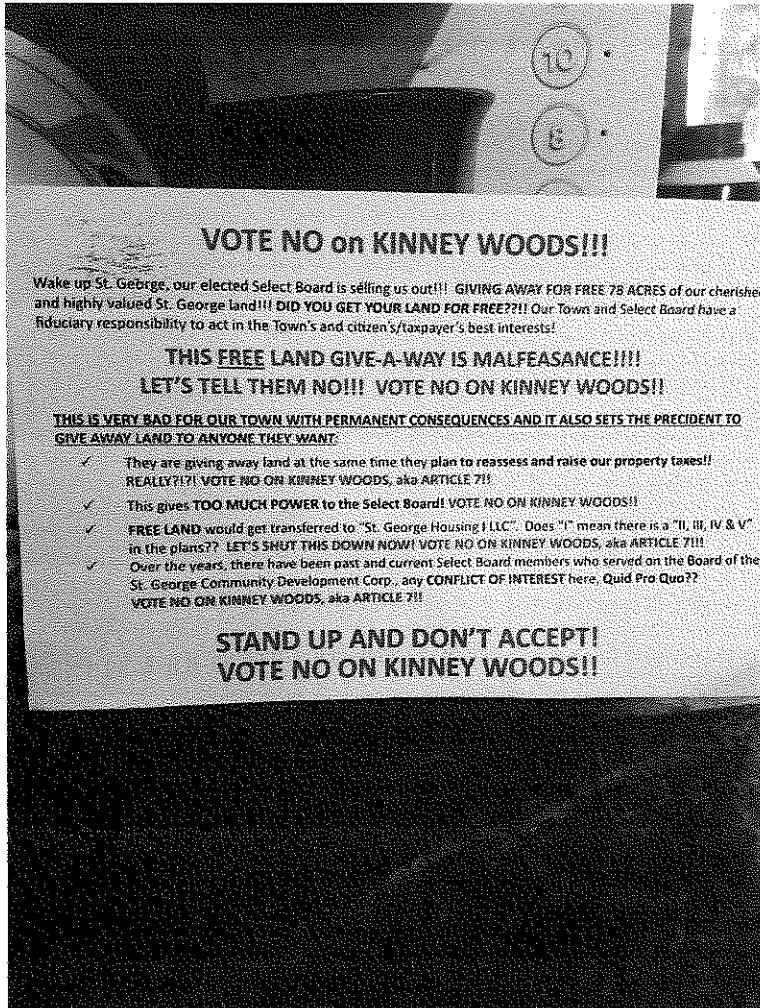
Ann Higgins Matlack



Russell Hoggy Montgomery

May 10 · 🌐

I still haven't gotten over the town giving four hundred thousand dollars to the Mussel Farm. Giving other peoples stuff away is getting very common at the St. George Town Office.



👍👎🗨️ 10

1 comment • 3 shares

👍 Like 🗨️ Comment 📧 Send ➦ Share



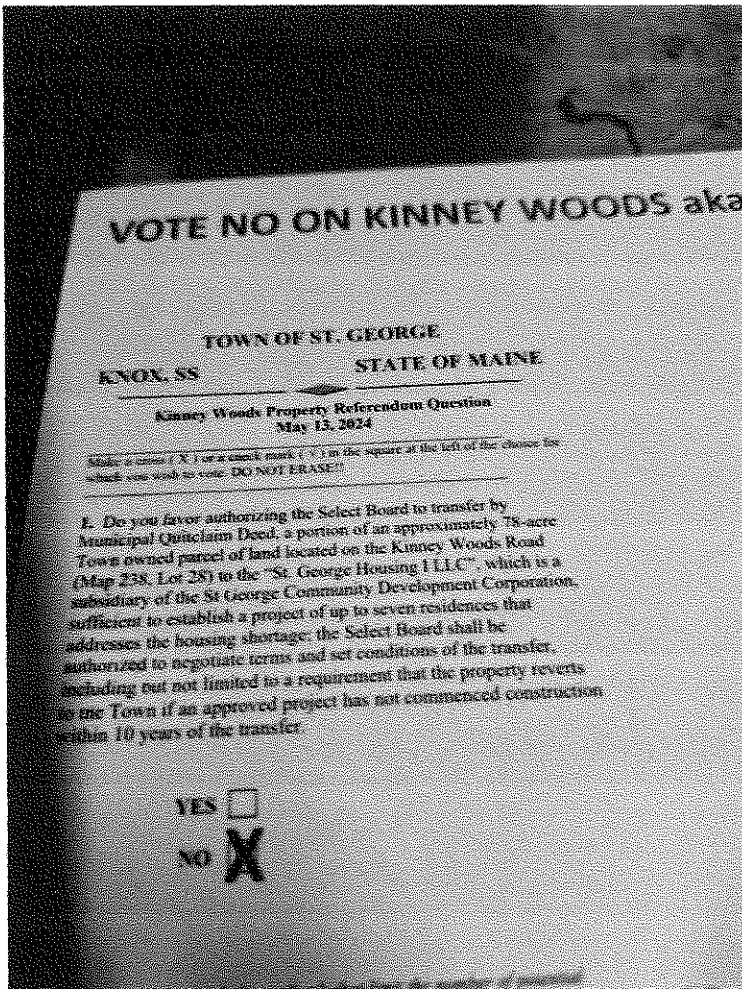
Posts Photos Reels



Russell Hoggy Montgo... > Philip Reinhardt

May 11

The Town of St George is giving away free land to someone that isn't you. Maybe you can vote to give it to yourself Monday night at 8 PM.

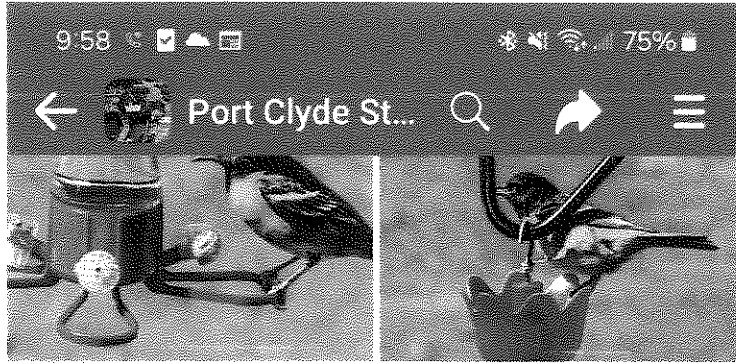


Send

Share



Philip Reinhardt — at Mechanical Arts



9

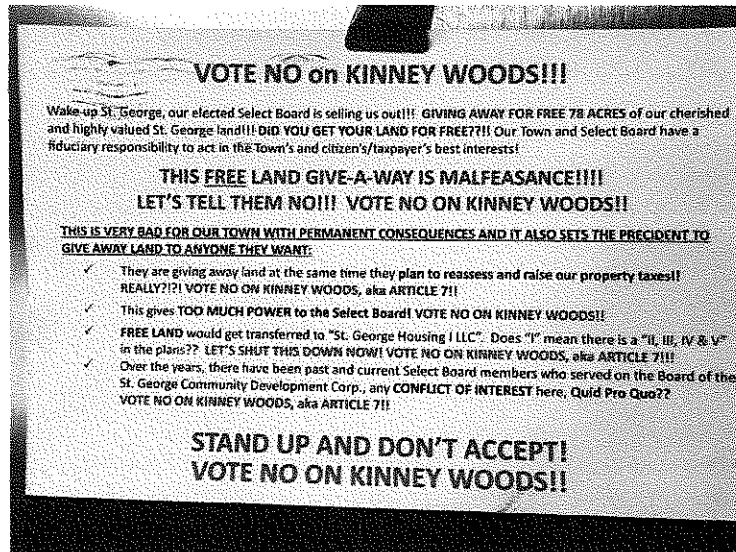
Like Comment Send



Nancy Port-Clyde

6d · 🌐

Tomorrow is voting day, May 13



2

Like Comment Send



Donald Frederick

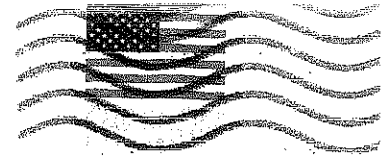
Judy Ryan Finney and Donald Frederick commented on this photo. · 6d · 🌐

Top contributor



VOTE NO ON KINNEY WOODS aka ARTICLE 7

6 MAY 2024 PM 3 L



KNOX, SS

STATE OF MAINE

Kinney Woods Property Referendum Question May 13, 2024

Make a cross (X) for a check mark (✓) in the square at the left of the choice for which you wish to vote. **DO NOT FRASE!**

1. Do you favor authorizing the Select Board to transfer by Municipal Quitclaim Deed, a portion of an approximately 78-acre Town owned parcel of land located on the Kinney Woods Road (Map 238, Lot 28) to the "St. George Housing LLC", which is a subsidiary of the St. George Community Development Corporation, sufficient to establish a project of up to seven residences that addresses the housing shortage; the Select Board shall be authorized to negotiate terms and set conditions of the transfer,

to the Town if an approved project has not commenced construction within 10 years of the transfer.

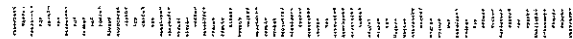
EDWARD T MATLACK
ANN H MATLACK
130 Scraagle Point Rd
Spruce Head, ME 04859

YES

NO

resolutions and will affect the names on parcels recorded to be transferred.

04859-422730



VOTE NO on KINNEY WOODS!!!

Wake up St. George, our elected Select Board is selling us out!!! GIVING AWAY FOR FREE 78 ACRES of our cherished and highly valued St. George land!!! DID YOU GET YOUR LAND FOR FREE??!! Our Town and Select Board have a fiduciary responsibility to act in the Town's and citizen's/taxpayer's best interest!

**THIS FREE LAND GIVE-A-WAY IS MALFEASANCE!!!!
LET'S TELL THEM NO!!! VOTE NO ON KINNEY WOODS!!**

THIS IS VERY BAD FOR OUR TOWN WITH PERMANENT CONSEQUENCES AND IT ALSO SETS THE PRECEDENT TO GIVE AWAY LAND TO ANYONE THEY WANT:

- ✓ They are giving away land at the same time they plan to reassess and raise our property taxes!! REALLY?!?! VOTE NO ON KINNEY WOODS, aka ARTICLE 7!!
- ✓ This gives **TOO MUCH POWER** to the Select Board! VOTE NO ON KINNEY WOODS!!
- ✓ **FREE LAND** would get transferred to St. George housing LLC. Does it mean there is a II, III, IV & V in the plans?? LET'S SHUT THIS DOWN NOW! VOTE NO ON KINNEY WOODS, aka ARTICLE 7!!!
- ✓ Over the years, there have been past and current Select Board members who served on the Board of the St. George Community Development Corp., any **CONFLICT OF INTEREST** here, **Quid Pro Quo??** VOTE NO ON KINNEY WOODS, aka ARTICLE 7!!

**STAND UP AND DON'T ACCEPT!
VOTE NO ON KINNEY WOODS!!**

30-A M.R.S. § 2502. Campaign reports in municipal elections

1. Reports by candidates. A candidate for municipal office of a town or city with a population of 15,000 or more is governed by Title 21-A, sections 1001 to 1020-A, except that registrations and campaign finance reports must be filed with the municipal clerk instead of the Commission on Governmental Ethics and Election Practices. A town or city with a population of less than 15,000 may choose to be governed by Title 21-A, sections 1001 to 1020-A by vote of its legislative body at least 90 days before an election for office. A town or city that votes to adopt those provisions may revoke that decision, but it must do so at least 90 days before an election subject to those sections.

A. [2009, ch. 366, § 10 (RP).]

2. Municipal referenda campaigns. Municipal referenda campaign finance reporting is governed by Title 21-A, chapter 13, subchapter 4.

3. Public access to records. A town or city that receives registrations or reports pursuant to this section must keep them for 8 years.

21-A M.R.S. § 1003. Investigations by commission

1. Investigations. The commission may undertake audits and investigations to determine whether a person has violated this chapter, chapter 14 or the rules of the commission. For this purpose, the commission may subpoena witnesses and records whether located within or without the State and take evidence under oath. A person or entity that fails to obey the lawful subpoena of the commission or to testify before it under oath must be punished by the Superior Court for contempt upon application by the Attorney General on behalf of the commission. The Attorney General may apply on behalf of the commission to the Superior Court or to a court of another state to enforce compliance with a subpoena issued to a nonresident person. Service of any subpoena issued by the commission may be accomplished by:

- A.** Delivering a duly executed copy of the notice to the person to be served or to a partner or to any officer or agent authorized by appointment or by law to receive service of process on behalf of that person;
- B.** Delivering a duly executed copy of the notice to the principal place of business in this State of the person to be served; or
- C.** Mailing by registered or certified mail a duly executed copy of the notice, addressed to the person to be served, to the person's principal place of business.

2. Investigations requested. A person may apply in writing to the commission requesting an investigation as described in subsection 1. The commission shall review the application and shall make the investigation if the reasons stated for the request show sufficient grounds for believing that a violation may have occurred.

21-A M.R.S § 1052-A. Registration

A committee shall register with the commission and amend its registration as required by this section. A registration is not timely filed unless it contains all the information required in this section.

1. Deadlines to file and amend registrations. A committee shall register and file amendments with the commission according to the following schedule.

A. A political action committee as defined under section 1052, subsection 5, paragraph A, subparagraph (1) or (5) shall register with the commission within 7 days of receiving contributions or making expenditures in the aggregate in excess of \$2,500.

A-1. A ballot question committee shall register with the commission within 7 days of receiving contributions or making expenditures in the aggregate in excess of \$5,000.

A-2. A registered committee that does not qualify for an exception to registration pursuant to subsection 1-A shall register as a political action committee or ballot question committee, as applicable, within 7 days of exceeding the \$10,000 threshold specified in subsection 1-A.

B. A committee shall amend the registration within 10 days of a change in the information that committees are required to disclose under this section.

C. A committee shall file an updated registration form between January 1st and March 1st of each year in which a general election is held. The commission may waive the updated registration requirement for a newly registered political action committee or other registered committee if the commission determines that the requirement would cause an administrative burden disproportionate to the public benefit of the updated information.

1-A. The following exceptions to the registration requirements in subsection 1 apply to registered committees.

A. A registered political action committee that receives contributions or makes expenditures of \$10,000 or less in the aggregate for the purpose of influencing one or more ballot question campaigns in a calendar year is not required to register as a ballot question committee. If a registered political action committee's only expenditures to influence ballot question campaigns in an election year are monetary contributions to registered ballot question committees, the political action committee is not required to register as a ballot question committee regardless of the aggregated amount of such contributions.

B. A registered ballot question committee that receives contributions or makes expenditures of \$10,000 or less in the aggregate for the purpose of influencing the nomination or election of one or more candidates in a calendar year is not required to register as a political action committee. If a registered ballot question committee's only expenditures to influence candidate elections in an election year are monetary contributions to registered political action committees, party committees or candidates, the ballot question committee is not required to register as a political action committee regardless of the aggregated amount of such contributions.

2. Disclosure of treasurer and officers. A committee must have a treasurer and a principal officer. The same individual may not serve in both positions, unless the committee is an individual registering as a ballot question committee. The committee's registration must contain the names and addresses of the following individuals:

A. The treasurer of the committee;

B. A principal officer of the committee;

C. Any other individuals who are primarily responsible for making decisions for the committee;

- D. The individuals who are primarily responsible for raising contributions for the committee; and
- E. The names of any other candidates or Legislators who have a significant role in fund-raising or decision-making for the committee.

3. Other disclosure requirements. A committee's registration must also include the following information:

- A. A statement indicating the specific candidates, categories of candidates or campaigns or ballot questions that the committee expects to support or oppose;
- B. If the committee is formed to influence the election of a single candidate, the name of that candidate;
- C. The form or structure of the organization, such as a voluntary association, membership organization, corporation or any other structure by which the committee functions, and the date of origin or incorporation of the organization;
- D. If the committee has been formed by one or more for-profit or nonprofit corporations or other organizations for the purpose of initiating or influencing a campaign, the names and addresses of the corporations or organizations;
- E. The name of the account that the committee will use to deposit contributions and make expenditures pursuant to section 1054, and the name and address of the financial institution at which the account is established; and
- E-1. [2023, ch. 244, § 14 (RP).]
- F. Any additional information reasonably required by the commission to monitor the activities of committees in this State under this subchapter.

4. Acknowledgment of responsibilities. The treasurer, principal officer and any other individuals who are primarily responsible for making decisions for the committee shall submit a signed statement acknowledging their responsibilities on a form prescribed by the commission within 10 days of registering the committee. The signed acknowledgment statement serves as notification of the responsibilities of the committee to comply with the financial reporting, record-keeping and other requirements of this chapter and the potential personal liability of the treasurer and principal officer for civil penalties assessed against the committee. The commission shall notify the committee of any individual who has failed to submit the acknowledgment statement. Failure to return the acknowledgment statement is a violation of this subchapter for which a fine of \$100 may be assessed against the committee. This section also applies to individuals named in an updated or amended registration required by this subsection who have not previously submitted an acknowledgment statement for the committee with the commission.

5. Resignation and removal. An individual who resigns as the treasurer, principal officer or primary decision maker of a committee shall submit a written resignation statement to the commission. An individual's resignation is not effective until the commission receives the written resignation statement from the individual. If an individual is involuntarily removed from the position of treasurer, principal officer or primary decision maker by the committee, the committee shall notify the commission in writing that the individual has been removed from the position. The commission may prescribe forms for these purposes.

6. Modified registration. The commission may adopt simplified registration procedures and forms for an individual registering as a ballot question committee to initiate or influence a ballot question.

21-A M.R.S. § 1055-A. Political communications to influence a ballot question

1. Communications to influence ballot question elections. Whenever a person makes an expenditure exceeding \$500 expressly advocating through broadcasting stations, cable television systems, prerecorded automated telephone calls or scripted live telephone calls, newspapers, magazines, campaign signs or other outdoor advertising facilities, publicly accessible sites on the Internet, direct mails or other similar types of general public political advertising or through flyers, handbills, bumper stickers and other nonperiodical publications, for or against an initiative or referendum that is on the ballot, the communication must clearly and conspicuously state the name and address of the person who made or financed the expenditure for the communication, except that telephone calls must clearly state only the name of the person who made or financed the expenditure for the communication. A digital communication costing more than \$500 that includes a link to a publicly accessible website expressly advocating for or against an initiative or referendum that is on the ballot must clearly and conspicuously state the name of the person who made or financed the expenditure, unless the digital communication is excluded under subsection 2. Telephone surveys that meet generally accepted standards for polling research and that are not conducted for the purpose of influencing the voting position of call recipients are not required to include the disclosure.

2. Exceptions. The following forms of political communication do not require the name and address of the person who made or financed the expenditure for the communication because the name or address would be so small as to be illegible or infeasible: clothing, envelopes and stationery, small promotional items, tickets to fundraisers and electronic media advertisements where compliance with this section would be impracticable due to size or character limitations and similar items determined by the commission to be too small and unnecessary for the disclosures required by this section. "Small promotional items" includes but is not limited to ashtrays, badges and badge holders, balloons, campaign buttons, coasters, combs, emery boards, erasers, glasses, key rings, letter openers, matchbooks, nail files, noisemakers, paper and plastic cups, pencils, pens, plastic tableware, 12-inch or shorter rulers and swizzle sticks.

3. Enforcement. A violation of this section may result in a penalty of no more than \$5,000. In assessing a penalty, the commission shall consider, among other things, how widely the communication was disseminated, whether the violation was intentional, whether the violation occurred as the result of an error by a printer or other paid vendor and whether the communication conceals or misrepresents the identity of the person who financed it.

21-A M.R.S. § 1053-A. Municipal elections

If an organization qualifies as a committee under section 1052, subsection 2 and that organization receives contributions or makes expenditures to influence a municipal campaign in towns or cities with a population of 15,000 or more, that organization must register and file reports with the municipal clerk as required by Title 30-A, section 2502. If an organization qualifies as a ballot question committee under section 1052, subsection 2-A and that organization makes expenditures exceeding \$5,000 to influence a municipal referendum campaign in a town or city with a population of less than 15,000, that organization must register and file reports with the commission using the electronic filing system pursuant to section 1059, subsection 5. The reports must be filed in accordance with the reporting schedule in section 1059 and must contain the information listed in section 1060. A committee registered with the commission and that receives contributions or makes expenditures relating to a municipal election shall file a copy of the report containing such contributions or expenditures with the clerk in the subject municipality. The commission retains the sole authority to prescribe the content of all reporting forms. The commission does not have responsibility to oversee the filing of registrations or campaign finance reports relating to municipal campaigns in towns or cities with a population of 15,000 or more. If a municipal clerk becomes aware of a potential violation of this subchapter that the clerk considers to be substantial, the clerk may refer the matter to the commission for enforcement. The commission may conduct an investigation if the information referred by the municipal clerk shows sufficient grounds for believing that a violation may have occurred. After conducting the investigation, if the commission determines that a violation of this subchapter has occurred, the commission may assess penalties provided in this subchapter.