

Legislative Analysis



CAMPAIGN FINANCE ACT AMENDMENTS

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Senate Bill 824 (S-2)

Sponsor: Sen. Dave Robertson

House Committee: Redistricting and Elections

Senate Committee: Local Government and Elections

Complete to 4-16-12

A SUMMARY OF SENATE BILL 824 AS PASSED BY THE SENATE 2-14-12

Senate Bill 824 (S-2) would amend the Michigan Campaign Finance Act (MCL 169.215 et al) in the following ways.

- The Secretary of State is required to investigate allegations of violations of the act. The bill would require the Secretary of State (SOS) to refer a complaint to the Attorney General if the violation involves the SOS, the immediate family member of the SOS, or a campaign or committee with which the Secretary of State is connected, directly or indirectly.
- The SOS would be required to post on the department's internet website certain documents regarding individual violation complaints, as well as conciliation agreements.
- The SOS would be required, rather than permitted, to refer a complaint to the Attorney General or begin a hearing if unable to resolve a matter using informal methods.
- Currently, if the SOS determines after a hearing that a violation of the act has occurred, he or she may issue an order requiring the payment of a civil fine equal to the amount of the improper contribution and expenditure, plus up to \$1,000 for each violation. The bill would allow a civil fine equal to triple the amount of the improper contribution and expenditure, plus up to \$1,000 per violation.
- The Attorney General would be required to determine whether to proceed with enforcement of a criminal penalty within 60 days after the matter was referred to the AG.
- Currently, a committee, candidate, treasurer, or other designated individual who fails to report a late contribution must pay a late filing fee not to exceed \$2,000. The bill would specify that the late filing fee could not exceed the lesser of (a) the total amount of the contributions omitted from the late contribution reports or (b) \$2,000.
- The definition of "late contribution" now refers to a contribution of \$200 or more received after the closing date of the last campaign statement required to be filed before an election. The bill would say that, for a candidate committee, a late contribution would refer to contributions from the same contributor with a cumulative total of \$500 received after the closing date of the last campaign statement required to be filed before an election. For other committees, the threshold would be contributions from the same contributor with a cumulative total of \$2,500 or more received after the closing date of the last campaign statement.

- A committee, other than a candidate committee, would only have to file a report of a late contribution for an election during which the committee made expenditures for the purpose of influencing the nomination or election of a candidate or for the qualification, passage, or defeat of a ballot question after the closing date of the last campaign statement required to be filed before an election. This provision would be retroactive to January 1, 2010.
- The state or a county would have to reimburse or waive any late filing fee paid or assessed between January 1, 2010, and the bill's effective date. This would only apply to committees that have filed all other required campaign statements in a timely manner.
- A ballot question committee would have to file campaign statements in addition to the pre-election and postelection statements. They would have to be made in February, April, and July of each year, and additionally in October of odd numbered years.
- There is a civil fine of up to \$1,000 for knowingly filing an incomplete or inaccurate statement or report. The bill would make the fine either \$1,000 or the amount of the undisclosed contribution.
- Under the bill, a ballot question committee that is registered with the Secretary of State and is supporting or opposing a non-statewide ballot question would only have to file a required campaign statement with the Secretary of State. This would also apply to a committee supporting or opposing the recall of an elected official.
- The bill would exempt communications between a separate segregated fund (established under Section 55 of the act) and individuals who can be solicited for contributions to that fund from requirements that apply to printed campaign materials.
- A separate segregated fund is limited to making contributions to, and expenditures on behalf of, candidate committees, ballot question committees, political party committees, political committees, and independent committees. The bill would add: "and other separate segregated funds."

FISCAL IMPACT:

Senate Bill 824 increases the civil fine for an improper contribution or expenditure to triple the amount of the improper contribution and expenditure, plus up to \$1,000 per violation. This would presumably increase the civil fine revenue to the General Fund. The amount of fine revenue received would be dependent upon the number of violations under the provisions of the Michigan Campaign Finance Act referenced in the bill.

The provisions of the bill would also require that certain late filing fees paid between January 1, 2010, and the bill's effective date to be reimbursed by state and local governments. The total reimbursement is indeterminate at this time. Any reimbursement made would be paid from the state's General Fund.

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