

**SUBSTITUTE FOR
SENATE BILL NO. 638**

A bill to amend 1976 PA 388, entitled
"Michigan campaign finance act,"
by amending sections 3, 5, 9, 11, 33, 35, 54, and 55 (MCL 169.203,
169.205, 169.209, 169.211, 169.233, 169.235, 169.254, and 169.255),
sections 3, 11, and 35 as amended by 2012 PA 273, section 5 as
amended by 1999 PA 237, section 9 as amended by 2012 PA 275,
sections 33 and 55 as amended by 2013 PA 252, and section 54 as
amended by 1995 PA 264, and by adding section 24b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Candidate" means an individual who meets 1 or
2 more of the following criteria:

3 (a) Files a fee, an affidavit of incumbency, or a nominating
4 petition for an elective office.

1 (b) Is nominated as a candidate for elective office by a
2 political party caucus or convention and whose nomination is
3 certified to the appropriate filing official.

4 (c) Receives a contribution, makes an expenditure, or gives
5 consent for another person to receive a contribution or make an
6 expenditure with a view to bringing about the individual's
7 nomination or election to an elective office, whether or not the
8 specific elective office for which the individual will seek
9 nomination or election is known at the time the contribution is
10 received or the expenditure is made.

11 (d) Is an officeholder who is the subject of a recall vote.

12 (e) Holds an elective office, unless the officeholder is
13 constitutionally or legally barred from seeking reelection or fails
14 to file for reelection to that office by the applicable filing
15 deadline. An individual described in this subdivision is considered
16 to be a candidate for reelection to that same office for the
17 purposes of this act only.

18 For purposes of sections 61 to 71, "candidate" only means, in
19 a primary election, a candidate for the office of governor and, in
20 a general election, a candidate for the office of governor or
21 lieutenant governor. However, the candidates for the office of
22 governor and lieutenant governor of the same political party in a
23 general election ~~shall be~~ **ARE** considered as 1 candidate.

24 (2) "Candidate committee" means the committee designated in a
25 candidate's filed statement of organization as that individual's
26 candidate committee. A candidate committee shall be under the
27 control and direction of the candidate named in the same statement

1 of organization. Notwithstanding subsection (4), an individual
2 shall form a candidate committee under section 21 if the individual
3 becomes a candidate under subsection (1).

4 (3) "Closing date" means the date through which a campaign
5 statement is required to be complete.

6 (4) "Committee" means a person ~~who~~**THAT** receives contributions
7 or makes expenditures for the purpose of influencing or attempting
8 to influence the action of the voters for or against the nomination
9 or election of a candidate, the qualification, passage, or defeat
10 of a ballot question, or the qualification of a new political
11 party, if contributions received total \$500.00 or more in a
12 calendar year or expenditures made total \$500.00 or more in a
13 calendar year. An individual, other than a candidate, does not
14 constitute a committee. A person, other than a committee registered
15 under this act, making ~~an expenditure~~**A CONTRIBUTION** to a ballot
16 question committee **OR AN INDEPENDENT EXPENDITURE COMMITTEE**, shall
17 not, for that reason, be considered a committee for the purposes of
18 this act unless the person solicits or receives contributions for
19 the purpose of making an expenditure to that ballot question
20 committee **OR INDEPENDENT EXPENDITURE COMMITTEE**.

21 Sec. 5. (1) "Domestic dependent sovereign" means an Indian
22 tribe that has been acknowledged, recognized, restored, or
23 reaffirmed as an Indian tribe by the secretary of the interior
24 pursuant to ~~chapter 576, 48 Stat. 984, 25 U.S.C. USC 461 to 463,~~
25 ~~464 to 465, 466 to 470, 471 to 472, 473, 474 to 475, 476 to 478,~~
26 ~~and 479,~~**494A**, commonly referred to as the Indian reorganization
27 act, or has otherwise been acknowledged by the United States

1 government as an Indian tribe.

2 (2) "Election" means a primary, general, special, or millage
3 election held in this state or a convention or caucus of a
4 political party held in this state to nominate a candidate.
5 Election includes a recall vote.

6 (3) "Election cycle" means 1 of the following:

7 (a) For a general election, the period beginning the day
8 following the last general election in which the office appeared on
9 the ballot and ending on the day of the general election in which
10 the office next appears on the ballot.

11 (b) For a special election, the period beginning the day a
12 special general election is called or the date the office becomes
13 vacant, whichever is earlier, and ending on the day of the special
14 general election.

15 (4) "Elective office" means a public office filled by an
16 election. A person who is appointed to fill a vacancy in a public
17 office that is ordinarily elective holds an elective office.
18 Elective office does not include the office of precinct delegate.
19 Except for the purposes of sections 47, 54, and 55, elective office
20 does not include a school board member in a school district that
21 has a pupil membership of 2,400 or less enrolled on the most recent
22 pupil membership count day. However, elective office includes a
23 school board member in a school district that has a pupil
24 membership of 2,400 or less, if a candidate committee of a
25 candidate for the office of school board member in that school
26 district receives an amount in excess of \$1,000.00 or expends an
27 amount in excess of \$1,000.00. Elective office does not include a

1 federal office except for the purposes of section 57.

2 Sec. 9. (1) "Incidental expense" means an expenditure that is
3 an ordinary and necessary expense, paid or incurred in carrying out
4 the business of an elective office. Incidental expense includes,
5 but is not limited to, any of the following:

6 (a) A disbursement necessary to assist, serve, or communicate
7 with a constituent.

8 (b) A disbursement for equipment, furnishings, or supplies for
9 the office of the public official.

10 (c) A disbursement for a district office if the district
11 office is not used for campaign-related activity.

12 (d) A disbursement for the public official or his or her
13 staff, or both, to attend a conference, meeting, reception, or
14 other similar event.

15 (e) A disbursement to maintain a publicly owned residence or a
16 temporary residence at the seat of government.

17 (f) An unreimbursed disbursement for travel, lodging, meals,
18 or other expenses incurred by the public official, a member of the
19 public official's immediate family, or a member of the public
20 official's staff in carrying out the business of the elective
21 office.

22 (g) A donation to a tax-exempt charitable organization,
23 including the purchase of tickets to charitable or civic events.

24 (h) A disbursement to a ballot question committee.

25 (i) A purchase of tickets for use by that public official and
26 members of his or her immediate family and staff to a fund-raising
27 event sponsored by a candidate committee, independent committee,

1 political party committee, or a political committee that does not
2 exceed \$100.00 per committee in any calendar year.

3 (j) A disbursement for an educational course or seminar that
4 maintains or improves skills employed by the public official in
5 carrying out the business of the elective office.

6 (k) A purchase of advertisements in testimonials, program
7 books, souvenir books, or other publications if the advertisement
8 does not support or oppose the nomination or election of a
9 candidate.

10 (l) A disbursement for consultation, research, polling, and
11 photographic services not related to a campaign.

12 (m) A fee paid to a fraternal, veteran, or other service
13 organization.

14 (n) A payment of a tax liability incurred as a result of
15 authorized transactions by the candidate committee of the public
16 official.

17 (o) A fee for accounting, professional, or administrative
18 services for the candidate committee of the public official.

19 (p) A debt or obligation incurred by the candidate committee
20 of a public official for a disbursement authorized by subdivisions
21 (a) to (o), if the debt or obligation was reported in the candidate
22 committee report filed for the year in which the debt or obligation
23 arose.

24 (2) "Independent expenditure" means an expenditure by a person
25 if the expenditure is not made ~~at the direction of, or under the~~
26 ~~control of, another person and if the expenditure is not a~~
27 ~~contribution to a committee.~~ **IN CONCERT OR COOPERATION WITH, OR AT**

1 THE REQUEST OR SUGGESTION OF, A BALLOT QUESTION COMMITTEE OR A
2 CANDIDATE, A CANDIDATE COMMITTEE OR ITS AGENTS, OR A POLITICAL
3 PARTY COMMITTEE OR ITS AGENTS, AND IS NOT A CONTRIBUTION MADE
4 DIRECTLY TO A CANDIDATE COMMITTEE OR A POLITICAL PARTY COMMITTEE.

5 (3) "INDEPENDENT EXPENDITURE COMMITTEE" MEANS A COMMITTEE THAT
6 RECEIVES CONTRIBUTIONS AND MAKES INDEPENDENT EXPENDITURES PURSUANT
7 TO THIS ACT, EXPENDITURES AUTHORIZED UNDER THIS ACT, OR
8 DISBURSEMENTS NOT PROHIBITED BY THIS ACT.

9 (4) ~~(3)~~—"In-kind contribution or expenditure" means a
10 contribution or expenditure other than money.

11 (5) ~~(4)~~—"Loan" means a transfer of money, property, or
12 anything of ascertainable monetary value in exchange for an
13 obligation, conditional or not, to repay in whole or part.

14 (6) ~~(5)~~—"Local elective office" means an elective office at
15 the local unit of government level. Local elective office also
16 includes judge of the court of appeals, judge of the circuit court,
17 ~~judge of the recorder's court of the city of Detroit,~~ judge of the
18 district court, judge of the probate court, and judge of a
19 municipal court.

20 (7) ~~(6)~~—"Local unit of government" means a district,
21 authority, county, city, village, township, board, school district,
22 intermediate school district, or community college district.

23 Sec. 11. (1) "Payroll deduction plan" means any system in
24 which an employer deducts any amount of money from the wages,
25 earnings, or compensation of an employee.

26 (2) "Person" means a business, individual, proprietorship,
27 **LIMITED LIABILITY COMPANY**, firm, partnership, joint venture,

1 syndicate, business trust, labor organization, company,
2 corporation, association, **DOMESTIC DEPENDENT SOVEREIGN**, committee,
3 or any other organization or group of persons acting jointly.

4 (3) "Political committee" means a committee that is not a
5 candidate committee, political party committee, independent
6 committee, or ballot question committee.

7 (4) "Political merchandise" means goods such as bumper
8 stickers, pins, hats, beverages, literature, or other items sold by
9 a person at a fund raiser or to the general public for publicity or
10 for the purpose of raising funds to be used in supporting or
11 opposing a candidate for nomination for or election to an elective
12 office, in supporting or opposing the qualification, passage, or
13 defeat of a ballot question, or in supporting or opposing the
14 qualification of a new political party.

15 (5) "Political party" means a political party that has a right
16 under law to have the names of its candidates listed on the ballot
17 in a general election.

18 (6) "Political party committee" means a state central,
19 district, or county committee of a political party or a party
20 attempting to qualify as a new political party under section 685 of
21 the Michigan election law, 1954 PA 116, MCL 168.685, that is a
22 committee. Each state central committee shall designate the
23 official party county and district committees. There shall not be
24 more than 1 officially designated political party committee per
25 county and per congressional district.

26 (7) "Public body" means 1 or more of the following:

27 (a) A state agency, department, division, bureau, board,

1 commission, council, authority, or other body in the executive
2 branch of state government.

3 (b) The legislature or an agency, board, commission, or
4 council in the legislative branch of state government.

5 (c) A county, city, township, village, intercounty, intercity,
6 or regional governing body; a council, school district, special
7 district, or municipal corporation; or a board, department,
8 commission, or council or an agency of a board, department,
9 commission, or council.

10 (d) Any other body that is created by state or local authority
11 or is primarily funded by or through state or local authority, if
12 the body exercises governmental or proprietary authority or
13 performs a governmental or proprietary function.

14 **SEC. 24B. (1) ONE OR MORE PERSONS MAY CREATE AND MAINTAIN AN**
15 **INDEPENDENT EXPENDITURE COMMITTEE AND SHALL FILE A STATEMENT OF**
16 **ORGANIZATION UNDER SECTION 24.**

17 **(2) IF A PERSON THAT CREATES AN INDEPENDENT EXPENDITURE**
18 **COMMITTEE UNDER SUBSECTION (1) IS A CORPORATION, JOINT STOCK**
19 **COMPANY, DOMESTIC DEPENDENT SOVEREIGN, OR LABOR ORGANIZATION, THE**
20 **NAME OF THE INDEPENDENT EXPENDITURE COMMITTEE SHALL CONTAIN THE**
21 **NAME OF THE PERSON, OR ITS ACRONYM IF THAT ACRONYM REASONABLY**
22 **IDENTIFIES THE PERSON CREATING THE COMMITTEE.**

23 **(3) IN ADDITION TO ANY INDEPENDENT EXPENDITURES, AN**
24 **INDEPENDENT EXPENDITURE COMMITTEE MAY MAKE UNLIMITED CONTRIBUTIONS**
25 **TO ANOTHER INDEPENDENT EXPENDITURE COMMITTEE, TO A BALLOT QUESTION**
26 **COMMITTEE, TO A PERSON OR ACCOUNT NOT SUBJECT TO THIS ACT, OR FOR**
27 **ANY OTHER LAWFUL PURPOSE.**

1 (4) AN INDEPENDENT EXPENDITURE COMMITTEE MAY RECEIVE
2 CONTRIBUTIONS FROM ANY PERSON, EXCEPT A PERSON PROHIBITED FROM
3 MAKING A CONTRIBUTION UNDER 52 USC 30121. AN INDEPENDENT
4 EXPENDITURE COMMITTEE SHALL RETURN A CONTRIBUTION MADE BY A PERSON
5 PROHIBITED FROM MAKING A CONTRIBUTION UNDER THIS SUBSECTION WITHIN
6 30 BUSINESS DAYS AFTER RECEIVING THAT CONTRIBUTION.

7 (5) AN INDEPENDENT EXPENDITURE COMMITTEE MAY USE AN ATTORNEY
8 OR OTHER VENDOR THAT IS ALSO USED BY A BALLOT QUESTION COMMITTEE,
9 CANDIDATE, CANDIDATE COMMITTEE, OR POLITICAL PARTY COMMITTEE THAT
10 IS THE SUBJECT OR BENEFICIARY OF THE INDEPENDENT EXPENDITURE,
11 WITHOUT DEFEATING THE INDEPENDENT NATURE OF THE INDEPENDENT
12 EXPENDITURE, IF THE ATTORNEY OR VENDOR DOES NOT CONVEY MATERIAL
13 INFORMATION TO THE INDEPENDENT EXPENDITURE COMMITTEE ABOUT THE
14 CAMPAIGN PLANS, PROJECTS, ACTIVITIES, OR NEEDS OF THE BALLOT
15 QUESTION COMMITTEE, CANDIDATE, CANDIDATE COMMITTEE, OR POLITICAL
16 PARTY COMMITTEE. AS USED IN THIS SUBSECTION, "MATERIAL INFORMATION"
17 MEANS INFORMATION THAT IS MATERIAL TO THE CREATION, PRODUCTION, OR
18 DISTRIBUTION OF THE INDEPENDENT EXPENDITURE BY THE INDEPENDENT
19 EXPENDITURE COMMITTEE.

20 (6) AN INDEPENDENT EXPENDITURE IS NOT PRECLUDED UNDER ANY OF
21 THE FOLLOWING:

22 (A) WHERE A CANDIDATE OR HIS OR HER AGENT, A CANDIDATE
23 COMMITTEE OR ITS AGENT, OR A POLITICAL PARTY COMMITTEE OR ITS AGENT
24 SOLICITS CONTRIBUTIONS ON BEHALF OF A PERSON THAT MAY FINANCE
25 INDEPENDENT EXPENDITURES ON BEHALF OF CANDIDATES AND POLITICAL
26 PARTIES, INCLUDING THE CANDIDATE OR POLITICAL PARTY SOLICITING
27 CONTRIBUTIONS ON BEHALF OF THAT PERSON.

1 (B) WHERE AN INDEPENDENT EXPENDITURE COMMITTEE OR A PERSON
2 ENGAGES AGENTS OR VENDORS OF CANDIDATES, CANDIDATE COMMITTEES, OR
3 POLITICAL PARTY COMMITTEES TO ASSIST THAT INDEPENDENT EXPENDITURE
4 COMMITTEE OR PERSON IN AREAS UNRELATED TO PREPARING AN INDEPENDENT
5 EXPENDITURE SUBJECT TO THIS ACT, INCLUDING, BUT NOT LIMITED TO,
6 AGENTS OR VENDORS PROVIDING FUND-RAISING, LEGAL, ACCOUNTING, STUDIO
7 RENTAL, AND OTHER SERVICES UNRELATED TO PREPARING AN INDEPENDENT
8 EXPENDITURE SUBJECT TO THIS ACT.

9 Sec. 33. (1) A committee, other than an independent committee,
10 AN INDEPENDENT EXPENDITURE COMMITTEE, or a political committee
11 required to file with the secretary of state, supporting or
12 opposing a candidate shall file complete campaign statements as
13 required by this act and the rules promulgated under this act. The
14 campaign statements shall be filed according to the following
15 schedule:

16 (a) A preelection campaign statement shall be filed not later
17 than the eleventh day before an election. The closing date for a
18 campaign statement filed under this subdivision shall be the
19 sixteenth day before the election.

20 (b) A postelection campaign statement shall be filed not later
21 than the thirtieth day following the election. The closing date for
22 a campaign statement filed under this subdivision shall be the
23 twentieth day following the election. A committee supporting a
24 candidate who loses the primary election shall file closing
25 campaign statements in accordance with this section. If all
26 liabilities of that candidate or committee are paid before the
27 closing date and additional contributions are not expected, the

1 campaign statement may be filed at any time after the election, but
2 not later than the thirtieth day following the election.

3 (c) In a year in which there is no election for the candidate
4 the committee is supporting or opposing:

5 (i) Not later than July 25 with a closing date of July 20 of
6 that year.

7 (ii) Not later than October 25 with a closing date of October
8 20 of that year.

9 (2) For the purposes of subsection (1):

10 (a) A candidate committee shall file a preelection campaign
11 statement and a postelection campaign statement for each election
12 in which the candidate seeks nomination or election, except if an
13 individual becomes a candidate after the closing date for the
14 preelection campaign statement only the postelection campaign
15 statement is required for that election.

16 (b) A committee other than a candidate committee shall file a
17 campaign statement for each period during which expenditures are
18 made for the purpose of influencing the nomination or election of a
19 candidate or for the qualification, passage, or defeat of a ballot
20 question.

21 (3) An independent committee, **AN INDEPENDENT EXPENDITURE**
22 **COMMITTEE**, or a political committee other than a house political
23 party caucus committee or senate political party caucus committee
24 required to file with the secretary of state shall file campaign
25 statements as required by this act according to the following
26 schedule:

27 ~~— (a) Not later than February 15 of each year with a closing~~

1 ~~date of February 10 of that year.~~

2 (A) ~~(b)~~ Not later than April 25 of each year with a closing
3 date of April 20 of that year.

4 (B) ~~(c)~~ Not later than July 25 of each year with a closing
5 date of July 20 of that year.

6 (C) ~~(d)~~ Not later than October 25 of each year with a closing
7 date of October 20 of that year.

8 (4) A house political party caucus committee or a senate
9 political party caucus committee required to file with the
10 secretary of state or a political party committee for a party
11 attempting to qualify as a new political party under section 685 of
12 the Michigan election law, 1954 PA 116, MCL 168.685, shall file
13 campaign statements as required by this act according to the
14 following schedule:

15 (a) Not later than January 31 of each year with a closing date
16 of December 31 of the immediately preceding year.

17 (b) Not later than April 25 of each year with a closing date
18 of April 20 of that year.

19 (c) Not later than July 25 of each year with a closing date of
20 July 20 of that year.

21 (d) Not later than October 25 of each year with a closing date
22 of October 20 of that year.

23 (e) For the period beginning on the fourteenth day immediately
24 preceding a primary or special primary election and ending on the
25 day immediately following the primary or special primary election,
26 not later than 4 p.m. each business day with a closing date of the
27 immediately preceding day, only for a contribution received or

1 expenditure made that exceeds \$1,000.00 per day.

2 (f) For the period beginning on the fourteenth day immediately
3 preceding a general or special election and ending on the day
4 immediately following the general or special election, not later
5 than 4 p.m. each business day with a closing date of the
6 immediately preceding day, only for a contribution received or
7 expenditure made that exceeds \$1,000.00 per day.

8 (5) Notwithstanding subsection (3) or (4) or section 51, if an
9 independent expenditure is made within 45 days before a special
10 election by an independent committee, **INDEPENDENT EXPENDITURE**
11 **COMMITTEE**, or a political committee required to file a campaign
12 statement with the secretary of state, a report of the expenditure
13 shall be filed by the committee with the secretary of state within
14 48 hours after the expenditure. The report shall be made on a form
15 provided by the secretary of state and shall include the date of
16 the independent expenditure, the amount of the expenditure, a brief
17 description of the nature of the expenditure, and the name and
18 address of the person to whom the expenditure was paid. The brief
19 description of the expenditure shall include either the name of the
20 candidate and the office sought by the candidate or the name of the
21 ballot question and shall state whether the expenditure supports or
22 opposes the candidate or ballot question. This subsection does not
23 apply if the committee is required to report the independent
24 expenditure in a campaign statement that is required to be filed
25 before the date of the election for which the expenditure was made.

26 (6) A candidate committee or a committee other than a
27 candidate committee that files a written statement under section

1 24(5) or (6) is not required to file a campaign statement under
2 subsection (1), (3), or (4) unless it received or expended an
3 amount in excess of \$1,000.00. If the committee receives or expends
4 an amount in excess of \$1,000.00 during a period covered by a
5 filing, the committee is then subject to the campaign filing
6 requirements under this act.

7 (7) A committee, candidate, treasurer, or other individual
8 designated as responsible for the committee's record keeping,
9 report preparation, or report filing who fails to file a statement
10 as required by this section shall pay a late filing fee. If the
11 committee has raised \$10,000.00 or less during the previous 2
12 years, the late filing fee shall be \$25.00 for each business day
13 the statement remains unfiled, but not to exceed \$500.00. If the
14 committee has raised more than \$10,000.00 during the previous 2
15 years, the late filing fee shall not exceed \$1,000.00, determined
16 as follows:

17 (a) Twenty-five dollars for each business day the report
18 remains unfiled.

19 (b) An additional \$25.00 for each business day after the first
20 3 business days the report remains unfiled.

21 (c) An additional \$50.00 for each business day after the first
22 10 business days the report remains unfiled.

23 (8) If a candidate, treasurer, or other individual designated
24 as responsible for the committee's record keeping, report
25 preparation, or report filing fails to file 2 statements required
26 by this section or section 35 and both of the statements remain
27 unfiled for more than 30 days, that candidate, treasurer, or other

1 designated individual is guilty of a misdemeanor punishable by a
2 fine of not more than \$1,000.00 or imprisonment for not more than
3 90 days, or both.

4 (9) If a candidate is found guilty of a violation of this
5 section, the circuit court for that county, on application by the
6 attorney general or the prosecuting attorney of that county, may
7 prohibit that candidate from assuming the duties of a public office
8 or from receiving compensation from public funds, or both.

9 (10) If a candidate, treasurer, or other individual designated
10 as responsible for a committee's record keeping, report
11 preparation, or report filing knowingly files an incomplete or
12 inaccurate statement or report required by this section, that
13 individual is subject to a civil fine of not more than \$1,000.00.

14 (11) If a candidate, treasurer, or other individual designated
15 as responsible for a committee's record keeping, report
16 preparation, or report filing knowingly omits or underreports
17 individual contributions or individual expenditures required to be
18 disclosed by this act, that individual is subject to a civil fine
19 of not more than \$1,000.00 or the amount of the contributions and
20 expenditures omitted or underreported, whichever is greater.

21 (12) If a candidate committee's account has a balance of
22 \$20,000.00 or more and a candidate, treasurer, or other individual
23 designated as responsible for that committee's record keeping,
24 report preparation, or report filing fails to file campaign
25 statements required under this act for 2 consecutive years, that
26 candidate, treasurer, or other individual is guilty of a felony
27 punishable by imprisonment for not more than 3 years or a fine of

1 not more than \$5,000.00, or both. Any money in a candidate
2 committee account described in this subsection is subject to
3 seizure by, and forfeiture to, this state as provided in this
4 section.

5 (13) Not more than 5 business days after seizure of money
6 under subsection (12), the secretary of state shall deliver
7 personally or by registered mail to the last known address of the
8 candidate from whom the seizure was made an inventory statement of
9 the money seized. The inventory statement shall also contain notice
10 to the effect that unless demand for hearing as provided in this
11 section is made within 10 business days, the money is forfeited to
12 this state. Within 10 business days after the date of service of
13 the notice, the candidate may by registered mail, facsimile
14 transmission, or personal service file with the secretary of state
15 a demand for a hearing before the secretary of state or a person
16 designated by the secretary of state for a determination as to
17 whether the money was lawfully subject to seizure and forfeiture.
18 The candidate is entitled to appear before the secretary of state
19 or a person designated by the secretary of state, to be represented
20 by counsel, and to present testimony and argument. Upon receipt of
21 a request for hearing, the secretary of state or a person
22 designated by the secretary of state shall hold the hearing within
23 15 business days. The hearing is not a contested case proceeding
24 and is not subject to the administrative procedures act of 1969,
25 1969 PA 306, MCL 24.201 to 24.328. After the hearing, the secretary
26 of state or a person designated by the secretary of state shall
27 render a decision in writing within 10 business days of the hearing

1 and, by order, shall either declare the money subject to seizure
2 and forfeiture or declare the money returnable to the candidate.
3 If, within 10 business days after the date of service of the
4 inventory statement, the candidate does not file with the secretary
5 of state a demand for a hearing before the secretary of state or a
6 person designated by the secretary of state, the money seized is
7 forfeited to this state by operation of law. If, after a hearing
8 before the secretary of state or a person designated by the
9 secretary of state, the secretary of state or a person designated
10 by the secretary of state determines that the money is lawfully
11 subject to seizure and forfeiture and the candidate does not appeal
12 to the circuit court of the county in which the seizure was made
13 within the time prescribed in this section, the money seized is
14 forfeited to this state by operation of law. If a candidate is
15 aggrieved by the decision of the secretary of state or a person
16 designated by the secretary of state, that candidate may appeal to
17 the circuit court of the county where the seizure was made to
18 obtain a judicial determination of the lawfulness of the seizure
19 and forfeiture. The action shall be commenced within 20 days after
20 notice of a determination by the secretary of state or a person
21 designated by the secretary of state is sent to the candidate. The
22 court shall hear the action and determine the issues of fact and
23 law involved in accordance with rules of practice and procedure as
24 in other in rem proceedings.

25 Sec. 35. (1) In addition to any other requirements of this act
26 for filing a campaign statement, a committee, other than an
27 independent committee, **AN INDEPENDENT EXPENDITURE COMMITTEE**, or a

1 political committee required to file with the secretary of state,
2 shall also file a campaign statement not later than January 31 of
3 each year. The campaign statement shall have a closing date of
4 December 31 of the previous year. The period covered by the
5 campaign statement filed under this subsection begins the day after
6 the closing date of the previous campaign statement. A campaign
7 statement filed under this subsection shall be waived if a
8 postelection campaign statement has been filed that has a filing
9 deadline within 30 days of the closing date of the campaign
10 statement required by this subsection.

11 (2) Subsection (1) does not apply to a candidate committee for
12 an officeholder who is a judge or a supreme court justice, or who
13 holds an elective office for which the salary is less than \$100.00
14 a month and who does not receive any contribution or make any
15 expenditure during the time that would be otherwise covered in the
16 statement.

17 (3) A committee, candidate, treasurer, or other individual
18 designated as responsible for the record keeping, report
19 preparation, or report filing for a candidate committee of a
20 candidate for state elective office or a judicial office who fails
21 to file a campaign statement under this section shall be assessed a
22 late filing fee. If the committee has raised \$10,000.00 or less
23 during the previous 2 years, the late filing fee shall be \$25.00
24 for each business day the campaign statement remains unfiled, but
25 not to exceed \$500.00. If the committee has raised more than
26 \$10,000.00 during the previous 2 years, the late filing fee shall
27 be \$50.00 for each business day the campaign statement remains

1 unfiled, but not to exceed \$1,000.00. The late filing fee assessed
2 under this subsection shall be paid by the candidate, and the
3 candidate shall not use committee funds to pay that fee. A
4 committee, treasurer, or other individual designated as responsible
5 for the record keeping, report preparation, or report filing for a
6 committee other than a candidate committee of a candidate for state
7 elective office or a judicial office who fails to file a campaign
8 statement under this section shall pay a late filing fee of \$25.00
9 for each business day the campaign statement remains not filed in
10 violation of this section. The late filing fee shall not exceed
11 \$500.00.

12 (4) A committee filing a written statement under section 24(5)
13 or (6) need not file a statement in accordance with subsection (1).
14 If a committee receives or expends more than \$1,000.00 during a
15 time period prescribed by section 24(5) or (6), the committee is
16 then subject to the campaign filing requirements under this act and
17 shall file a campaign statement for the period beginning the day
18 after the closing date of the last postelection campaign statement
19 or an annual campaign statement that is waived under subsection
20 (1), whichever occurred earlier.

21 (5) If a candidate, treasurer, or other individual designated
22 as responsible for the record keeping, report preparation, or
23 report filing fails to file 2 statements required by this section
24 or section 33 and both of the statements remain unfiled for more
25 than 30 days, that candidate, treasurer, or other designated
26 individual is guilty of a misdemeanor, punishable by a fine of not
27 more than \$1,000.00, or imprisonment for not more than 90 days, or

1 both.

2 (6) If a candidate, treasurer, or other individual designated
3 as responsible for the record keeping, report preparation, or
4 report filing for a committee required to file a campaign statement
5 under subsection (1) knowingly files an incomplete or inaccurate
6 statement or report required by this section, that individual is
7 subject to a civil fine of not more than \$1,000.00.

8 Sec. 54. (1) Except with respect to the exceptions and
9 conditions in subsections (2), ~~and (3)~~, **AND (4)** and section 55, and
10 to loans made in the ordinary course of business, a corporation,
11 joint stock company, domestic dependent sovereign, or labor
12 organization shall not make a contribution or expenditure or
13 provide volunteer personal services that are excluded from the
14 definition of a contribution ~~pursuant to~~ **UNDER** section 4(3)(a).

15 (2) An officer, director, stockholder, attorney, agent, or any
16 other person acting for a labor organization, a domestic dependent
17 sovereign, or a corporation or joint stock company, whether
18 incorporated under the laws of this or any other state or foreign
19 country, except corporations formed for political purposes, shall
20 not make a contribution or expenditure or provide volunteer
21 personal services that are excluded from the definition of a
22 contribution ~~pursuant to~~ **UNDER** section 4(3)(a).

23 (3) A corporation, joint stock company, domestic dependent
24 sovereign, or labor organization may make a contribution to a
25 ballot question committee subject to this act. A corporation, joint
26 stock company, domestic dependent sovereign, or labor organization
27 may make an independent expenditure in any amount for the

1 qualification, passage, or defeat of a ballot question. A
2 corporation, joint stock company, domestic dependent sovereign, or
3 labor organization that makes an independent expenditure under this
4 subsection is considered a ballot question committee for the
5 purposes of this act.

6 (4) A CORPORATION, JOINT STOCK COMPANY, DOMESTIC DEPENDENT
7 SOVEREIGN, OR LABOR ORGANIZATION MAY DO ANY OF THE FOLLOWING:

8 (A) MAKE AN INDEPENDENT EXPENDITURE.

9 (B) MAKE A CONTRIBUTION TO AN INDEPENDENT EXPENDITURE
10 COMMITTEE.

11 (C) MAKE AN EXPENDITURE FOR THE ESTABLISHMENT OR
12 ADMINISTRATION OF, OR SOLICITATION OF CONTRIBUTIONS TO, AN
13 INDEPENDENT EXPENDITURE COMMITTEE IN ANY AMOUNT.

14 (5) A CORPORATION, JOINT STOCK COMPANY, DOMESTIC DEPENDENT
15 SOVEREIGN, OR LABOR ORGANIZATION THAT ITSELF MAKES AN INDEPENDENT
16 EXPENDITURE UNDER SUBSECTION (4) DOES NOT FOR THIS REASON BECOME A
17 COMMITTEE BUT SHALL FILE A REPORT OF ANY INDEPENDENT EXPENDITURE IN
18 ACCORDANCE WITH SECTION 51. A CORPORATION, JOINT STOCK COMPANY,
19 DOMESTIC DEPENDENT SOVEREIGN, OR LABOR ORGANIZATION THAT MAKES A
20 CONTRIBUTION TO AN INDEPENDENT EXPENDITURE COMMITTEE, OR AN
21 EXPENDITURE FOR THE ESTABLISHMENT OR ADMINISTRATION OF, OR
22 SOLICITATION OF FUNDS TO, AN INDEPENDENT EXPENDITURE COMMITTEE, HAS
23 NO REPORTING OBLIGATIONS UNDER THIS ACT.

24 (6) ~~(4)~~—A person who knowingly violates this section is guilty
25 of a felony punishable, if the person is an individual, by a fine
26 of not more than \$5,000.00 or imprisonment for not more than 3
27 years, or both, or, if the person is not an individual, by a fine

1 of not more than \$10,000.00.

2 Sec. 55. (1) A corporation organized on a for profit or
3 nonprofit basis, a joint stock company, a domestic dependent
4 sovereign, or a labor organization formed under the laws of this or
5 another state or foreign country may make an expenditure for the
6 establishment and administration **OF**, and solicitation of
7 contributions to, a separate segregated fund to be used for
8 political purposes. A separate segregated fund established under
9 this section shall be limited to making contributions to, and
10 expenditures on behalf of, candidate committees, ballot question
11 committees, political party committees, political committees,
12 **INDEPENDENT EXPENDITURE COMMITTEES**, independent committees, and
13 other separate segregated funds.

14 (2) Contributions for a separate segregated fund established
15 by a corporation, organized on a for profit basis, or a joint stock
16 company under this section may be solicited from any of the
17 following persons or their spouses:

18 (a) Stockholders of the corporation or company.

19 (b) Officers and directors of the corporation or company.

20 (c) Employees of the corporation or company who have policy
21 making, managerial, professional, supervisory, or administrative
22 nonclerical responsibilities.

23 (3) Contributions for a separate segregated fund established
24 under this section by a corporation organized on a nonprofit basis
25 may be solicited from any of the following persons or their
26 spouses:

27 (a) Members of the corporation who are individuals.

1 (b) Stockholders or members of members of the corporation.

2 (c) Officers or directors of members of the corporation.

3 (d) Employees of the members of the corporation who have
4 policy making, managerial, professional, supervisory, or
5 administrative nonclerical responsibilities.

6 (e) Employees of the corporation who have policy making,
7 managerial, professional, supervisory, or administrative
8 nonclerical responsibilities.

9 (4) Contributions for a separate segregated fund established
10 under this section by a labor organization may be solicited from
11 any of the following persons or their spouses:

12 (a) Members of the labor organization who are individuals.

13 (b) Officers or directors of the labor organization.

14 (c) Employees of the labor organization who have policy
15 making, managerial, professional, supervisory, or administrative
16 nonclerical responsibilities.

17 (5) Contributions for a separate segregated fund established
18 under this section by a domestic dependent sovereign may be
19 solicited from an individual who is a member of any domestic
20 dependent sovereign.

21 (6) Contributions shall not be obtained for a separate
22 segregated fund established under this section by use of coercion
23 or physical force, by making a contribution a condition of
24 employment or membership, or by using or threatening to use job
25 discrimination or financial reprisals. A corporation organized on a
26 for profit or nonprofit basis, a joint stock company, a domestic
27 dependent sovereign, or a labor organization shall not solicit or

1 obtain contributions for a separate segregated fund established
2 under this section from an individual described in subsection (2),
3 (3), (4), or (5) on an automatic or passive basis including but not
4 limited to a payroll deduction plan or reverse checkoff method. A
5 corporation organized on a for profit or nonprofit basis, a joint
6 stock company, a domestic dependent sovereign, or a labor
7 organization may solicit or obtain contributions for a separate
8 segregated fund established under this section from an individual
9 described in subsection (2), (3), (4), or (5) on an automatic
10 basis, including but not limited to a payroll deduction plan, only
11 if the individual who is contributing to the fund affirmatively
12 consents to the contribution at least once in every calendar year.

13 (7) A person who knowingly violates this section is guilty of
14 a felony punishable, if the person is an individual, by a fine of
15 not more than \$5,000.00 or imprisonment for not more than 3 years,
16 or both, or, if the person is not an individual, by a fine of not
17 more than \$10,000.00.

18 (8) If a corporation, joint stock company, domestic dependent
19 sovereign, or labor organization that obtains contributions for a
20 separate segregated fund from individuals described in subsection
21 (2), (3), (4), or (5) pays to 1 or more of those individuals a
22 bonus or other remuneration for the purpose of reimbursing those
23 contributions, then that corporation, joint stock company, domestic
24 dependent sovereign, or labor organization is subject to a civil
25 fine equal to 2 times the total contributions obtained from all
26 individuals for the separate segregated fund during that calendar
27 year.