

## PROHIBIT DISCLOSURE OF CERTAIN DONOR INFORMATION

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**Senate Bill 1176 (S-1) as reported from House committee**  
**Sponsor: Sen. Mike Shirkey**  
**House Committee: Michigan Competitiveness**  
**Senate Committee: Michigan Competitiveness**  
**Complete to 1-6-19**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

Senate Bill 1176 would create the Personal Privacy Protection Act to exempt certain information from disclosure and set penalties for violation of that provision. It would stipulate that the proposed act would not affect any provisions of the Michigan Campaign Finance Act.

The bill would prohibit a *public agency* from doing any of the following (except when authorized by a lawful warrant or request for discovery in litigation):

- Requiring an entity organized under Section 501(c) of the Internal Revenue Code (which lists the organizations exempt from taxation under the portion of the U.S. Code that governs income taxes) to provide the public agency with *personal information*.

*Personal information* would mean any list, record, register, registry, roll, roster, or any other compilation of data of any kind that directly or indirectly identified a person as a member, supporter, or volunteer of, or donor or financial or nonfinancial support to, any entity organized under Section 501(c).

*Public agency* would mean any state or local governmental unit, however designated, including the state; any department, agency, office, commission, board, division, or other entity of the state; any political subdivision of the state, including a county, city, township, village, school district, community college district, or any other local governmental unit, agency, authority, council, board, or commission; or any state or local court, tribunal, or other judicial or quasi-judicial body.

- Releasing, publicizing, or otherwise disclosing personal information without the express written permission of every identified member, supporter, volunteer, or donor and the tax-exempt entity that received their membership, support, volunteer time, or donations.
- Requesting or requiring a current or prospective contractor with the public agency to provide the public agency with a list of entities organized under Section 501(c) to which it has provided financial or nonfinancial support.

The bill would state that personal information is exempt from disclosure under the Freedom of Information Act (FOIA).

**Violation and penalty**

A person alleging a violation of the proposed act could bring a civil action for appropriate injunctive relief (which would prevent parties from acting) or damages, or both. The damages could include at least \$2,500 per violation or, for an intentional violation, up to \$7,500. Additionally, a court could award all or a portion of the costs of litigation to the complainant.

A person who knowingly violated the act would be guilty of a misdemeanor punishable by imprisonment of up to 90 days or a fine of up to \$1,000, or both.

**FISCAL IMPACT:**

Senate Bill 1176 could have an indeterminate fiscal impact on the state and on local units of government, which would depend on the number of persons alleging violation of provisions in the bill and seeking monetary damages and the amount of monetary damages awarded. Under the bill, persons could seek monetary damages that would range from \$2,500 to \$7,500 for each violation.

Persons who are found to have violated provisions in the bill would be guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than \$1,000, or both. New misdemeanor convictions would increase costs related to county jails and/or local misdemeanor probation supervision. Costs of local incarceration in county jails and local misdemeanor probation supervision, and how those costs are financed, vary by jurisdiction. Any fiscal impact on the judiciary and local court systems would depend on how provisions of the bill affected caseloads and related administrative costs. Any increase in penal fine revenue would increase funding for local libraries, which are the constitutionally designated recipients of those revenues.

**POSITIONS:**

A representative of the Mackinac Center for Public Policy testified in support of the bill. (12-18-18)

The following organizations indicated support for the bill (12-18-18):

- Michigan Chamber of Commerce
- Grand Rapids Area Chamber of Commerce
- Institute for Free Speech
- People United for Privacy
- The Philanthropy Roundtable
- American Cancer Society Cancer Action Network

A representative of the Michigan Campaign Finance Network testified in opposition to the bill. (12-18-18)

The Michigan Sierra Club indicated opposition to the bill. (12-18-18)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.