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CAMPAIGN FINANCE ACT AMENDMENTS

Senate Bill 759 as passed by the Senate
Sponsor: Sen. Bev Hammerstrom

**Senate Committee: Government
Operations**
**House Committee: Redistricting and
Elections**

Complete to 12-6-01

A SUMMARY OF SENATE BILL 759 AS PASSED BY THE SENATE

The bill would amend the Michigan Campaign Finance Act (MCL 169.202 et al.) in the following ways:

- The definition of “business” and the definition of “person” would each be amended to include limited liability companies.
- The definition of “fund raising event” would be amended to exclude a bingo event, and to exclude the purchase of chances for prizes as a method for making a contribution.
- A campaign statement filed by a political party committee would have to contain the street address of each person from whom contributions were received.
- A contribution from a “person” (a business, individual, partnership, organization, etc.) whose treasurer did not reside in the state, whose principal office was not in the state, or whose funds were not kept in the state could not be accepted by a “person” for purposes of supporting or opposing candidates for elective office, or for the qualification, passage, or defeat of a ballot question, if the contributing person has received contributions on an automatic basis, including but not limited to a payroll deduction plan, unless the contribution was accompanied by a statement (“certified as true and correct by an officer of the contributing ‘person’”) that all contributions received on an automatic basis were in full compliance with Section 55 of the act. Section 55 specifies that contributions obtained on an automatic basis, such as through payroll deduction, are only allowed if the individual who is making the contribution affirmatively consents to do so at least once in every calendar year.
- Under the act, a public body may not use funds, personnel, office space, property, stationery, postage, vehicles, equipment, supplies, or other public resources to make a contribution or expenditure or provide volunteer personal services to influence the nomination or election of a candidate, or for the qualification, passage, or defeat of a ballot question. The bill would additionally prohibit the use of computer hardware or software. In addition, the bill would add language prohibiting a public body from expressly advocating, by passage of a resolution or another means of communication, using public resources as listed in this provision, the nomination, election, or defeat of a candidate.

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- A nonprofit corporation that receives money from a public body or a person acting on behalf of a public body as membership fees or dues would be prohibited from using the money or investment income derived from the money to influence the outcome of an election held in the state.

- The bill would revise the penalty that currently applies for a violation of the prohibition on public bodies using public funds for campaign purposes. Currently, a knowing violation of that provision is a misdemeanor punishable by a fine of up to \$1,000, imprisonment for up to one year, or both (for an individual), or, if the violator is not an individual, by either a fine of up to \$20,000, or a fine equal to the amount of the improper contribution or expenditure, whichever is greater. Under the bill, the penalty would be revised and would also apply to a violation of the prohibition on nonprofit corporations using money received from a public body to influence an election. A knowing violation would be a misdemeanor, punishable by a fine of up to \$1,000 or twice the value of the improper contribution, whichever was greater, imprisonment for up to one year, or both (for an individual), or, if the violator was not an individual, by a fine of up to \$20,000 or twice the value of the improper contribution or expenditure, whichever was greater.

- In addition to the criminal penalty, a person who violated the prohibition on nonprofit corporations using public funds for campaign purposes would be subject to a civil fine by the secretary of state. The fine could not exceed \$20,000 plus the cost of the illegal contribution or expenditure.

- A resident of a “public body” (a county, city, township, village, etc.) who alleged a violation of the prohibition against a public body using public funds for campaign purposes, or a violation of the prohibition on nonprofit corporations using public funds for campaign purposes, could bring a civil action for declaratory judgment or injunctive relief against the public body or a person acting on behalf of the public body. The person alleging the violation would not have to prove that the violation was knowing in order to prevail. A person who prevailed in whole or in part would be awarded all or an appropriate portion of reasonable attorney fees and costs. A civil action under this provision would have to be expedited and assigned for hearing, trial, or argument at the earliest possible date.

Analyst: D. Martens

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