

HOUSE BILL No. 6134

June 1, 2006, Introduced by Reps. Baxter, Taub, Sheltroun, Schuitmaker, Elsenheimer, Ward, Stahl, Proos, Mortimer, Ball, Nitz and Kooiman and referred to the Committee on House Oversight, Elections, and Ethics.

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 24, 26, 29, 35, and 43 (MCL 169.224, 169.226, 169.229, 169.235, and 169.243), section 24 as amended by 1999 PA 237, sections 26 and 29 as amended by 2001 PA 250, and section 35 as amended by 2000 PA 75.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 24. (1) A committee shall file a statement of
2 organization with the filing officials designated in section 36 to
3 receive the committee's campaign statements. A statement of
4 organization shall be filed within 10 days after a committee is
5 formed. A filing official shall maintain a statement of

1 organization filed by a committee until 5 years after the official
2 date of the committee's dissolution. A person who fails to file a
3 statement of organization required by this subsection shall pay a
4 late filing fee of \$10.00 for each business day the statement
5 remains not filed in violation of this subsection. The late filing
6 fee shall not exceed \$300.00. A person who violates this subsection
7 by failing to file for more than 30 days after a statement of
8 organization is required to be filed is guilty of a misdemeanor
9 punishable by a fine of not more than \$1,000.00.

10 (2) The statement of organization required by subsection (1)
11 shall include the following information:

12 (a) The name, street address, and if available, the telephone
13 number of the committee. If a committee is a candidate committee,
14 the committee name shall include the first and last name of the
15 candidate. A committee address may be the home address of the
16 candidate or treasurer of the committee.

17 (b) The name, street address, and if available, the telephone
18 number of the treasurer or other individual designated as
19 responsible for the committee's record keeping, report preparation,
20 or report filing.

21 **(C) THE NAME, STREET ADDRESS, AND, IF AVAILABLE, TELEPHONE**
22 **NUMBER OF THE SUCCESSOR TREASURER WHO WILL SERVE AS THE TREASURER**
23 **OR OTHER INDIVIDUAL DESIGNATED AS RESPONSIBLE FOR THE COMMITTEE'S**
24 **RECORD-KEEPING, REPORT PREPARATION, OR REPORT FILING IF THE**
25 **INDIVIDUAL NAMED UNDER SUBDIVISION (B) RESIGNS, DIES, OR IS**
26 **INCAPACITATED.**

27 **(D) ~~(e)~~** The name and address of the financial institution in

1 which the official committee depository is or is intended to be
2 located, and the name and address of each financial institution in
3 which a secondary depository is or is intended to be located.

4 (E) ~~-(d)-~~ The full name of the office being sought by,
5 including district number or jurisdiction, and the county residence
6 of each candidate supported or opposed by the committee.

7 (F) ~~-(e)-~~ A brief statement identifying the substance of each
8 ballot question supported or opposed by the committee. If the
9 ballot question supported or opposed by the committee is not
10 statewide, the committee shall identify the county in which the
11 greatest number of registered voters eligible to vote on the ballot
12 question reside.

13 (G) ~~-(f)-~~ Identification of the committee as a candidate
14 committee, political party committee, independent committee,
15 political committee, or ballot question committee if it is
16 identifiable as such a committee.

17 (3) An independent committee or political committee shall
18 include in the name of the committee the name of the person or
19 persons that sponsor the committee, if any, or with whom the
20 committee is affiliated. A person, other than an individual or a
21 committee, sponsors or is affiliated with an independent committee
22 or political committee if that person establishes, directs,
23 controls, or financially supports the administration of the
24 committee. For the purposes of this subsection, a person does not
25 financially support the administration of a committee by merely
26 making a contribution to the committee.

27 (4) If any of the information required in a statement of

1 organization is changed, the committee shall file an amendment when
2 the next campaign statement is required to be filed. An independent
3 committee or political committee whose name does not include the
4 name of the person or persons that sponsor the committee or with
5 whom the committee is affiliated as required by subsection (3)
6 shall file an amendment to the committee's statement of
7 organization not later than the date the next campaign statement is
8 required to be filed. ~~after the effective date of the amendatory~~
9 ~~act that added this sentence.~~

10 (5) When filing a statement of organization, a committee,
11 other than an independent committee, a political committee, or a
12 political party committee, may indicate in a written statement
13 signed by the treasurer of the committee that the committee does
14 not expect for each election to receive an amount in excess of
15 \$1,000.00 or expend an amount in excess of \$1,000.00.

16 (6) When filing a statement of organization, an independent
17 committee, a political committee, or a political party committee
18 may indicate in a written statement signed by the treasurer of the
19 committee that the committee does not expect in a calendar year to
20 receive or expend an amount in excess of \$1,000.00.

21 (7) Upon the dissolution of a committee, the committee shall
22 file a statement indicating dissolution with the filing officials
23 with whom the committee's statement of organization was filed.
24 Dissolution of a committee shall be accomplished pursuant to rules
25 promulgated by the secretary of state under the administrative
26 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

27 (8) A candidate committee that files a written statement

1 ~~pursuant to~~ **UNDER** subsection (5) shall not be required to file a
2 dissolution statement ~~pursuant to~~ **UNDER** subsection (7) if the
3 committee failed to receive or expend an amount in excess of
4 \$1,000.00 and 1 of the following applies:

5 (a) The candidate was defeated in an election and has no
6 outstanding campaign debts or assets.

7 (b) The candidate vacates an elective office and has no
8 outstanding campaign debts or assets.

9 Sec. 26. (1) A campaign statement of a committee, other than a
10 political party committee, required by this act shall contain all
11 of the following information:

12 (a) The filing committee's name, address, and telephone
13 number, and the full name, residential and business addresses, and
14 telephone numbers of the committee treasurer or other individual
15 designated as responsible for the committee's record keeping,
16 report preparation, or report filing.

17 (b) Under the heading "receipts", the total amount of
18 contributions received during the period covered by the campaign
19 statement; under the heading "expenditures", the total amount of
20 expenditures made during the period covered by the campaign
21 statement; and the cumulative amount of those totals. Forgiveness
22 of a loan shall not be included in the totals. Payment of a loan by
23 a third party shall be recorded and reported as an in-kind
24 contribution by the third party. In-kind contributions or
25 expenditures shall be listed at fair market value and shall be
26 reported as both contributions and expenditures. A contribution or
27 expenditure that is by other than completed and accepted payment,

1 gift, or other transfer, that is clearly not legally enforceable,
2 and that is expressly withdrawn or rejected and returned before a
3 campaign statement closing date need not be included in the
4 campaign statement and if included may, in a later or amended
5 statement, be shown as a deduction, but the committee shall keep
6 adequate records of each instance.

7 (c) The balance of cash on hand at the beginning and the end
8 of the period covered by the campaign statement.

9 ~~— (d) The following information regarding each fund-raising
10 event shall be included in the report:~~

11 ~~— (i) The type of event, date held, address and name, if any, of
12 the place where the activity was held, and approximate number of
13 individuals participating or in attendance.~~

14 ~~— (ii) The total amount of all contributions.~~

15 ~~— (iii) The gross receipts of the fund-raising event.~~

16 ~~— (iv) The expenditures incident to the event.~~

17 (D) ~~— (e)~~ The full name of each individual from whom
18 contributions are received during the period covered by the
19 campaign statement, together with the individual's street address,
20 the amount contributed, the date on which each contribution was
21 received, and the cumulative amount contributed by that individual.
22 The occupation, employer, and principal place of business shall be
23 stated if the individual's cumulative contributions are more than
24 \$100.00.

25 (E) ~~— (f)~~ The cumulative amount contributed and the name and
26 address of each individual, except those individuals reported under
27 subdivision ~~— (e)~~ (D), who contributed to the committee. The

1 occupation, employer, and principal place of business shall be
2 stated for each individual who contributed more than \$100.00.

3 (F) ~~-(g)-~~ The name and street address of each person, other
4 than an individual, from whom contributions are received during the
5 period covered by the campaign statement, together with an
6 itemization of the amounts contributed, the date on which each
7 contribution was received, and the cumulative amount contributed by
8 that person.

9 (G) ~~-(h)-~~ The name, address, and amount given by an individual
10 who contributed to the total amount contributed by a person who is
11 other than a committee or an individual. The occupation, employer,
12 and principal place of business shall be stated if the individual
13 contributed more than \$100.00 of the total amount contributed by a
14 person who is other than a committee or an individual.

15 (H) ~~-(i)-~~ The cumulative total of expenditures of \$50.00 or
16 less made during the period covered by the campaign statement
17 except for expenditures made to or on behalf of another committee,
18 candidate, or ballot question.

19 (I) ~~-(j)-~~ The full name and street address of each person to
20 whom expenditures totaling more than \$50.00 were made, together
21 with the amount of each separate expenditure to each person during
22 the period covered by the campaign statement; the purpose of the
23 expenditure; the full name and street address of the person
24 providing the consideration for which any expenditure was made if
25 different from the payee; the itemization regardless of amount of
26 each expenditure made to or on behalf of another committee,
27 candidate, or ballot question; and the cumulative amount of

1 expenditures for or against that candidate or ballot question for
2 an election cycle. An expenditure made in support of more than 1
3 candidate or ballot question, or both, shall be apportioned
4 reasonably among the candidates or ballot questions, or both.

5 (2) A candidate committee or ballot question committee shall
6 report all cumulative amounts required by this section on a per
7 election cycle basis. Except for subsection ~~-(1)(j)-~~ **(1)(I)**, an
8 independent committee or political committee shall report all
9 cumulative amounts required by this section on a calendar year
10 basis.

11 (3) A campaign statement of a committee, in addition to the
12 other information required by this section, shall include an
13 itemized list of all expenditures during the reporting period for
14 election day busing of electors to the polls, get-out-the-vote
15 activities, slate cards, challengers, poll watchers, and poll
16 workers.

17 (4) For a reporting period in which a contribution is received
18 that is to be part of a bundled contribution or a reporting period
19 in which a bundled contribution is delivered to the candidate
20 committee of a candidate for statewide elective office, a bundling
21 committee shall report to the secretary of state, on a form
22 provided by the secretary of state, all of the following
23 information, as applicable, about each contribution received or
24 delivered as part of a bundled contribution, and about each bundled
25 contribution delivered, in the reporting period:

26 (a) The amount of each contribution, the date it was received
27 by the bundling committee, and the candidate for statewide elective

1 office whom the contributor designated as the intended recipient.

2 (b) Each contributor's name and address and, for each
3 contribution exceeding \$100.00, the contributor's occupation,
4 employer, and principal place of business.

5 (c) The date each contribution is delivered to the candidate's
6 statewide elective office candidate committee.

7 (d) The total amount of bundled contributions delivered to
8 that candidate committee during the reporting period and during the
9 election cycle.

10 (5) With its delivery of a bundled contribution to the
11 candidate committee of a candidate for statewide elective office, a
12 bundling committee shall deliver a report to that candidate
13 committee, on a form provided by the secretary of state, that
14 includes all of the following information, as applicable, about
15 each contribution delivered as part of the bundled contribution,
16 and about all bundled contributions delivered to that candidate
17 committee in the election cycle:

18 (a) The amount of each contribution, the date it was received
19 by the bundling committee, and the statewide elective office
20 candidate the contributor designated as the intended recipient.

21 (b) Each contributor's name and address and, for each
22 contribution exceeding \$100.00, the contributor's occupation,
23 employer, and principal place of business.

24 (c) The total amount of bundled contributions delivered to
25 that candidate committee during the reporting period and during the
26 election cycle.

27 (6) For a reporting period in which a bundled contribution is

1 received, a candidate committee of a candidate for statewide
2 elective office shall report to the secretary of state, on a form
3 provided by the secretary of state, all of the following
4 information, as applicable, about each contribution delivered as
5 part of a bundled contribution received in the reporting period and
6 about all bundled contributions received by that candidate
7 committee:

8 (a) The amount of each contribution, the date it was received
9 by the candidate committee, and the name of the bundling committee
10 that delivered the contribution.

11 (b) Each contributor's name and address and, for each
12 contribution exceeding \$100.00, the contributor's occupation,
13 employer, and principal place of business.

14 (c) The total amount of bundled contributions received by that
15 candidate committee during the reporting period and during the
16 election cycle.

17 Sec. 29. (1) A campaign statement filed by a political party
18 committee shall contain all of the following information:

19 (a) The full name and street address of each person from whom
20 contributions are received in a calendar year, the amount, and the
21 date or dates contributed; and, if the person is a committee, the
22 name and address of the committee and the full name of the
23 committee treasurer, together with the amount of the contribution
24 and the date received. The occupation, employer, and principal
25 place of business, if any, shall be listed for each person from
26 whom contributions totaling more than \$100.00 are received in a
27 calendar year.

1 (b) Accompanying a campaign statement reporting the receipt of
2 a contribution from a committee or person whose treasurer does not
3 reside in, whose principal office is not located in, or whose funds
4 are not kept in this state, and whose committee has not filed a
5 statement of organization as required in section 24, shall be a
6 statement setting forth the full name and address of the treasurer
7 of the committee.

8 (c) An itemized list of all expenditures, including in-kind
9 contributions and expenditures and loans, made during the period
10 covered by the campaign statement that were contributions to a
11 candidate committee of a candidate for elective office or a ballot
12 question committee; or independent expenditures in support of the
13 qualification, passage, or defeat of a ballot question or in
14 support of the nomination or election of a candidate for elective
15 office or the defeat of any of the candidate's opponents.

16 (d) The total expenditure by the committee for each candidate
17 for elective office or ballot question in whose behalf an
18 independent expenditure was made or a contribution was given for
19 the election cycle.

20 (e) The filer's name, address, and telephone number, if
21 available, if any, and the full name, address, and telephone
22 number, if available, of the committee treasurer.

23 **(F) UNDER THE HEADING "RECEIPTS", THE TOTAL AMOUNT OF**
24 **CONTRIBUTIONS AND OTHER MONEY AND THINGS OF VALUE RECEIVED DURING**
25 **THE PERIOD COVERED BY THE CAMPAIGN STATEMENT.**

26 **(G) UNDER THE HEADING "DEBTS AND OBLIGATIONS", THE TOTAL**
27 **AMOUNT OWED BY THE COMMITTEE AND THE TOTAL AMOUNT OWED TO THE**

1 COMMITTEE.

2 (H) A STATEMENT SHOWING THE ENDING BALANCE ON THE CLOSING DATE
3 OF THE LAST STATEMENT FILED, THE AMOUNT RECEIVED DURING THE
4 REPORTING PERIOD, THE AMOUNT EXPENDED DURING THE REPORTING PERIOD,
5 AND THE ENDING BALANCE ON THE CLOSING DATE OF THE STATEMENT.

6 (I) THE CUMULATIVE CONTRIBUTIONS, OTHER RECEIPTS, IN-KIND
7 CONTRIBUTIONS AND IN-KIND EXPENDITURES, AND EXPENDITURES FOR THE
8 CALENDAR YEAR.

9 (2) The committee shall identify an expenditure listed under
10 subsection (1)(c) as an independent expenditure or as a
11 contribution to a candidate committee or a ballot question
12 committee.

13 (3) The committee shall designate for a contribution to or on
14 behalf of a candidate committee or ballot question committee listed
15 under subsection (1)(c) the name and address of the committee, the
16 name of the candidate and the office sought, if any, the amount
17 contributed, and the date of contribution.

18 (4) The committee shall designate for an independent
19 expenditure listed under subsection (1)(c) either the name of the
20 candidate for whose benefit the expenditure was made and the office
21 sought by the candidate, or a brief description of the ballot
22 question for which the expenditure was made; the amount, date, and
23 purpose of the expenditure; and the full name and address of the
24 person to whom the expenditure was made.

25 (5) The committee shall apportion an expenditure listed that
26 was made in support of more than 1 candidate or ballot question, or
27 both, reasonably among the candidates or ballot questions, or both.

1 (6) A campaign statement of a committee, in addition to the
2 other information required by this section, shall include an
3 itemized list of all expenditures during the reporting period for
4 election day busing of electors to the polls, get-out-the-vote
5 activities, slate cards, challengers, poll watchers, and poll
6 workers.

7 Sec. 35. (1) In addition to any other requirements of this act
8 for filing a campaign statement, a committee, other than an
9 independent committee or a political committee required to file
10 with the secretary of state, shall also file ~~a~~ **ALL OF THE**
11 **FOLLOWING CAMPAIGN STATEMENTS:**

12 (A) A campaign statement not later than January 31 of each
13 year. The campaign statement shall have a closing date of December
14 31 of the previous year. ~~The period covered by the campaign~~
15 ~~statement filed pursuant to this subsection begins the day after~~
16 ~~the closing date of the previous campaign statement.~~ A campaign
17 statement ~~filed pursuant to this subsection shall be~~ **REQUIRED BY**
18 **THIS SUBDIVISION IS** waived if a postelection campaign statement has
19 been filed that has a filing deadline within 30 days of the closing
20 date of the campaign statement required by this ~~subsection~~
21 **SUBDIVISION.**

22 (B) **IN EACH YEAR IN WHICH A COMMITTEE IS NOT REQUIRED TO FILE**
23 **PREELECTION AND POSTELECTION CAMPAIGN STATEMENTS, CAMPAIGN**
24 **STATEMENTS NOT LATER THAN APRIL 30, JULY 31, AND OCTOBER 31 WITH**
25 **CLOSING DATES OF MARCH 31, JUNE 30, AND SEPTEMBER 30, RESPECTIVELY.**

26 (C) **IN EACH YEAR IN WHICH A COMMITTEE IS REQUIRED TO FILE**
27 **PREELECTION AND POSTELECTION CAMPAIGN STATEMENTS, A CAMPAIGN**

1 **STATEMENT NOT LATER THAN APRIL 30 WITH A CLOSING DATE OF MARCH 31.**

2 (2) Subsection (1) does not apply to a candidate committee for
3 an officeholder who is a judge or a supreme court justice, or who
4 holds an elective office for which the salary is less than \$100.00
5 a month and who does not receive ~~any~~ **A** contribution or make ~~any~~
6 **AN** expenditure during the time that would be otherwise covered in
7 the statement.

8 (3) A committee, candidate, treasurer, or other individual
9 designated as responsible for the record keeping, report
10 preparation, or report filing for a candidate committee of a
11 candidate for state elective office or a judicial office who fails
12 to file a campaign statement under this section shall be assessed a
13 late filing fee. If the committee has raised \$10,000.00 or less
14 during the previous 2 years, the late filing fee shall be \$25.00
15 for each business day the campaign statement remains unfiled, but
16 not to exceed \$500.00. If the committee has raised more than
17 \$10,000.00 during the previous 2 years, the late filing fee shall
18 be \$50.00 for each business day the campaign statement remains
19 unfiled, but not to exceed \$1,000.00. The late filing fee assessed
20 under this subsection shall be paid by the candidate, and the
21 candidate shall not use committee funds to pay that fee. A
22 committee, treasurer, or other individual designated as responsible
23 for the record keeping, report preparation, or report filing for a
24 committee other than a candidate committee of a candidate for state
25 elective office or a judicial office who fails to file a campaign
26 statement under this section shall pay a late filing fee of \$25.00
27 for each business day the campaign statement remains not filed in

1 violation of this section. The late filing fee shall not exceed
2 \$500.00.

3 (4) A committee filing a written statement ~~pursuant to~~ **UNDER**
4 section 24(5) or (6) need not file a statement ~~in accordance with~~
5 **UNDER** subsection (1). If a committee receives or expends more than
6 \$1,000.00 during a time period prescribed by section 24(5) or (6),
7 the committee is then subject to the campaign filing requirements
8 under this act and shall file a campaign statement for the period
9 beginning the day after the closing date of the last postelection
10 campaign statement or an annual campaign statement that is waived
11 ~~pursuant to~~ **AS PROVIDED IN** subsection (1), whichever occurred
12 earlier.

13 (5) If a candidate, treasurer, or other individual designated
14 as responsible for the record keeping, report preparation, or
15 report filing fails to file 2 statements required by this section
16 or section 33 and both of the statements remain unfiled for more
17 than 30 days, that candidate, treasurer, or other designated
18 individual is guilty of a misdemeanor, punishable by a fine of not
19 more than \$1,000.00, or imprisonment for not more than 90 days, or
20 both.

21 (6) If a treasurer or other individual designated as
22 responsible for the record keeping, report preparation, or report
23 filing for a committee required to file a campaign statement under
24 subsection (1) knowingly files an incomplete or inaccurate
25 statement or report required by this section, that treasurer or
26 other designated individual is subject to a civil fine of not more
27 than \$1,000.00.

1 Sec. 43. (1) An expenditure shall not be made, other than for
2 overhead or normal operating expenses, by an agent or an
3 independent contractor, including an advertising agency, on behalf
4 of or for the benefit of a person unless the expenditure is
5 reported by the committee as if the expenditure were made directly
6 by the committee, or unless the agent or independent contractor
7 files a report of an independent expenditure as provided in section
8 51. The agent or independent contractor shall make known to the
9 committee all information required to be reported by the committee.

10 ~~A person~~

11 (2) IF A COMMITTEE REPORTS AN EXPENDITURE OF MONEY PAID TO AN
12 AGENT OR INDEPENDENT CONTRACTOR AND IF THE AGENT OR INDEPENDENT
13 CONTRACTOR MAKES AN EXPENDITURE OF THAT MONEY AFTER THE CLOSING
14 DATE OF THE CAMPAIGN STATEMENT IN WHICH THE COMMITTEE REPORTS THE
15 EXPENDITURE, THE COMMITTEE TREASURER OR OTHER INDIVIDUAL DESIGNATED
16 ON THE STATEMENT OF ORGANIZATION AS RESPONSIBLE FOR THE COMMITTEE'S
17 RECORD KEEPING, REPORT PREPARATION, OR REPORT FILING SHALL FILE AN
18 AMENDED CAMPAIGN STATEMENT THAT CONTAINS A DETAILED ITEMIZATION OF
19 THE EXPENDITURE MADE BY THE AGENT OR INDEPENDENT CONTRACTOR. AN
20 AMENDED CAMPAIGN STATEMENT REQUIRED BY THIS SUBSECTION SHALL BE
21 FILED WITH THE FILING OFFICIAL WITHIN 48 HOURS AFTER THE
22 EXPENDITURE IS MADE BY THE AGENT OR INDEPENDENT CONTRACTOR.

23 (3) AN INDIVIDUAL who knowingly ~~is in violation of this~~
24 ~~subsection~~ VIOLATES THIS SECTION is guilty of a misdemeanor and
25 shall be punished by a fine of not more than \$1,000.00, or
26 imprisoned for not more than 90 days, or both. ~~and if the~~ A
27 person ~~is~~ other than an individual ~~the person~~ WHO KNOWINGLY

1 **VIOLATES THIS SECTION** shall be fined not more than \$10,000.00.
2 Enacting section 1. This amendatory act takes effect January
3 31, 2007.