

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2012**

Introduced by Reps. Knollenberg, Jacobsen, Kurtz and Tyler

ENROLLED HOUSE BILL No. 5058

AN ACT to amend 1976 PA 388, entitled “An act to regulate political activity; to regulate campaign financing; to restrict campaign contributions and expenditures; to require campaign statements and reports; to regulate anonymous contributions; to regulate campaign advertising and literature; to provide for segregated funds for political purposes; to provide for the use of public funds for political purposes; to create certain funds; to provide for reversion, retention, or refunding of unexpended balances in certain funds; to require other statements and reports; to regulate acceptance of certain gifts, payments, and reimbursements; to prescribe the powers and duties of certain state departments and state and local officials and employees; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and parts of acts,” by amending sections 9 and 21a (MCL 169.209 and 169.221a), section 9 as amended by 1996 PA 590 and section 21a as added by 1994 PA 411.

The People of the State of Michigan enact:

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

- (a) A disbursement necessary to assist, serve, or communicate with a constituent.
- (b) A disbursement for equipment, furnishings, or supplies for the office of the public official.
- (c) A disbursement for a district office if the district office is not used for campaign-related activity.
- (d) A disbursement for the public official or his or her staff, or both, to attend a conference, meeting, reception, or other similar event.
- (e) A disbursement to maintain a publicly owned residence or a temporary residence at the seat of government.
- (f) An unreimbursed disbursement for travel, lodging, meals, or other expenses incurred by the public official, a member of the public official’s immediate family, or a member of the public official’s staff in carrying out the business of the elective office.
- (g) A donation to a tax-exempt charitable organization, including the purchase of tickets to charitable or civic events.
- (h) A disbursement to a ballot question committee.
- (i) A purchase of tickets for use by that public official and members of his or her immediate family and staff to a fund-raising event sponsored by a candidate committee, independent committee, political party committee, or a political committee that does not exceed \$100.00 per committee in any calendar year.
- (j) A disbursement for an educational course or seminar that maintains or improves skills employed by the public official in carrying out the business of the elective office.
- (k) A purchase of advertisements in testimonials, program books, souvenir books, or other publications if the advertisement does not support or oppose the nomination or election of a candidate.
- (l) A disbursement for consultation, research, polling, and photographic services not related to a campaign.
- (m) A fee paid to a fraternal, veteran, or other service organization.

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

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

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

(2) "Independent expenditure" means an expenditure by a person if the expenditure is not made at the direction of, or under the control of, another person and if the expenditure is not a contribution to a committee.

(3) "In-kind contribution or expenditure" means a contribution or expenditure other than money.

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

(5) "Local elective office" means an elective office at the local unit of government level. Local elective office also includes judge of the court of appeals, judge of the circuit court, judge of the recorder's court of the city of Detroit, judge of the district court, judge of the probate court, and judge of a municipal court.

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

Sec. 21a. (1) A candidate committee of a candidate who is elected or appointed to an elective office may make an expenditure for an incidental expense for the elective office to which that candidate was elected or appointed. Except as otherwise specifically provided in this act, an expenditure for an incidental expense by a candidate committee under this section is an expenditure under this act.

(2) A candidate committee of a candidate who is elected or appointed to an elective office shall not make an expenditure to defend the elected or appointed official in a civil or criminal action or to pay legal costs unless the action or legal costs do any of the following:

(a) Relate to a recall election.

(b) Relate to a recount of votes as provided in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(c) Relate to compliance with this act or the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(d) Tangibly benefit the nomination or election of a candidate.

(3) Any legal costs not authorized under subsection (2) shall be paid from a legal defense fund as provided in the legal defense fund act, 2008 PA 288, MCL 15.521 to 15.539.

(4) In addition to any other requirements of this act, a campaign statement of a candidate committee shall contain the purpose of any expenditure for legal costs made by that committee as described in subsection (2).

(5) An individual who violates subsection (2) is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 or imprisonment for not more than 90 days, or both.

Enacting section 1. This amendatory act takes effect January 1, 2013.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

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Governor