

**SUBSTITUTE FOR
SENATE BILL NO. 335**

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 3, 4, 6, 9, 11, 17, 26, 33, 35, 51, 54, and 55 (MCL 169.203, 169.204, 169.206, 169.209, 169.211, 169.217, 169.226, 169.233, 169.235, 169.251, 169.254, and 169.255), sections 3 and 11 as amended by 2012 PA 273, sections 4, 6, 9, 33, 35, 54, and 55 as amended by 2015 PA 269, sections 17 and 51 as amended by 1989 PA 95, and section 26 as amended by 2013 PA 252, and by adding sections 24b and 24c.

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~~ **MUST** 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 to a ballot question
16 committee **OR AN INDEPENDENT EXPENDITURE COMMITTEE**, shall not, for
17 that reason, be considered a committee **OR BE REQUIRED TO FILE A**
18 **REPORT** for the purposes of this act unless the person solicits or
19 receives contributions for the purpose of making an expenditure to
20 that ballot question committee **OR INDEPENDENT EXPENDITURE**
21 **COMMITTEE**.

22 Sec. 4. (1) "Contribution" means a payment, gift,
23 subscription, assessment, expenditure, contract, payment for
24 services, dues, advance, forbearance, loan, or donation of money or
25 anything of ascertainable monetary value, or a transfer of anything
26 of ascertainable monetary value to a person, made for the purpose
27 of influencing the nomination or election of a candidate, for the

1 qualification, passage, or defeat of a ballot question, or for the
2 qualification of a new political party.

3 (2) Contribution includes the full purchase price of tickets
4 or payment of an attendance fee for events such as dinners,
5 luncheons, rallies, testimonials, and other fund-raising events; an
6 individual's own money or property other than the individual's
7 homestead used on behalf of that individual's candidacy; the
8 granting of discounts or rebates not available to the general
9 public; or the granting of discounts or rebates by broadcast media
10 and newspapers not extended on an equal basis to all candidates for
11 the same office; and the endorsing or guaranteeing of a loan for
12 the amount the endorser or guarantor is liable. Except for the
13 purposes of section 57, contribution does not include a
14 contribution to a federal candidate or a federal committee.

15 (3) Contribution does not include any of the following:

16 (a) Volunteer personal services provided without compensation,
17 or payments of costs incurred of less than \$500.00 in a calendar
18 year by an individual for personal travel expenses if the costs are
19 voluntarily incurred without any understanding or agreement that
20 the costs shall be, directly or indirectly, repaid.

21 (b) Food and beverages, not to exceed \$1,000.00 in value
22 during a calendar year, that are donated by an individual and for
23 which reimbursement is not given.

24 (c) An offer or tender of a contribution if expressly and
25 unconditionally rejected, returned, or refunded in whole or in part
26 within 30 business days after receipt.

27 (d) A contribution or expenditure for the establishment or

1 administration of, or solicitation, collection, or transfer of
2 contributions to, a separate segregated fund if that contribution
3 or expenditure was made by ~~the person that established the~~ **A**
4 **CONNECTED ORGANIZATION OF THAT** separate segregated fund as
5 authorized under section 55. ~~, or was made by a person that is a~~
6 ~~member of a nonprofit corporation that established the separate~~
7 ~~segregated fund as authorized under section 55.~~

8 **(E) AN INDEPENDENT EXPENDITURE.**

9 Sec. 6. (1) "Expenditure" means a payment, donation, loan, or
10 promise of payment of money or anything of ascertainable monetary
11 value for goods, materials, services, or facilities in assistance
12 of, or in opposition to, the nomination or election of a candidate,
13 the qualification, passage, or defeat of a ballot question, or the
14 qualification of a new political party. Expenditure includes, but
15 is not limited to, any of the following:

16 (a) A contribution or a transfer of anything of ascertainable
17 monetary value for purposes of influencing the nomination or
18 election of a candidate, the qualification, passage, or defeat of a
19 ballot question, or the qualification of a new political party.

20 (b) Except as provided in subsection (2)(f) or (g), an
21 expenditure for voter registration or get-out-the-vote activities
22 made by a person who sponsors or finances the activity or who is
23 identified by name with the activity.

24 (c) Except as provided in subsection (2)(f) or (g), an
25 expenditure made for poll watchers, challengers, distribution of
26 election day literature, canvassing of voters to get out the vote,
27 or transporting voters to the polls.

1 (d) Except as provided in subsection (2)(c), the cost of
2 establishing and administering a payroll deduction plan to collect
3 and deliver a contribution to a committee.

4 (2) Expenditure does not include any of the following:

5 (a) An expenditure for communication by a person with the
6 person's paid members or shareholders and those individuals who can
7 be solicited for contributions to a separate segregated fund under
8 section 55.

9 (b) An expenditure for communication on a subject or issue if
10 the communication does not support or oppose a ballot question or
11 candidate by name or clear inference.

12 (c) An expenditure for the establishment or administration of,
13 or solicitation, collection, or transfer of contributions to, a
14 separate segregated fund if that expenditure was made by ~~the person~~
15 ~~that established the~~ **A CONNECTED ORGANIZATION OF THAT** separate
16 segregated fund as authorized under section 55. ~~, or made by a~~
17 ~~person who is a member of a nonprofit corporation that established~~
18 ~~the separate segregated fund as authorized under section 55.~~

19 (d) An expenditure by a broadcasting station, newspaper,
20 magazine, or other periodical or publication for a news story,
21 commentary, or editorial in support of or opposition to a candidate
22 for elective office or a ballot question in the regular course of
23 publication or broadcasting.

24 (e) An offer or tender of an expenditure if expressly and
25 unconditionally rejected or returned.

26 (f) An expenditure for nonpartisan voter registration or
27 nonpartisan get-out-the-vote activities made by an organization

1 that is exempt from federal income tax under section 501(c)(3) of
2 the internal revenue code, 26 USC 501, or any successor statute.

3 (g) An expenditure for nonpartisan voter registration or
4 nonpartisan get-out-the-vote activities performed under chapter
5 XXIII of the Michigan election law, 1954 PA 116, MCL 168.491 to
6 168.524, by the secretary of state and other registration officials
7 who are identified by name with the activity.

8 (h) An expenditure by a state central committee of a political
9 party or a person controlled by a state central committee of a
10 political party for the construction, purchase, or renovation of 1
11 or more office facilities in Ingham County if the facility is not
12 constructed, purchased, or renovated for the purpose of influencing
13 the election of a candidate in a particular election. Items
14 excluded from the definition of expenditure under this subdivision
15 include expenditures approved in Federal Election Commission
16 advisory opinions 1993-9, 2001-1, and 2001-12 as allowable
17 expenditures under the federal election campaign act of 1971, 52
18 USC 30101 to 30146, and regulations promulgated under that act,
19 regardless of whether those advisory opinions have been superseded.

20 (i) Except only for the purposes of section 57, an expenditure
21 to or for a federal candidate or a federal committee.

22 (j) Except only for the purposes of section 47, an expenditure
23 for a communication if the communication does not in express terms
24 advocate the election or defeat of a clearly identified candidate
25 so as to restrict the application of this act to communications
26 containing express words of advocacy of election or defeat, such as
27 "vote for", "elect", "support", "cast your ballot for", "Smith for

1 governor", "vote against", "defeat", or "reject".

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~~ **IN COOPERATION, CONSULTATION, OR CONCERT**
27 **WITH, OR AT THE REQUEST OR SUGGESTION OF, A BALLOT QUESTION**

1 COMMITTEE OR A CANDIDATE, A CANDIDATE COMMITTEE OR ITS AGENTS, OR A
2 POLITICAL PARTY COMMITTEE OR ITS AGENTS, and if the expenditure is
3 not a contribution to a committee.

4 (3) "INDEPENDENT EXPENDITURE COMMITTEE" MEANS A COMMITTEE THAT
5 RECEIVES CONTRIBUTIONS AND MAKES INDEPENDENT EXPENDITURES PURSUANT
6 TO THIS ACT.

7 (4) ~~(3)~~—"In-kind contribution or expenditure" means a
8 contribution or expenditure other than money.

9 (5) ~~(4)~~—"Loan" means a transfer of money, property, or
10 anything of ascertainable monetary value in exchange for an
11 obligation, conditional or not, to repay in whole or in part.

12 (6) ~~(5)~~—"Local ballot question" means a ballot question of a
13 local unit of government to be voted upon in that local unit of
14 government.

15 (7) ~~(6)~~—"Local elective office" means an elective office at
16 the local unit of government level. Local elective office also
17 includes judge of the court of appeals, judge of the circuit court,
18 judge of the district court, judge of the probate court, and judge
19 of a municipal court.

20 (8) ~~(7)~~—"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, committee, or any other organization or
3 group of persons acting jointly.

4 (3) "Political committee" means a committee that is not a
5 candidate committee, political party committee, **HOUSE OR SENATE**
6 **POLITICAL PARTY CAUCUS COMMITTEE**, independent committee,
7 **INDEPENDENT EXPENDITURE COMMITTEE**, or ballot question committee.

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

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

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

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

1 (a) A state agency, department, division, bureau, board,
2 commission, council, authority, or other body in the executive
3 branch of state government.

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

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

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

15 Sec. 17. (1) A person paying a late filing fee as a result of
16 that person's failure to file a statement or report shall pay that
17 fee to the filing official with whom the statement or report was
18 required to be filed.

19 (2) The late filing fees collected ~~pursuant to~~ **UNDER** sections
20 24, 33, 34, ~~and~~ 35, **AND 51**, and copying charges collected ~~pursuant~~
21 ~~to~~ **UNDER** section 16, ~~shall~~ **MUST** be retained by and for the use of
22 the filing officials collecting the fees or charges to cover their
23 expenses in administering this act. A late filing fee assessed by a
24 county clerk that remains unpaid for more than 60 days ~~shall be~~ **IS**
25 considered a debt of the county, and ~~shall be collected by~~ the
26 county treasurer **SHALL COLLECT THAT FEE** in the same manner as other
27 county debts are collected. A late filing fee assessed by the

1 secretary of state that remains unpaid for more than 180 days ~~shall~~
2 **MUST** be referred to the department of treasury for collection.

3 (3) A committee, other than a candidate committee or a
4 committee making expenditures in assistance of or in opposition to
5 the qualification, passage, or defeat of a ballot question,
6 required to file with the secretary of state is not required to pay
7 a late filing fee ~~pursuant to~~ **UNDER** sections 24, 33, 34, and 35, if
8 all of the following conditions are met:

9 (a) A committee required to register as a committee fails to
10 file a statement of organization.

11 (b) The secretary of state sends to that committee notice of
12 the committee's failure to file a statement of organization.

13 (c) At the same time or after the notice described in
14 subdivision (b) is sent, the secretary of state sends to that
15 committee notice of the committee's failure to file a campaign
16 statement that was due for a period that occurred before the notice
17 of failure to file a statement of organization was sent.

18 (d) Within 10 business days after the notice of failure to
19 file a statement of organization is sent, the committee files a
20 statement of organization.

21 (e) Within 10 business days after the notice of failure to
22 file a campaign statement is sent, the committee files every
23 campaign statement that is due.

24 (4) Late filing fees that would have occurred except for
25 subsection (3) ~~shall~~ **MUST** be assessed for each statement not filed
26 before the eleventh business day after a notice of failure to file
27 is sent ~~pursuant to~~ **UNDER** subsection (3).

1 (5) A committee other than a candidate committee that has not
2 previously filed a statement of organization is not required to pay
3 a late filing fee ~~pursuant to~~ **UNDER** sections 24, 33, 34, and 35, if
4 the committee files a statement of organization and every campaign
5 statement that is due, before the secretary of state sends a notice
6 to that committee ~~pursuant to~~ **UNDER** subsection (3).

7 **SEC. 24B. (1) ONE OR MORE PERSONS MAY CREATE AN INDEPENDENT**
8 **EXPENDITURE COMMITTEE AND SHALL FILE A STATEMENT OF ORGANIZATION**
9 **UNDER SECTION 24. AN INDEPENDENT EXPENDITURE COMMITTEE SHALL FILE**
10 **CAMPAIGN STATEMENTS UNDER SECTIONS 33 AND 35 AND AS OTHERWISE**
11 **PROVIDED IN THIS ACT.**

12 **(2) AN INDEPENDENT EXPENDITURE COMMITTEE MAY RECEIVE**
13 **CONTRIBUTIONS FROM ANY PERSON, EXCEPT A PERSON PROHIBITED FROM**
14 **MAKING A CONTRIBUTION UNDER 52 USC 30121. AN INDEPENDENT**
15 **EXPENDITURE COMMITTEE SHALL RETURN A CONTRIBUTION MADE BY A PERSON**
16 **PROHIBITED FROM MAKING A CONTRIBUTION UNDER THIS SUBSECTION WITHIN**
17 **30 BUSINESS DAYS AFTER RECEIVING THAT CONTRIBUTION.**

18 **(3) IN ADDITION TO ANY INDEPENDENT EXPENDITURES, AN**
19 **INDEPENDENT EXPENDITURE COMMITTEE MAY MAKE CONTRIBUTIONS TO ANOTHER**
20 **INDEPENDENT EXPENDITURE COMMITTEE OR TO A BALLOT QUESTION**
21 **COMMITTEE.**

22 **(4) AN INDEPENDENT EXPENDITURE COMMITTEE SHALL NOT MAKE A**
23 **CONTRIBUTION TO A CANDIDATE COMMITTEE, INDEPENDENT COMMITTEE,**
24 **POLITICAL COMMITTEE, POLITICAL PARTY COMMITTEE, OR HOUSE OR SENATE**
25 **POLITICAL PARTY CAUCUS COMMITTEE.**

26 **(5) AN INDIVIDUAL WHO KNOWINGLY VIOLATES OR CAUSES A PERSON TO**
27 **VIOLATE SUBSECTION (4) IS GUILTY OF A FELONY PUNISHABLE BY**

1 IMPRISONMENT FOR NOT MORE THAN 3 YEARS OR A FINE OF NOT MORE THAN
2 \$5,000.00, OR BOTH. A PERSON THAT VIOLATES SUBSECTION (4) THAT IS
3 NOT AN INDIVIDUAL IS SUBJECT TO 1 OF THE FOLLOWING, WHICHEVER IS
4 GREATER:

5 (A) A FINE OF NOT MORE THAN \$20,000.00.

6 (B) A FINE OF NOT MORE THAN TRIPLE THE AMOUNT OF THE IMPROPER
7 CONTRIBUTION OR EXPENDITURE.

8 SEC. 24C. (1) IF THE INDEPENDENT NATURE OF AN INDEPENDENT
9 EXPENDITURE IS DEFEATED, THE RESULTING CONTRIBUTION IS PUNISHABLE
10 AS FOLLOWS:

11 (A) FOR AN INDEPENDENT EXPENDITURE COMMITTEE OR ITS AGENT,
12 UNDER SECTION 24B(5) IF THE RESULTING CONTRIBUTION VIOLATES SECTION
13 24B(4).

14 (B) FOR AN ENTITY DESCRIBED UNDER SECTION 54(1) OR A PERSON
15 ACTING FOR ANY SUCH ENTITY UNDER SECTION 54(2), UNDER SECTION 54(5)
16 IF THE RESULTING CONTRIBUTION VIOLATES SECTION 54.

17 (C) FOR ANY OTHER PERSON, AS OTHERWISE PROVIDED FOR A
18 VIOLATION OF THIS ACT.

19 (2) THE INDEPENDENT NATURE OF AN INDEPENDENT EXPENDITURE IS
20 NOT DEFEATED UNDER ANY OF THE FOLLOWING:

21 (A) WHERE A PERSON MAKING AN INDEPENDENT EXPENDITURE RELATED
22 TO A BALLOT QUESTION COMMITTEE, CANDIDATE, CANDIDATE COMMITTEE, OR
23 POLITICAL PARTY COMMITTEE ENGAGES AN ATTORNEY, VENDOR, OR OTHER
24 AGENT THAT IS ALSO OR HAS BEEN ENGAGED BY THAT CANDIDATE OR
25 COMMITTEE, IF THE ATTORNEY, VENDOR, OR OTHER AGENT DOES NOT DO ANY
26 OF THE FOLLOWING:

27 (i) FOR THE CREATION, PRODUCTION, OR DISTRIBUTION OF A

1 COMMUNICATION, CONVEY INFORMATION TO THE PERSON MAKING THE
2 COMMUNICATION ABOUT THE CAMPAIGN PLANS, PROJECTS, ACTIVITIES, OR
3 NEEDS OF THAT CANDIDATE OR COMMITTEE THAT HE OR SHE ALSO PROVIDES
4 OR HAS PROVIDED SERVICES FOR AND THAT HAS BEEN OBTAINED FROM THAT
5 CANDIDATE OR COMMITTEE OR ITS AGENTS.

6 (ii) FOR THE CREATION, PRODUCTION, OR DISTRIBUTION OF A
7 COMMUNICATION, USE ANY INFORMATION ABOUT THE CAMPAIGN PLANS,
8 PROJECTS, ACTIVITIES, OR NEEDS OF THAT CANDIDATE OR COMMITTEE THAT
9 HE OR SHE ALSO PROVIDES OR HAS PROVIDED SERVICES FOR AND THAT HAS
10 BEEN OBTAINED FROM THAT CANDIDATE OR COMMITTEE OR ITS AGENTS.

11 (iii) CONVEY INFORMATION ABOUT THE CREATION, PRODUCTION, OR
12 DISTRIBUTION OF THE COMMUNICATION TO THE CANDIDATE OR COMMITTEE
13 THAT HE OR SHE ALSO PROVIDES OR HAS PROVIDED SERVICES FOR.

14 (B) WHERE A CANDIDATE, CANDIDATE COMMITTEE, POLITICAL PARTY
15 COMMITTEE, OR AN AGENT OF THE CANDIDATE OR ANY SUCH COMMITTEE,
16 SOLICITS CONTRIBUTIONS ON BEHALF OF AN INDEPENDENT EXPENDITURE
17 COMMITTEE, BUT DOES NOT REQUEST OR SUGGEST ACTION BY, OR FURTHER
18 COOPERATE, CONSULT, ACT IN CONCERT, OR OTHERWISE COORDINATE IN ANY
19 WAY WITH THE INDEPENDENT EXPENDITURE COMMITTEE RELATED TO ANY
20 INDEPENDENT EXPENDITURE MADE ON BEHALF OF THAT CANDIDATE OR
21 COMMITTEE. THIS SUBDIVISION DOES NOT PRESERVE THE INDEPENDENT
22 NATURE OF AN INDEPENDENT EXPENDITURE IF THE INDEPENDENT EXPENDITURE
23 COMMITTEE MAKES INDEPENDENT EXPENDITURES DURING AN ELECTION CYCLE
24 RELATED SOLELY TO 1 CANDIDATE, AND THAT CANDIDATE, THAT CANDIDATE'S
25 CANDIDATE COMMITTEE, OR THAT CANDIDATE'S AGENT SOLICITS FUNDS ON
26 THE INDEPENDENT EXPENDITURE COMMITTEE'S BEHALF.

27 Sec. 26. (1) A campaign statement of a committee, other than a

1 political party committee, required by this act ~~shall~~**MUST** contain
2 all of the following information:

3 (a) The filing committee's name, address, and telephone
4 number, and the full name, residential and business addresses,
5 **ELECTRONIC MAIL ADDRESS**, and telephone numbers of the committee
6 treasurer or other individual designated as responsible for the
7 committee's record keeping, report preparation, or report filing.

8 (b) Under the heading "receipts", the total amount of
9 contributions received during the period covered by the campaign
10 statement; under the heading "expenditures", the total amount of
11 expenditures made during the period covered by the campaign
12 statement; and the cumulative amount of those totals. Forgiveness
13 of a loan ~~shall~~**MUST** not be included in the totals. Payment of a
14 loan by a third party ~~shall~~**MUST** be recorded and reported as an in-
15 kind contribution by the third party. In-kind contributions or
16 expenditures ~~shall~~**MUST** be listed at fair market value and ~~shall be~~
17 reported as both contributions and expenditures. A contribution or
18 expenditure that is by other than completed and accepted payment,
19 gift, or other transfer, that is clearly not legally enforceable,
20 and that is expressly withdrawn or rejected and returned before a
21 campaign statement closing date need not be included in the
22 campaign statement and if included may, in a later or amended
23 statement, be shown as a deduction, but the committee shall keep
24 adequate records of each instance.

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

27 (d) The following information regarding each fund-raising

1 event ~~shall~~**MUST** be included in the report:

2 (i) The type of event, date held, address and name, if any, of
3 the place where the activity was held, and approximate number of
4 individuals participating or in attendance.

5 (ii) The total amount of all contributions.

6 (iii) The gross receipts of the fund-raising event.

7 (iv) The expenditures incident to the event.

8 (e) The full name of each individual from whom contributions
9 are received during the period covered by the campaign statement,
10 together with the individual's street address, the amount
11 contributed, the date on which each contribution was received, and
12 the cumulative amount contributed by that individual. The
13 occupation, employer, and principal place of business ~~shall~~**MUST** be
14 stated if the individual's cumulative contributions are more than
15 \$100.00. For contributions of \$5.00 or less by an individual to a
16 political committee or independent committee, the secretary of
17 state shall accept for filing any written communication from the
18 political committee or independent committee that contains the
19 information otherwise required under this subsection. Any ~~such~~
20 written communication **UNDER THIS SUBDIVISION** does not need to
21 contain an original signature.

22 (f) The cumulative amount contributed and the name and address
23 of each individual, except those individuals reported under
24 subdivision (e), who contributed to the committee. The occupation,
25 employer, and principal place of business ~~shall~~**MUST** be stated for
26 each individual who contributed more than \$100.00.

27 (g) The name and street address of each person, other than an

1 individual, from whom contributions are received during the period
2 covered by the campaign statement, together with an itemization of
3 the amounts contributed, the date on which each contribution was
4 received, and the cumulative amount contributed by that person.

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

12 (i) The cumulative total of expenditures of \$50.00 or less
13 made during the period covered by the campaign statement except for
14 expenditures made to or on behalf of another committee, candidate,
15 or ballot question.

16 (j) The full name and street address of each person to whom
17 expenditures totaling more than \$50.00 were made, together with the
18 amount of each separate expenditure to each person during the
19 period covered by the campaign statement; the purpose of the
20 expenditure; the full name and street address of the person
21 providing the consideration for which any expenditure was made if
22 different from the payee; the itemization regardless of amount of
23 each expenditure made to or on behalf of another committee,
24 candidate, or ballot question; and the cumulative amount of
25 expenditures for or against that candidate or ballot question for
26 an election cycle. An expenditure made in support of more than 1
27 candidate or ballot question, or both, ~~shall~~**MUST** be apportioned

1 reasonably among the candidates or ballot questions, or both.

2 (2) A candidate committee or ballot question committee shall
3 report all cumulative amounts required by this section on a per
4 election cycle basis. Except ~~for~~ **AS PROVIDED IN** subsection (1)(j),
5 an independent committee, **INDEPENDENT EXPENDITURE COMMITTEE**, or
6 political committee shall report all cumulative amounts required by
7 this section on a calendar year basis.

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

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

23 (a) The amount of each contribution, the date it was received
24 by the bundling committee, and the candidate for statewide elective
25 office whom the contributor designated as the intended recipient.

26 (b) Each contributor's name and address and, for each
27 contribution exceeding \$100.00, the contributor's occupation,

1 employer, and principal place of business.

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

4 (d) The total amount of bundled contributions delivered to
5 that candidate committee during the reporting period and during the
6 election cycle.

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

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

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

21 (c) The total amount of bundled contributions delivered to
22 that candidate committee during the reporting period and during the
23 election cycle.

24 (6) For a reporting period in which a bundled contribution is
25 received, a candidate committee of a candidate for statewide
26 elective office shall report to the secretary of state, on a form
27 provided by the secretary of state, all of the following

1 information, as applicable, about each contribution delivered as
2 part of a bundled contribution received in the reporting period and
3 about all bundled contributions received by that candidate
4 committee:

5 (a) The amount of each contribution, the date it was received
6 by the candidate committee, and the name of the bundling committee
7 that delivered the contribution.

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

11 (c) The total amount of bundled contributions received by that
12 candidate committee during the reporting period and during the
13 election cycle.

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

21 (a) A preelection campaign statement ~~shall~~**MUST** be filed not
22 later than the eleventh day before an election. The closing date
23 for a campaign statement filed under this subdivision ~~shall be~~**IS**
24 the sixteenth day before the election.

25 (b) A postelection campaign statement ~~shall~~**MUST** be filed not
26 later than the thirtieth day following the election. The closing
27 date for a campaign statement filed under this subdivision ~~shall be~~

1 IS the twentieth day following the election. A committee supporting
2 a candidate who loses the primary election shall file closing
3 campaign statements in accordance with this section. If all
4 liabilities of that candidate or committee are paid before the
5 closing date and additional contributions are not expected, the
6 campaign statement may be filed at any time after the election, but
7 not later than the thirtieth day following the election.

8 (c) For candidate committees only, in a year in which there is
9 no election for the candidate the candidate committee is supporting
10 or opposing:

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

13 (ii) Not later than October 25 with a closing date of October
14 20 of that year.

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

16 (a) A candidate committee shall file a preelection campaign
17 statement and a postelection campaign statement for each election
18 in which the candidate seeks nomination or election, except if an
19 individual becomes a candidate after the closing date for the
20 preelection campaign statement only the postelection campaign
21 statement is required for that election.

22 (b) A committee other than a candidate committee shall file a
23 campaign statement for each period during which expenditures are
24 made for the purpose of influencing the nomination or election of a
25 candidate or for the qualification, passage, or defeat of a ballot
26 question.

27 (3) An independent committee, **AN INDEPENDENT EXPENDITURE**

1 **COMMITTEE**, or a political committee other than a house political
2 party caucus committee or senate political party caucus committee
3 required to file with the secretary of state shall file campaign
4 statements as required by this act according to the following
5 schedule:

6 (a) Not later than April 25 of each year with a closing date
7 of April 20 of that year.

8 (b) Not later than July 25 of each year with a closing date of
9 July 20 of that year.

10 (c) Not later than October 25 of each year with a closing date
11 of October 20 of that year.

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

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

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

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

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

27 (e) For the period beginning on the fourteenth day immediately

1 preceding a primary or special primary election and ending on the
2 day immediately following the primary or special primary election,
3 not later than 4 p.m. each business day with a closing date of the
4 immediately preceding day, only for a contribution received or
5 expenditure made that exceeds \$1,000.00 per day.

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

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

1 required to report the independent expenditure in a campaign
2 statement that is required to be filed before the date of the
3 election for which the expenditure was made.

4 (6) A candidate committee or a committee other than a
5 candidate committee that files a written statement under section
6 24(5) or (6) or that is automatically considered to have made a
7 statement under section 24(5) is not required to file a campaign
8 statement under subsection (1), (3), or (4) unless it received or
9 expended an amount in excess of \$1,000.00. If the committee
10 receives or expends an amount in excess of \$1,000.00 during a
11 period covered by a filing, the committee is then subject to the
12 campaign filing requirements under this act.

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

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

25 (b) An additional \$25.00 for each business day after the first
26 3 business days the report remains unfiled.

27 (c) An additional \$50.00 for each business day after the first

1 10 business days the report remains unfiled.

2 (8) If a candidate, treasurer, or other individual designated
3 as responsible for the committee's record keeping, report
4 preparation, or report filing fails to file 2 statements required
5 by this section or section 35 and both of the statements remain
6 unfiled for more than 30 days, that candidate, treasurer, or other
7 designated individual is guilty of a misdemeanor punishable by a
8 fine of not more than \$1,000.00 or imprisonment for not more than
9 90 days, or both.

10 (9) If a candidate is found guilty of a violation of this
11 section, the circuit court for that county, on application by the
12 attorney general or the prosecuting attorney of that county, may
13 prohibit that candidate from assuming the duties of a public office
14 or from receiving compensation from public funds, or both.

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

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

27 (12) If a candidate committee's account has a balance of

1 \$20,000.00 or more and a candidate, treasurer, or other individual
2 designated as responsible for that committee's record keeping,
3 report preparation, or report filing fails to file campaign
4 statements required under this act for 2 consecutive years, that
5 candidate, treasurer, or other individual is guilty of a felony
6 punishable by imprisonment for not more than 3 years or a fine of
7 not more than \$5,000.00, or both. Any money in a candidate
8 committee account described in this subsection is subject to
9 seizure by, and forfeiture to, this state as provided in this
10 section.

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

1 state or a person designated by the secretary of state shall hold
2 the hearing within 15 business days. The hearing is not a contested
3 case proceeding and is not subject to the administrative procedures
4 act of 1969, 1969 PA 306, MCL 24.201 to 24.328. After the hearing,
5 the secretary of state or a person designated by the secretary of
6 state shall render a decision in writing within 10 business days of
7 the hearing and, by order, shall either declare the money subject
8 to seizure and forfeiture or declare the money returnable to the
9 candidate. If, within 10 business days after the date of service of
10 the inventory statement, the candidate does not file with the
11 secretary of state a demand for a hearing before the secretary of
12 state or a person designated by the secretary of state, the money
13 seized is forfeited to this state by operation of law. If, after a
14 hearing before the secretary of state or a person designated by the
15 secretary of state, the secretary of state or a person designated
16 by the secretary of state determines that the money is lawfully
17 subject to seizure and forfeiture and the candidate does not appeal
18 to the circuit court of the county in which the seizure was made
19 within the time prescribed in this section, the money seized is
20 forfeited to this state by operation of law. If a candidate is
21 aggrieved by the decision of the secretary of state or a person
22 designated by the secretary of state, that candidate may appeal to
23 the circuit court of the county where the seizure was made to
24 obtain a judicial determination of the lawfulness of the seizure
25 and forfeiture. The action ~~shall~~**MUST** be commenced within 20 days
26 after notice of a determination by the secretary of state or a
27 person designated by the secretary of state is sent to the

1 candidate. The court shall hear the action and determine the issues
2 of fact and law involved in accordance with rules of practice and
3 procedure as in other in rem proceedings.

4 Sec. 35. (1) In addition to any other requirements of this act
5 for filing a campaign statement, a committee ~~required to file with~~
6 ~~the secretary of state~~ shall also file a campaign statement not
7 later than January 31 of each year. The campaign statement ~~shall~~
8 ~~have~~ **HAS** a closing date of December 31 of the previous year. The
9 period covered by the campaign statement filed under this
10 subsection begins the day after the closing date of the previous
11 campaign statement. A campaign statement filed under this
12 subsection is waived if a postelection campaign statement has been
13 filed that has a filing deadline within 30 days of the closing date
14 of the campaign statement required by this subsection.

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

21 (3) A committee, candidate, treasurer, or other individual
22 designated as responsible for the record keeping, report
23 preparation, or report filing for a candidate committee of a
24 candidate for state elective office or a judicial office who fails
25 to file a campaign statement under this section shall be assessed a
26 late filing fee. If the committee has raised \$10,000.00 or less
27 during the previous 2 years, the late filing fee ~~shall be~~ **IS** \$25.00

1 for each business day the campaign statement remains unfiled, but
2 not to exceed \$500.00. If the committee has raised more than
3 \$10,000.00 during the previous 2 years, the late filing fee shall
4 ~~be~~ **IS** \$50.00 for each business day the campaign statement remains
5 unfiled, but not to exceed \$1,000.00. The **CANDIDATE SHALL PAY THE**
6 late filing fee assessed under this subsection, ~~shall be paid by~~
7 ~~the candidate,~~ and the candidate shall not use committee funds to
8 pay that fee. A committee, treasurer, or other individual
9 designated as responsible for the record keeping, report
10 preparation, or report filing for a committee other than a
11 candidate committee of a candidate for state elective office or a
12 judicial office who fails to file a campaign statement under this
13 section shall pay a late filing fee of \$25.00 for each business day
14 the campaign statement remains not filed in violation of this
15 section. The late filing fee ~~shall~~ **MUST** not exceed \$500.00.

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

25 (5) If a candidate, treasurer, or other individual designated
26 as responsible for the record keeping, report preparation, or
27 report filing fails to file 2 statements required by this section

1 or section 33 and both of the statements remain unfiled for more
2 than 30 days, that candidate, treasurer, or other designated
3 individual is guilty of a misdemeanor, punishable by a fine of not
4 more than \$1,000.00, or imprisonment for not more than 90 days, or
5 both.

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

12 Sec. 51. (1) A person, other than a committee, ~~who~~**THAT** makes
13 an independent expenditure, advocating the election **OR DEFEAT** of a
14 candidate ~~or the defeat of a candidate's opponents~~ or the
15 qualification, passage, or defeat of a ballot question, in an
16 amount of \$100.01 or more in a calendar year shall file a report of
17 the independent expenditure, within 10 days **AFTER MAKING THAT**
18 **INDEPENDENT EXPENDITURE**, with the clerk of the county of residence
19 of that person. **IF THE INDEPENDENT EXPENDITURE ADVOCATES THE**
20 **ELECTION OR DEFEAT OF A CANDIDATE FOR STATE ELECTIVE OFFICE OR THE**
21 **QUALIFICATION, PASSAGE, OR DEFEAT OF A STATEWIDE BALLOT QUESTION,**
22 **OR IF THE PERSON MAKING THE INDEPENDENT EXPENDITURE IS NOT A**
23 **RESIDENT OF THIS STATE, THE PERSON SHALL FILE THE REPORT WITH THE**
24 **SECRETARY OF STATE IN LIEU OF FILING WITH A CLERK OF A COUNTY.** The
25 report ~~shall~~**REQUIRED UNDER THIS SECTION MUST** be made on an
26 independent expenditure report form provided by the secretary of
27 state, ~~and shall~~ include the date of the expenditure, a brief

1 description of the nature of the expenditure, the amount, the name
2 and address of the person to whom it was paid, the name and address
3 of the person filing the report, together with the name, address,
4 occupation, employer, and principal place of business of each
5 person ~~who~~ **THAT** contributed \$100.01 or more to the expenditure, **AND**
6 **IDENTIFY THE CANDIDATE OR BALLOT QUESTION FOR OR AGAINST WHICH THE**
7 **INDEPENDENT EXPENDITURE WAS MADE.** The filing official receiving the
8 report shall forward copies, as required, to the appropriate filing
9 officers as described in section 36.

10 (2) **IF A PERSON FAILS TO FILE A REPORT AS REQUIRED UNDER THIS**
11 **SECTION, THAT PERSON SHALL PAY A LATE FILING FEE. IF THE PERSON HAS**
12 **MADE INDEPENDENT EXPENDITURES TOTALING LESS THAN \$10,000.00, THE**
13 **LATE FILING FEE IS \$25.00 FOR EACH BUSINESS DAY THE REPORT REMAINS**
14 **UNFILED, BUT NOT TO EXCEED \$1,000.00. IF THE PERSON HAS MADE**
15 **INDEPENDENT EXPENDITURES TOTALING \$10,000.00 OR MORE, THE LATE**
16 **FILING FEE IS \$50.00 FOR EACH BUSINESS DAY THE REPORT REMAINS**
17 **UNFILED, BUT NOT TO EXCEED \$5,000.00. A PERSON THAT VIOLATES THIS**
18 **SUBSECTION BY FAILING TO FILE A REPORT REQUIRED UNDER THIS SECTION**
19 **FOR MORE THAN 30 DAYS AFTER THE REPORT IS REQUIRED TO BE FILED IS**
20 **GUILTY OF A MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE**
21 **THAN 90 DAYS OR A FINE OF NOT MORE THAN \$1,000.00, OR BOTH.**

22 Sec. 54. (1) Except ~~with respect to the exceptions and~~
23 ~~conditions in subsections (2) and (3)~~ **AS OTHERWISE PROVIDED IN THIS**
24 **SECTION** and section 55, and **EXCEPT WITH RESPECT** to loans made in
25 the ordinary course of business, a corporation, joint stock
26 company, domestic dependent sovereign, or labor organization shall
27 not make a contribution or expenditure or provide volunteer

1 personal services that are excluded from the definition of a
2 contribution under section 4(3)(a).

3 (2) An officer, director, stockholder, attorney, agent, or any
4 other person acting for a labor organization, a domestic dependent
5 sovereign, or a corporation or joint stock company, whether
6 incorporated under the laws of this or any other state or foreign
7 country, except corporations formed for political purposes, shall
8 not make a contribution or expenditure or provide volunteer
9 personal services that are excluded from the definition of a
10 contribution under section 4(3)(a).

11 (3) Except for expenditures made by a corporation in the
12 ordinary course of its business, an expenditure made by a
13 corporation to provide for the collection and transfer of
14 contributions to another separate segregated fund not established
15 by that corporation, or to a separate segregated fund not connected
16 to a nonprofit corporation of which the corporation is a member,
17 constitutes an in-kind contribution by the corporation and is
18 prohibited under this section. Advanced payment or reimbursement to
19 a corporation by a separate segregated fund not established by that
20 corporation, or by a separate segregated fund not connected to a
21 nonprofit corporation of which the corporation is a member, does
22 not cure a use of corporate resources otherwise prohibited by this
23 section.

24 (4) A corporation, joint stock company, domestic dependent
25 sovereign, or labor organization may make a contribution to a
26 ballot question committee **OR INDEPENDENT EXPENDITURE COMMITTEE**
27 subject to this act. A corporation, joint stock company, domestic

1 dependent sovereign, or labor organization may make an independent
 2 expenditure in any amount ~~for~~ **ADVOCATING FOR THE ELECTION OR DEFEAT**
 3 **OF A CANDIDATE, OR** the qualification, passage, or defeat of a
 4 ballot question . ~~A corporation, joint stock company, domestic~~
 5 ~~dependent sovereign, or labor organization that makes an~~
 6 ~~independent expenditure under this subsection is considered a~~
 7 ~~ballot question committee for the purposes of this act.~~ **AND DOES NOT**
 8 **FOR THIS REASON BECOME A COMMITTEE, UNLESS IT SOLICITS OR RECEIVES**
 9 **CONTRIBUTIONS IN EXCESS OF \$500.00 FOR THE PURPOSE OF MAKING THE**
 10 **INDEPENDENT EXPENDITURE, BUT IS SUBJECT TO THE INDEPENDENT**
 11 **EXPENDITURE REPORTING REQUIREMENTS OF SECTION 51.**

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

17 Sec. 55. (1) A connected organization may make an expenditure
 18 for the establishment or administration of, and solicitation,
 19 collection, or transfer of contributions to, a separate segregated
 20 fund to be used for political purposes. A separate segregated fund
 21 established by a connected organization under this section ~~is~~
 22 ~~limited to making~~ **SHALL BE ORGANIZED AS A POLITICAL COMMITTEE OR AN**
 23 **INDEPENDENT COMMITTEE, AND SHALL ONLY MAKE** contributions to, and
 24 expenditures on behalf of, candidate committees, ballot question
 25 committees, political party committees, political committees,
 26 **INDEPENDENT EXPENDITURE COMMITTEES,** independent committees, and
 27 other separate segregated funds.

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

5 (a) Stockholders of the corporation or company.

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

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

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

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

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

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

17 (d) Employees of the members of the corporation who have
18 policy making, managerial, professional, supervisory, or
19 administrative nonclerical responsibilities.

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

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

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

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

1 (c) Employees of the labor organization who have policy
2 making, managerial, professional, supervisory, or administrative
3 nonclerical responsibilities.

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

8 (6) Contributions ~~shall~~**MUST** not be obtained for a separate
9 segregated fund established under this section by use of coercion
10 or physical force, by making a contribution a condition of
11 employment or membership, or by using or threatening to use job
12 discrimination or financial reprisals. A connected organization
13 shall not solicit or obtain contributions for a separate segregated
14 fund established under this section from an individual described in
15 subsection (2), (3), (4), or (5) on an automatic or passive basis
16 including but not limited to a payroll deduction plan or reverse
17 checkoff method. A connected organization may solicit or obtain
18 contributions for a separate segregated fund established under this
19 section from an individual described in subsection (2), (3), (4),
20 or (5) on an automatic basis, including but not limited to a
21 payroll deduction plan, only if the individual who is contributing
22 to the fund affirmatively consents to the contribution.

23 (7) A contribution by an individual to a separate segregated
24 fund that is aggregated with a dues or other payment to the
25 connected organization may be collected by or made payable first to
26 the connected organization for subsequent transfer to the separate
27 segregated fund if all of the following occur:

1 (a) The individual making the contribution does either of the
2 following:

3 (i) Specifically indicates in a record or electronic record
4 that the amount collected, or a specified portion of the total
5 amount if remitted as part of a dues or other payment to the
6 connected organization, is a contribution to the separate
7 segregated fund.

8 (ii) Fails to return a record or electronic record described
9 in subparagraph (i), but remits payment to the connected
10 organization in response to a specifically requested amount that
11 includes a solicited contribution, the solicitation for a
12 contribution was clearly distinguishable from any dues or other
13 fees requested as part of the total, and the connected organization
14 maintains a record or electronic record of the solicitation that
15 includes the amount of the solicited contribution and the amount of
16 any dues or other fees charged in conjunction with the solicitation
17 for each contributor.

18 (b) The connected organization transfers the entire specified
19 amount of any designated contribution, individually or aggregated
20 with other contributions, to the separate segregated fund
21 electronically or by written instrument. Any transfer of designated
22 contributions ~~shall~~**MUST** be accompanied by or logically associated
23 with a record or electronic record setting forth all information
24 required under section 26 for each individual contributor whose
25 contribution is transferred.

26 (c) The connected organization accounts for any contributions
27 under this subsection in a manner that documents all of the

1 following:

2 (i) The identity of the individual contributor.

3 (ii) The date, amount, and method of receipt for each
4 individual contribution.

5 (iii) The date, amount, and method of all transfers to the
6 separate segregated fund.

7 (d) The connected organization and the separate segregated
8 fund adopt a written policy governing the handling, accounting, and
9 transfer of any contribution under this subsection.

10 (e) In connection with an investigation or hearing under
11 section 15 regarding any contributions under this subsection, the
12 connected organization voluntarily agrees to make available to the
13 secretary of state any records described in subdivisions (a) to (d)
14 and provides those records at the request of the secretary of
15 state.

16 (8) Except as otherwise provided in subsection (10), a person
17 who knowingly violates this section is guilty of a felony
18 punishable, if the person is an individual, by a fine of not more
19 than \$5,000.00 or imprisonment for not more than 3 years, or both,
20 or, if the person is not an individual, by a fine of not more than
21 \$10,000.00.

22 (9) If a ~~corporation, joint stock company, domestic dependent~~
23 ~~sovereign, or labor~~ **CONNECTED** organization that obtains
24 contributions for a separate segregated fund from individuals
25 described in subsection (2), (3), (4), or (5) pays to 1 or more of
26 those individuals a bonus or other remuneration for the purpose of
27 reimbursing those contributions, then that ~~corporation, joint stock~~

1 ~~company, domestic dependent sovereign, or labor~~ **CONNECTED**
2 organization is subject to a civil fine ~~equal to~~ **OF NOT MORE THAN 2**
3 times the total contributions obtained from all individuals for the
4 separate segregated fund during that calendar year.

5 (10) If a violation of this section results solely from the
6 failure of a connected organization to transfer 1 or more
7 contributions, that connected organization is not guilty of a
8 felony as described in subsection (8), but shall notify the
9 contributor of the failure to transfer the contribution and refund
10 the full amount of the contribution to the contributor if
11 requested. The penalties described in subsection (8) apply to any
12 other violation of this section, including use or diversion of any
13 contributions by a connected organization ~~for a purpose not~~
14 ~~described in subsection (7)~~ before those contributions are
15 transferred to the separate segregated fund **UNDER SUBSECTION (7)**.

16 (11) As used in this section:

17 (a) "Connected organization" means ~~a~~ **EITHER OF THE FOLLOWING:**

18 (i) **A** corporation organized on a for-profit or nonprofit
19 basis, a joint stock company, a domestic dependent sovereign, or a
20 labor organization formed under the laws of this or another state
21 or foreign country. ~~or a~~

22 (ii) **A** member of any ~~such~~ entity **UNDER SUBPARAGRAPH (i)** that
23 is not an individual **AND THAT DOES NOT MAINTAIN ITS OWN SEPARATE**
24 **SEGREGATED FUND, UNLESS ITS SEPARATE SEGREGATED FUND AND THE**
25 **SEPARATE SEGREGATED FUND OF THE ENTITY OF WHICH IT IS A MEMBER ARE**
26 **TREATED AS A SINGLE INDEPENDENT COMMITTEE AS PROVIDED IN SECTION**
27 **52(10)**.

1 (b) "Record" and "electronic record" mean those terms as
2 defined in section 2 of the uniform electronic transactions act,
3 2000 PA 305, MCL 450.832.

4 (c) "Written instrument" means a money order, or a check,
5 cashier's check, or other negotiable instrument, as those terms are
6 defined in section 3104 of the uniform commercial code, 1962 PA
7 174, MCL 440.3104, in the name of the connected organization and
8 payable to the separate segregated fund.

9 Enacting section 1. This amendatory act takes effect 90 days
10 after the date it is enacted into law.