

SENATE BILL No. 335

April 27, 2017, Introduced by Senator ROBERTSON and referred to the Committee on Elections and Government Reform.

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 HAVE ANY REPORTING**
18 **OBLIGATIONS** for the purposes of this act unless the person solicits
19 or receives contributions for the purpose of making an expenditure
20 to 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, UNLESS THE INDEPENDENT**
9 **EXPENDITURE IS MADE DIRECTLY TO A CANDIDATE OR A COMMITTEE, OR MADE**
10 **TO OFFSET OR REIMBURSE A FEE, FINE, DEBT OR OBLIGATION, OR OTHER**
11 **PAYMENT OWED BY A CANDIDATE OR COMMITTEE.**

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

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

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

27 (c) Except as provided in subsection (2)(f) or (g), an

1 expenditure made for poll watchers, challengers, distribution of
2 election day literature, canvassing of voters to get out the vote,
3 or transporting voters to the polls.

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

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

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

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

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

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

27 (e) An offer or tender of an expenditure if expressly and

1 unconditionally rejected or returned.

2 (f) An expenditure for nonpartisan voter registration or
3 nonpartisan get-out-the-vote activities made by an organization
4 that is exempt from federal income tax under section 501(c)(3) of
5 the internal revenue code, 26 USC 501, or any successor statute.

6 (g) An expenditure for nonpartisan voter registration or
7 nonpartisan get-out-the-vote activities performed under chapter
8 XXIII of the Michigan election law, 1954 PA 116, MCL 168.491 to
9 168.524, by the secretary of state and other registration officials
10 who are identified by name with the activity.

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

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

25 (j) Except only for the purposes of section 47, an expenditure
26 for a communication if the communication does not in express terms
27 advocate the election or defeat of a clearly identified candidate

1 so as to restrict the application of this act to communications
2 containing express words of advocacy of election or defeat, such as
3 "vote for", "elect", "support", "cast your ballot for", "Smith for
4 governor", "vote against", "defeat", or "reject".

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

9 (a) A disbursement necessary to assist, serve, or communicate
10 with a constituent.

11 (b) A disbursement for equipment, furnishings, or supplies for
12 the office of the public official.

13 (c) A disbursement for a district office if the district
14 office is not used for campaign-related activity.

15 (d) A disbursement for the public official or his or her
16 staff, or both, to attend a conference, meeting, reception, or
17 other similar event.

18 (e) A disbursement to maintain a publicly owned residence or a
19 temporary residence at the seat of government.

20 (f) An unreimbursed disbursement for travel, lodging, meals,
21 or other expenses incurred by the public official, a member of the
22 public official's immediate family, or a member of the public
23 official's staff in carrying out the business of the elective
24 office.

25 (g) A donation to a tax-exempt charitable organization,
26 including the purchase of tickets to charitable or civic events.

27 (h) A disbursement to a ballot question committee.

1 (i) A purchase of tickets for use by that public official and
2 members of his or her immediate family and staff to a fund-raising
3 event sponsored by a candidate committee, independent committee,
4 political party committee, or a political committee that does not
5 exceed \$100.00 per committee in any calendar year.

6 (j) A disbursement for an educational course or seminar that
7 maintains or improves skills employed by the public official in
8 carrying out the business of the elective office.

9 (k) A purchase of advertisements in testimonials, program
10 books, souvenir books, or other publications if the advertisement
11 does not support or oppose the nomination or election of a
12 candidate.

13 (l) A disbursement for consultation, research, polling, and
14 photographic services not related to a campaign.

15 (m) A fee paid to a fraternal, veteran, or other service
16 organization.

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

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

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

27 (2) "Independent expenditure" means an expenditure by a person

1 if the expenditure is not made at the direction of, or under the
2 control of, another person and if the expenditure is not a
3 contribution to a committee. **IN COOPERATION, CONSULTATION, OR**
4 **CONCERT WITH, OR AT THE REQUEST OR SUGGESTION OF, A BALLOT QUESTION**
5 **COMMITTEE OR A CANDIDATE, A CANDIDATE COMMITTEE OR ITS AGENTS, OR A**
6 **POLITICAL PARTY COMMITTEE OR ITS AGENTS.**

7 (3) "INDEPENDENT EXPENDITURE COMMITTEE" MEANS A COMMITTEE THAT
8 RECEIVES CONTRIBUTIONS AND MAKES INDEPENDENT EXPENDITURES PURSUANT
9 TO THIS ACT AND THAT MAY MAKE EXPENDITURES OR DISBURSEMENTS NOT
10 OTHERWISE PROHIBITED BY THIS ACT.

11 (4) ~~(3)~~ "In-kind contribution or expenditure" means a
12 contribution or expenditure other than money.

13 (5) ~~(4)~~ "Loan" means a transfer of money, property, or
14 anything of ascertainable monetary value in exchange for an
15 obligation, conditional or not, to repay in whole or in part.

16 (6) ~~(5)~~ "Local ballot question" means a ballot question of a
17 local unit of government to be voted upon in that local unit of
18 government.

19 (7) ~~(6)~~ "Local elective office" means an elective office at
20 the local unit of government level. Local elective office also
21 includes judge of the court of appeals, judge of the circuit court,
22 judge of the district court, judge of the probate court, and judge
23 of a municipal court.

24 (8) ~~(7)~~ "Local unit of government" means a district,
25 authority, county, city, village, township, board, school district,
26 intermediate school district, or community college district.

27 Sec. 11. (1) "Payroll deduction plan" means any system in

1 which an employer deducts any amount of money from the wages,
2 earnings, or compensation of an employee.

3 (2) "Person" means a business, individual, proprietorship,
4 **LIMITED LIABILITY COMPANY**, firm, partnership, joint venture,
5 syndicate, business trust, labor organization, company,
6 corporation, association, committee, or any other organization or
7 group of persons acting jointly.

8 (3) "Political committee" means a committee that is not a
9 candidate committee, political party committee, **HOUSE OR SENATE**
10 **POLITICAL PARTY CAUCUS COMMITTEE**, independent committee,
11 **INDEPENDENT EXPENDITURE COMMITTEE**, or ballot question committee.

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

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

23 (6) "Political party committee" means a state central,
24 district, or county committee of a political party or a party
25 attempting to qualify as a new political party under section 685 of
26 the Michigan election law, 1954 PA 116, MCL 168.685, that is a
27 committee. Each state central committee shall designate the

1 official party county and district committees. There shall not be
2 more than 1 officially designated political party committee per
3 county and per congressional district.

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

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

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

10 (c) A county, city, township, village, intercounty, intercity,
11 or regional governing body; a council, school district, special
12 district, or municipal corporation; or a board, department,
13 commission, or council or an agency of a board, department,
14 commission, or council.

15 (d) Any other body that is created by state or local authority
16 or is primarily funded by or through state or local authority, if
17 the body exercises governmental or proprietary authority or
18 performs a governmental or proprietary function.

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

23 (2) The late filing fees collected ~~pursuant to~~ **UNDER** sections
24 24, 33, 34, ~~and~~ **AND 51**, and copying charges collected ~~pursuant~~
25 ~~to~~ **UNDER** section 16, ~~shall~~ **MUST** be retained by and for the use of
26 the filing officials collecting the fees or charges to cover their
27 expenses in administering this act. A late filing fee assessed by a

1 county clerk that remains unpaid for more than 60 days ~~shall be~~ **IS**
2 considered a debt of the county, and ~~shall be collected by the~~
3 county treasurer **SHALL COLLECT THAT FEE** in the same manner as other
4 county debts are collected. A late filing fee assessed by the
5 secretary of state that remains unpaid for more than 180 days ~~shall~~
6 **MUST** be referred to the department of treasury for collection.

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

13 (a) A committee required to register as a committee fails to
14 file a statement of organization.

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

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

22 (d) Within 10 business days after the notice of failure to
23 file a statement of organization is sent, the committee files a
24 statement of organization.

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

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

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

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

16 (2) AN INDEPENDENT EXPENDITURE COMMITTEE MAY RECEIVE
17 CONTRIBUTIONS FROM ANY PERSON, EXCEPT A PERSON PROHIBITED FROM
18 MAKING A CONTRIBUTION UNDER 52 USC 30121. AN INDEPENDENT
19 EXPENDITURE COMMITTEE SHALL RETURN A CONTRIBUTION MADE BY A PERSON
20 PROHIBITED FROM MAKING A CONTRIBUTION UNDER THIS SUBSECTION WITHIN
21 30 BUSINESS DAYS AFTER RECEIVING THAT CONTRIBUTION.

22 (3) IN ADDITION TO ANY INDEPENDENT EXPENDITURES, AN
23 INDEPENDENT EXPENDITURE COMMITTEE MAY MAKE CONTRIBUTIONS TO ANOTHER
24 INDEPENDENT EXPENDITURE COMMITTEE OR TO A BALLOT QUESTION COMMITTEE
25 OR OTHER DISTRIBUTIONS FOR ANY OTHER LAWFUL PURPOSE NOT PROHIBITED
26 BY THIS ACT.

27 (4) AN INDEPENDENT EXPENDITURE COMMITTEE SHALL NOT MAKE A

1 CONTRIBUTION TO A CANDIDATE COMMITTEE, INDEPENDENT COMMITTEE,
2 POLITICAL COMMITTEE, POLITICAL PARTY COMMITTEE, OR HOUSE OR SENATE
3 POLITICAL PARTY CAUCUS COMMITTEE.

4 (5) AN INDIVIDUAL WHO KNOWINGLY VIOLATES OR CAUSES A PERSON TO
5 VIOLATE SUBSECTION (4) IS GUILTY OF A FELONY PUNISHABLE BY
6 IMPRISONMENT FOR NOT MORE THAN 3 YEARS OR A FINE OF NOT MORE THAN
7 \$5,000.00, OR BOTH. IN ADDITION TO ANY CIVIL OR CRIMINAL PENALTIES,
8 THE SECRETARY OF STATE MAY REQUIRE AN INDIVIDUAL TO REIMBURSE A
9 PERSON IN AN AMOUNT NOT TO EXCEED THE FULL COST OF ANY IMPROPER
10 CONTRIBUTION OR EXPENDITURE CAUSED BY THAT INDIVIDUAL. A PERSON
11 THAT VIOLATES SUBSECTION (4) THAT IS NOT AN INDIVIDUAL IS SUBJECT
12 TO 1 OF THE FOLLOWING, WHICHEVER IS GREATER:

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

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

16 SEC. 24C. (1) IF THE INDEPENDENT NATURE OF AN INDEPENDENT
17 EXPENDITURE IS DEFEATED THROUGH THE REQUEST OR SUGGESTION OF, OR
18 COOPERATION, CONSULTATION, OR ACTION IN CONCERT WITH, A BALLOT
19 QUESTION COMMITTEE OR A CANDIDATE, A CANDIDATE COMMITTEE OR ITS
20 AGENTS, OR A POLITICAL PARTY COMMITTEE OR ITS AGENTS, THE RESULTING
21 CONTRIBUTION IS PUNISHABLE AS FOLLOWS:

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

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

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

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

5 (A) WHERE A PERSON MAKING AN INDEPENDENT EXPENDITURE RELATED
6 TO A BALLOT QUESTION COMMITTEE, CANDIDATE, CANDIDATE COMMITTEE, OR
7 POLITICAL PARTY COMMITTEE ENGAGES AN ATTORNEY, VENDOR, OR OTHER
8 AGENT THAT IS ALSO ENGAGED BY THAT CANDIDATE OR COMMITTEE, IF THE
9 ATTORNEY, VENDOR, OR OTHER AGENT DOES NOT DO ANY OF THE FOLLOWING:

10 (i) FOR THE CREATION, PRODUCTION, OR DISTRIBUTION OF AN
11 INDEPENDENT EXPENDITURE, CONVEY INFORMATION TO THE PERSON MAKING
12 THE INDEPENDENT EXPENDITURE ABOUT THE CAMPAIGN PLANS, PROJECTS,
13 ACTIVITIES, OR NEEDS OF THAT CANDIDATE OR COMMITTEE THAT HE OR SHE
14 ALSO PROVIDES OR HAS PROVIDED SERVICES FOR AND THAT HAS BEEN
15 OBTAINED FROM THAT CANDIDATE OR COMMITTEE OR ITS AGENTS.

16 (ii) FOR THE CREATION, PRODUCTION, OR DISTRIBUTION OF AN
17 INDEPENDENT EXPENDITURE, USE ANY INFORMATION ABOUT THE CAMPAIGN
18 PLANS, PROJECTS, ACTIVITIES, OR NEEDS OF THAT CANDIDATE OR
19 COMMITTEE THAT HE OR SHE ALSO PROVIDES OR HAS PROVIDED SERVICES FOR
20 AND THAT HAS BEEN OBTAINED FROM THAT CANDIDATE OR COMMITTEE OR ITS
21 AGENTS.

22 (iii) CONVEY INFORMATION ABOUT THE CREATION, PRODUCTION, OR
23 DISTRIBUTION OF THE INDEPENDENT EXPENDITURE TO THE CANDIDATE OR
24 COMMITTEE THAT HE OR SHE ALSO PROVIDES OR HAS PROVIDED SERVICES
25 FOR.

26 (B) WHERE A CANDIDATE, CANDIDATE COMMITTEE, POLITICAL PARTY
27 COMMITTEE, OR AN AGENT OF THE CANDIDATE OR ANY SUCH COMMITTEE,

1 SOLICITS CONTRIBUTIONS ON BEHALF OF AN INDEPENDENT EXPENDITURE
2 COMMITTEE, BUT DOES NOT REQUEST OR SUGGEST ACTION BY, OR FURTHER
3 COOPERATE, CONSULT, ACT IN CONCERT, OR OTHERWISE COORDINATE IN ANY
4 WAY WITH THE INDEPENDENT EXPENDITURE COMMITTEE RELATED TO ANY
5 INDEPENDENT EXPENDITURE MADE ON BEHALF OF THAT CANDIDATE OR
6 COMMITTEE. THIS SUBDIVISION DOES NOT PRESERVE THE INDEPENDENT
7 NATURE OF AN INDEPENDENT EXPENDITURE IF THE INDEPENDENT EXPENDITURE
8 COMMITTEE MAKES INDEPENDENT EXPENDITURES DURING AN ELECTION CYCLE
9 RELATED SOLELY TO 1 CANDIDATE, AND THAT CANDIDATE, THAT CANDIDATE'S
10 CANDIDATE COMMITTEE, OR THAT CANDIDATE'S AGENT SOLICITS FUNDS ON
11 THE INDEPENDENT EXPENDITURE COMMITTEE'S BEHALF.

12 Sec. 26. (1) A campaign statement of a committee, other than a
13 political party committee, required by this act ~~shall~~**MUST** contain
14 all of the following information:

15 (a) The filing committee's name, address, and telephone
16 number, and the full name, residential and business addresses,
17 **ELECTRONIC MAIL ADDRESS**, and telephone numbers of the committee
18 treasurer or other individual designated as responsible for the
19 committee's record keeping, report preparation, or report filing.

20 (b) Under the heading "receipts", the total amount of
21 contributions received during the period covered by the campaign
22 statement; under the heading "expenditures", the total amount of
23 expenditures made during the period covered by the campaign
24 statement; and the cumulative amount of those totals. Forgiveness
25 of a loan ~~shall~~**MUST** not be included in the totals. Payment of a
26 loan by a third party ~~shall~~**MUST** be recorded and reported as an in-
27 kind contribution by the third party. In-kind contributions or

1 expenditures ~~shall~~**MUST** be listed at fair market value and ~~shall be~~
2 reported as both contributions and expenditures. A contribution or
3 expenditure that is by other than completed and accepted payment,
4 gift, or other transfer, that is clearly not legally enforceable,
5 and that is expressly withdrawn or rejected and returned before a
6 campaign statement closing date need not be included in the
7 campaign statement and if included may, in a later or amended
8 statement, be shown as a deduction, but the committee shall keep
9 adequate records of each instance.

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

12 (d) The following information regarding each fund-raising
13 event ~~shall~~**MUST** be included in the report:

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

17 (ii) The total amount of all contributions.

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

19 (iv) The expenditures incident to the event.

20 (e) The full name of each individual from whom contributions
21 are received during the period covered by the campaign statement,
22 together with the individual's street address, the amount
23 contributed, the date on which each contribution was received, and
24 the cumulative amount contributed by that individual. The
25 occupation, employer, and principal place of business ~~shall~~**MUST** be
26 stated if the individual's cumulative contributions are more than
27 \$100.00. For contributions of \$5.00 or less by an individual to a

1 political committee or independent committee, the secretary of
2 state shall accept for filing any written communication from the
3 political committee or independent committee that contains the
4 information otherwise required under this subsection. Any ~~such~~
5 written communication **UNDER THIS SUBDIVISION** does not need to
6 contain an original signature.

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

12 (g) The name and street address of each person, other than an
13 individual, from whom contributions are received during the period
14 covered by the campaign statement, together with an itemization of
15 the amounts contributed, the date on which each contribution was
16 received, and the cumulative amount contributed by that person.

17 (h) The name, address, and amount given by an individual who
18 contributed to the total amount contributed by a person who is
19 other than a committee or an individual. The occupation, employer,
20 and principal place of business ~~shall~~**MUST** be stated if the
21 individual contributed more than \$100.00 of the total amount
22 contributed by a person who is other than a committee or an
23 individual.

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

1 (j) The full name and street address of each person to whom
2 expenditures totaling more than \$50.00 were made, together with the
3 amount of each separate expenditure to each person during the
4 period covered by the campaign statement; the purpose of the
5 expenditure; the full name and street address of the person
6 providing the consideration for which any expenditure was made if
7 different from the payee; the itemization regardless of amount of
8 each expenditure made to or on behalf of another committee,
9 candidate, or ballot question; and the cumulative amount of
10 expenditures for or against that candidate or ballot question for
11 an election cycle. An expenditure made in support of more than 1
12 candidate or ballot question, or both, ~~shall~~**MUST** be apportioned
13 reasonably among the candidates or ballot questions, or both.

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

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

26 (4) For a reporting period in which a contribution is received
27 that is to be part of a bundled contribution or a reporting period

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

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

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 date each contribution is delivered to the candidate's
15 statewide elective office candidate committee.

16 (d) The total amount of bundled contributions delivered to
17 that candidate committee during the reporting period and during the
18 election cycle.

19 (5) With its delivery of a bundled contribution to the
20 candidate committee of a candidate for statewide elective office, a
21 bundling committee shall deliver a report to that candidate
22 committee, on a form provided by the secretary of state, that
23 includes all of the following information, as applicable, about
24 each contribution delivered as part of the bundled contribution,
25 and about all bundled contributions delivered to that candidate
26 committee in the election cycle:

27 (a) The amount of each contribution, the date it was received

1 by the bundling committee, and the statewide elective office
2 candidate the contributor designated as the intended recipient.

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

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

9 (6) For a reporting period in which a bundled contribution is
10 received, a candidate committee of a candidate for statewide
11 elective office shall report to the secretary of state, on a form
12 provided by the secretary of state, all of the following
13 information, as applicable, about each contribution delivered as
14 part of a bundled contribution received in the reporting period and
15 about all bundled contributions received by that candidate
16 committee:

17 (a) The amount of each contribution, the date it was received
18 by the candidate committee, and the name of the bundling committee
19 that delivered the contribution.

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

23 (c) The total amount of bundled contributions received by that
24 candidate committee during the reporting period and during the
25 election cycle.

26 Sec. 33. (1) A committee, other than an independent committee,
27 **AN INDEPENDENT EXPENDITURE COMMITTEE**, or a political committee

1 required to file with the secretary of state, supporting or
2 opposing a candidate shall file complete campaign statements as
3 required by this act and the rules promulgated under this act ~~—The~~
4 ~~campaign statements shall be filed~~ according to the following
5 schedule:

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

10 (b) A postelection campaign statement ~~shall~~**MUST** be filed not
11 later than the thirtieth day following the election. The closing
12 date for a campaign statement filed under this subdivision ~~shall be~~
13 **IS** the twentieth day following the election. A committee supporting
14 a candidate who loses the primary election shall file closing
15 campaign statements in accordance with this section. If all
16 liabilities of that candidate or committee are paid before the
17 closing date and additional contributions are not expected, the
18 campaign statement may be filed at any time after the election, but
19 not later than the thirtieth day following the election.

20 (c) For candidate committees only, in a year in which there is
21 no election for the candidate the candidate committee is supporting
22 or opposing:

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

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

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

1 (a) A candidate committee shall file a preelection campaign
2 statement and a postelection campaign statement for each election
3 in which the candidate seeks nomination or election, except if an
4 individual becomes a candidate after the closing date for the
5 preelection campaign statement only the postelection campaign
6 statement is required for that election.

7 (b) A committee other than a candidate committee shall file a
8 campaign statement for each period during which expenditures are
9 made for the purpose of influencing the nomination or election of a
10 candidate or for the qualification, passage, or defeat of a ballot
11 question.

12 (3) An independent committee, **AN INDEPENDENT EXPENDITURE**
13 **COMMITTEE**, or a political committee other than a house political
14 party caucus committee or senate political party caucus committee
15 required to file with the secretary of state shall file campaign
16 statements as required by this act according to the following
17 schedule:

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

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

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

24 (4) A house political party caucus committee or a senate
25 political party caucus committee required to file with the
26 secretary of state or a political party committee for a party
27 attempting to qualify as a new political party under section 685 of

1 the Michigan election law, 1954 PA 116, MCL 168.685, shall file
2 campaign statements as required by this act according to the
3 following schedule:

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

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

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

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

12 (e) For the period beginning on the fourteenth day immediately
13 preceding a primary or special primary election and ending on the
14 day immediately following the primary or special primary election,
15 not later than 4 p.m. each business day with a closing date of the
16 immediately preceding day, only for a contribution received or
17 expenditure made that exceeds \$1,000.00 per day.

18 (f) For the period beginning on the fourteenth day immediately
19 preceding a general or special election and ending on the day
20 immediately following the general or special election, not later
21 than 4 p.m. each business day with a closing date of the
22 immediately preceding day, only for a contribution received or
23 expenditure made that exceeds \$1,000.00 per day.

24 (5) Notwithstanding subsection (3) or (4) or section 51, if an
25 independent expenditure is made within 45 days before a special
26 election by an independent committee, **AN INDEPENDENT EXPENDITURE**
27 **COMMITTEE**, or a political committee required to file a campaign

1 statement with the secretary of state, **THE COMMITTEE SHALL FILE** a
2 report of the expenditure ~~shall be filed by the committee~~ with the
3 secretary of state within 48 hours after the expenditure. The
4 report ~~shall~~ **MUST** be made on a form provided by the secretary of
5 state and must include the date of the independent expenditure, the
6 amount of the expenditure, a brief description of the nature of the
7 expenditure, and the name and address of the person to whom the
8 expenditure was paid. The brief description of the expenditure must
9 include either the name of the candidate and the office sought by
10 the candidate or the name of the ballot question and state whether
11 the expenditure supports or opposes the candidate or ballot
12 question. This subsection does not apply if the committee is
13 required to report the independent expenditure in a campaign
14 statement that is required to be filed before the date of the
15 election for which the expenditure was made.

16 (6) A candidate committee or a committee other than a
17 candidate committee that files a written statement under section
18 24(5) or (6) or that is automatically considered to have made a
19 statement under section 24(5) is not required to file a campaign
20 statement under subsection (1), (3), or (4) unless it received or
21 expended an amount in excess of \$1,000.00. If the committee
22 receives or expends an amount in excess of \$1,000.00 during a
23 period covered by a filing, the committee is then subject to the
24 campaign filing requirements under this act.

25 (7) A committee, candidate, treasurer, or other individual
26 designated as responsible for the committee's record keeping,
27 report preparation, or report filing who fails to file a statement

1 as required by this section shall pay a late filing fee. If the
2 committee has raised \$10,000.00 or less during the previous 2
3 years, the late filing fee ~~shall be~~ **IS** \$25.00 for each business day
4 the statement remains unfiled, but not to exceed \$500.00. If the
5 committee has raised more than \$10,000.00 during the previous 2
6 years, the late filing fee ~~shall~~ **MUST** not exceed \$1,000.00,
7 determined as follows:

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

10 (b) An additional \$25.00 for each business day after the first
11 3 business days the report remains unfiled.

12 (c) An additional \$50.00 for each business day after the first
13 10 business days the report remains unfiled.

14 (8) If a candidate, treasurer, or other individual designated
15 as responsible for the committee's record keeping, report
16 preparation, or report filing fails to file 2 statements required
17 by this section or section 35 and both of the statements remain
18 unfiled for more than 30 days, that candidate, treasurer, or other
19 designated individual is guilty of a misdemeanor punishable by a
20 fine of not more than \$1,000.00 or imprisonment for not more than
21 90 days, or both.

22 (9) If a candidate is found guilty of a violation of this
23 section, the circuit court for that county, on application by the
24 attorney general or the prosecuting attorney of that county, may
25 prohibit that candidate from assuming the duties of a public office
26 or from receiving compensation from public funds, or both.

27 (10) If a candidate, treasurer, or other individual designated

1 as responsible for a committee's record keeping, report
2 preparation, or report filing knowingly files an incomplete or
3 inaccurate statement or report required by this section, that
4 individual is subject to a civil fine of not more than \$1,000.00.

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

12 (12) If a candidate committee's account has a balance of
13 \$20,000.00 or more and a candidate, treasurer, or other individual
14 designated as responsible for that committee's record keeping,
15 report preparation, or report filing fails to file campaign
16 statements required under this act for 2 consecutive years, that
17 candidate, treasurer, or other individual is guilty of a felony
18 punishable by imprisonment for not more than 3 years or a fine of
19 not more than \$5,000.00, or both. Any money in a candidate
20 committee account described in this subsection is subject to
21 seizure by, and forfeiture to, this state as provided in this
22 section.

23 (13) Not more than 5 business days after seizure of money
24 under subsection (12), the secretary of state shall deliver
25 personally or by registered mail to the last known address of the
26 candidate from whom the seizure was made an inventory statement of
27 the money seized. The inventory statement ~~shall~~**MUST** also contain

1 notice to the effect that unless demand for hearing as provided in
2 this section is made within 10 business days, the money is
3 forfeited to this state. Within 10 business days after the date of
4 service of the notice, the candidate may by registered mail,
5 facsimile transmission, or personal service file with the secretary
6 of state a demand for a hearing before the secretary of state or a
7 person designated by the secretary of state for a determination as
8 to whether the money was lawfully subject to seizure and
9 forfeiture. The candidate is entitled to appear before the
10 secretary of state or a person designated by the secretary of
11 state, to be represented by counsel, and to present testimony and
12 argument. Upon receipt of a request for hearing, the secretary of
13 state or a person designated by the secretary of state shall hold
14 the hearing within 15 business days. The hearing is not a contested
15 case proceeding and is not subject to the administrative procedures
16 act of 1969, 1969 PA 306, MCL 24.201 to 24.328. After the hearing,
17 the secretary of state or a person designated by the secretary of
18 state shall render a decision in writing within 10 business days of
19 the hearing and, by order, shall either declare the money subject
20 to seizure and forfeiture or declare the money returnable to the
21 candidate. If, within 10 business days after the date of service of
22 the inventory statement, the candidate does not file with the
23 secretary of state a demand for a hearing before the secretary of
24 state or a person designated by the secretary of state, the money
25 seized is forfeited to this state by operation of law. If, after a
26 hearing before the secretary of state or a person designated by the
27 secretary of state, the secretary of state or a person designated

1 by the secretary of state determines that the money is lawfully
2 subject to seizure and forfeiture and the candidate does not appeal
3 to the circuit court of the county in which the seizure was made
4 within the time prescribed in this section, the money seized is
5 forfeited to this state by operation of law. If a candidate is
6 aggrieved by the decision of the secretary of state or a person
7 designated by the secretary of state, that candidate may appeal to
8 the circuit court of the county where the seizure was made to
9 obtain a judicial determination of the lawfulness of the seizure
10 and forfeiture. The action ~~shall~~**MUST** be commenced within 20 days
11 after notice of a determination by the secretary of state or a
12 person designated by the secretary of state is sent to the
13 candidate. The court shall hear the action and determine the issues
14 of fact and law involved in accordance with rules of practice and
15 procedure as in other in rem proceedings.

16 Sec. 35. (1) In addition to any other requirements of this act
17 for filing a campaign statement, a committee ~~required to file with~~
18 ~~the secretary of state~~ shall also file a campaign statement not
19 later than January 31 of each year. The campaign statement ~~shall~~
20 ~~have~~**HAS** a closing date of December 31 of the previous year. The
21 period covered by the campaign statement filed under this
22 subsection begins the day after the closing date of the previous
23 campaign statement. A campaign statement filed under this
24 subsection is waived if a postelection campaign statement has been
25 filed that has a filing deadline within 30 days of the closing date
26 of the campaign statement required by this subsection.

27 (2) Subsection (1) does not apply to a candidate committee for

1 an officeholder who is a judge or a supreme court justice, or who
2 holds an elective office for which the salary is less than \$100.00
3 a month and who does not receive any contribution or make any
4 expenditure during the time that would be otherwise covered in the
5 statement.

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

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

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

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

24 Sec. 51. (1) A person, other than a committee, ~~who~~**THAT** makes
25 an independent expenditure, advocating the election **OR DEFEAT** of a
26 candidate ~~or the defeat of a candidate's opponents~~ or the
27 qualification, passage, or defeat of a ballot question, in an

1 amount of \$100.01 or more in a calendar year shall file a report of
2 the independent expenditure, within 10 days **AFTER MAKING THAT**
3 **INDEPENDENT EXPENDITURE**, with the clerk of the county of residence
4 of that person. **IF THE INDEPENDENT EXPENDITURE IS IN AN AMOUNT OF**
5 **\$500.00 OR MORE AND ADVOCATES THE ELECTION OR DEFEAT OF A CANDIDATE**
6 **FOR STATE ELECTIVE OFFICE OR THE QUALIFICATION, PASSAGE, OR DEFEAT**
7 **OF A STATEWIDE BALLOT QUESTION, OR IF THE PERSON MAKING THE**
8 **INDEPENDENT EXPENDITURE IS NOT A RESIDENT OF THIS STATE, THE PERSON**
9 **SHALL FILE THE REPORT WITH THE SECRETARY OF STATE IN LIEU OF FILING**
10 **WITH A CLERK OF A COUNTY.** The report ~~shall~~ **REQUIRED UNDER THIS**
11 **SECTION MUST** be made on an independent expenditure report form
12 provided by the secretary of state, ~~and shall~~ include the date of
13 the expenditure, a brief description of the nature of the
14 expenditure, the amount, the name and address of the person to whom
15 it was paid, the name and address of the person filing the report,
16 together with the name, address, occupation, employer, and
17 principal place of business of each person ~~who~~ **THAT** contributed
18 \$100.01 or more to the expenditure, **AND IDENTIFY THE CANDIDATE OR**
19 **BALLOT QUESTION FOR OR AGAINST WHICH THE INDEPENDENT EXPENDITURE**
20 **WAS MADE.** The filing official receiving the report shall forward
21 copies, as required, to the appropriate filing officers as
22 described in section 36.

23 (2) **IF A PERSON FAILS TO FILE A REPORT AS REQUIRED UNDER THIS**
24 **SECTION, THAT PERSON SHALL PAY A LATE FILING FEE. IF THE PERSON HAS**
25 **MADE INDEPENDENT EXPENDITURES TOTALING LESS THAN \$10,000.00, THE**
26 **LATE FILING FEE IS \$25.00 FOR EACH BUSINESS DAY THE REPORT REMAINS**
27 **UNFILED, BUT NOT TO EXCEED \$1,000.00. IF THE PERSON HAS MADE**

1 INDEPENDENT EXPENDITURES TOTALING \$10,000.00 OR MORE, THE LATE
2 FILING FEE IS \$50.00 FOR EACH BUSINESS DAY THE REPORT REMAINS
3 UNFILED, BUT NOT TO EXCEED \$5,000.00. A PERSON THAT VIOLATES THIS
4 SUBSECTION BY FAILING TO FILE A REPORT REQUIRED UNDER THIS SECTION
5 FOR MORE THAN 30 DAYS AFTER THE REPORT IS REQUIRED TO BE FILED IS
6 GUILTY OF A MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE
7 THAN 90 DAYS OR A FINE OF NOT MORE THAN \$1,000.00, OR BOTH.

8 Sec. 54. (1) Except ~~with respect to the exceptions and~~
9 ~~conditions in subsections (2) and (3)~~ **AS OTHERWISE PROVIDED IN THIS**
10 **SECTION** and section 55, and **EXCEPT WITH RESPECT** to loans made in
11 the ordinary course of business, a corporation, joint stock
12 company, domestic dependent sovereign, or labor organization shall
13 not make a contribution or expenditure or provide volunteer
14 personal services that are excluded from the definition of a
15 contribution under section 4(3)(a).

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

24 (3) Except for expenditures made by a corporation in the
25 ordinary course of its business, an expenditure made by a
26 corporation to provide for the collection and transfer of
27 contributions to another separate segregated fund not established

1 by that corporation, or to a separate segregated fund not connected
2 to a nonprofit corporation of which the corporation is a member,
3 constitutes an in-kind contribution by the corporation and is
4 prohibited under this section. Advanced payment or reimbursement to
5 a corporation by a separate segregated fund not established by that
6 corporation, or by a separate segregated fund not connected to a
7 nonprofit corporation of which the corporation is a member, does
8 not cure a use of corporate resources otherwise prohibited by this
9 section.

10 (4) A corporation, joint stock company, domestic dependent
11 sovereign, or labor organization may make a contribution to a
12 ballot question committee **OR INDEPENDENT EXPENDITURE COMMITTEE**
13 subject to this act. A corporation, joint stock company, domestic
14 dependent sovereign, or labor organization may make an independent
15 expenditure in any amount ~~for~~ **ADVOCATING FOR THE ELECTION OR DEFEAT**
16 **OF A CANDIDATE, OR** the qualification, passage, or defeat of a
17 ballot question. ~~A corporation, joint stock company, domestic~~
18 ~~dependent sovereign, or labor organization that makes an~~
19 ~~independent expenditure under this subsection is considered a~~
20 ~~ballot question committee for the purposes of this act.~~ **AND DOES NOT**
21 **FOR THIS REASON BECOME A COMMITTEE, UNLESS IT SOLICITS OR RECEIVES**
22 **CONTRIBUTIONS IN EXCESS OF \$500.00 TO MAKE THE INDEPENDENT**
23 **EXPENDITURE, BUT IS SUBJECT TO THE INDEPENDENT EXPENDITURE**
24 **REPORTING REQUIREMENTS OF SECTION 51.**

25 (5) A person who knowingly violates this section is guilty of
26 a felony punishable, if the person is an individual, by a fine of
27 not more than \$5,000.00 or imprisonment for not more than 3 years,

1 or both, or, if the person is not an individual, by a fine of not
2 more than \$10,000.00.

3 Sec. 55. (1) A connected organization may make an expenditure
4 for the establishment or administration of, and solicitation,
5 collection, or transfer of contributions to, a separate segregated
6 fund to be used for political purposes. A separate segregated fund
7 established by a connected organization under this section ~~is~~
8 ~~limited to making~~ **SHALL BE ORGANIZED AS A POLITICAL COMMITTEE OR AN**
9 **INDEPENDENT COMMITTEE, AND SHALL ONLY MAKE** contributions to, and
10 expenditures on behalf of, candidate committees, ballot question
11 committees, political party committees, political committees,
12 **INDEPENDENT EXPENDITURE COMMITTEES**, independent committees, and
13 other separate segregated funds.

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

18 (a) Stockholders of the corporation or company.

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

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

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

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

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

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

3 (d) Employees of the members of the corporation who have
4 policy making, managerial, professional, supervisory, or
5 administrative nonclerical responsibilities.

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

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

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

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

14 (c) Employees of the labor organization who have policy
15 making, managerial, professional, supervisory, or administrative
16 nonclerical responsibilities.

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

21 (6) Contributions ~~shall~~**MUST** not be obtained for a separate
22 segregated fund established under this section by use of coercion
23 or physical force, by making a contribution a condition of
24 employment or membership, or by using or threatening to use job
25 discrimination or financial reprisals. A connected organization
26 shall not solicit or obtain contributions for a separate segregated
27 fund established under this section from an individual described in

1 subsection (2), (3), (4), or (5) on an automatic or passive basis
2 including but not limited to a payroll deduction plan or reverse
3 checkoff method. A connected organization may solicit or obtain
4 contributions for a separate segregated fund established under this
5 section from an individual described in subsection (2), (3), (4),
6 or (5) on an automatic basis, including but not limited to a
7 payroll deduction plan, only if the individual who is contributing
8 to the fund affirmatively consents to the contribution.

9 (7) A contribution by an individual to a separate segregated
10 fund that is aggregated with a dues or other payment to the
11 connected organization may be collected by or made payable first to
12 the connected organization for subsequent transfer to the separate
13 segregated fund if all of the following occur:

14 (a) The individual making the contribution does either of the
15 following:

16 (i) Specifically indicates in a record or electronic record
17 that the amount collected, or a specified portion of the total
18 amount if remitted as part of a dues or other payment to the
19 connected organization, is a contribution to the separate
20 segregated fund.

21 (ii) Fails to return a record or electronic record described
22 in subparagraph (i), but remits payment to the connected
23 organization in response to a specifically requested amount that
24 includes a solicited contribution, the solicitation for a
25 contribution was clearly distinguishable from any dues or other
26 fees requested as part of the total, and the connected organization
27 maintains a record or electronic record of the solicitation that

1 includes the amount of the solicited contribution and the amount of
2 any dues or other fees charged in conjunction with the solicitation
3 for each contributor.

4 (b) The connected organization transfers the entire specified
5 amount of any designated contribution, individually or aggregated
6 with other contributions, to the separate segregated fund
7 electronically or by written instrument. Any transfer of designated
8 contributions ~~shall~~**MUST** be accompanied by or logically associated
9 with a record or electronic record setting forth all information
10 required under section 26 for each individual contributor whose
11 contribution is transferred.

12 (c) The connected organization accounts for any contributions
13 under this subsection in a manner that documents all of the
14 following:

15 (i) The identity of the individual contributor.

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

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

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

23 (e) In connection with an investigation or hearing under
24 section 15 regarding any contributions under this subsection, the
25 connected organization voluntarily agrees to make available to the
26 secretary of state any records described in subdivisions (a) to (d)
27 and provides those records at the request of the secretary of

1 state.

2 (8) Except as otherwise provided in subsection (10), a person
3 who knowingly violates this section is guilty of a felony
4 punishable, if the person is an individual, by a fine of not more
5 than \$5,000.00 or imprisonment for not more than 3 years, or both,
6 or, if the person is not an individual, by a fine of not more than
7 \$10,000.00.

8 (9) If a ~~corporation, joint stock company, domestic dependent~~
9 ~~sovereign, or labor~~ **CONNECTED** organization that obtains
10 contributions for a separate segregated fund from individuals
11 described in subsection (2), (3), (4), or (5) pays to 1 or more of
12 those individuals a bonus or other remuneration for the purpose of
13 reimbursing those contributions, then that ~~corporation, joint stock~~
14 ~~company, domestic dependent sovereign, or labor~~ **CONNECTED**
15 organization is subject to a civil fine ~~equal to~~ **OF NOT MORE THAN 2**
16 times the total contributions obtained from all individuals for the
17 separate segregated fund during that calendar year.

18 (10) If a violation of this section results solely from the
19 failure of a connected organization to transfer 1 or more
20 contributions, that connected organization is not guilty of a
21 felony as described in subsection (8), but shall notify the
22 contributor of the failure to transfer the contribution and refund
23 the full amount of the contribution to the contributor if
24 requested. The penalties described in subsection (8) apply to any
25 other violation of this section, including use or diversion of any
26 contributions by a connected organization ~~for a purpose not~~
27 ~~described in subsection (7)~~ before those contributions are

1 transferred to the separate segregated fund **UNDER SUBSECTION (7)**.

2 (11) As used in this section:

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

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

8 **(ii) A** member of any ~~such~~ entity **UNDER SUBPARAGRAPH (i)** that
9 is not an individual **AND THAT DOES NOT MAINTAIN ITS OWN SEPARATE**
10 **SEGREGATED FUND, UNLESS ITS SEPARATE SEGREGATED FUND AND THE**
11 **SEPARATE SEGREGATED FUND OF THE ENTITY OF WHICH IT IS A MEMBER ARE**
12 **TREATED AS A SINGLE INDEPENDENT COMMITTEE AS PROVIDED IN SECTION**
13 **52(10)**.

14 (b) "Record" and "electronic record" mean those terms as
15 defined in section 2 of the uniform electronic transactions act,
16 2000 PA 305, MCL 450.832.

17 (c) "Written instrument" means a money order, or a check,
18 cashier's check, or other negotiable instrument, as those terms are
19 defined in section 3104 of the uniform commercial code, 1962 PA
20 174, MCL 440.3104, in the name of the connected organization and
21 payable to the separate segregated fund.

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