

Act No. 119  
Public Acts of 2017  
Approved by the Governor  
September 20, 2017  
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September 20, 2017  
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**STATE OF MICHIGAN  
99TH LEGISLATURE  
REGULAR SESSION OF 2017**

Introduced by Senator Robertson

# **ENROLLED SENATE BILL No. 335**

AN ACT to amend 1976 PA 388, entitled “An act to regulate political activity; to regulate campaign financing; to restrict campaign contributions and expenditures; to require campaign statements and reports; to regulate anonymous contributions; to regulate campaign advertising and literature; to provide for segregated funds for political purposes; to provide for the use of public funds for political purposes; to create certain funds; to provide for reversion, retention, or refunding of unexpended balances in certain funds; to require other statements and reports; to regulate acceptance of certain gifts, payments, and reimbursements; to prescribe the powers and duties of certain state departments and state and local officials and employees; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and parts of acts,” by amending sections 3, 4, 6, 9, 11, 17, 24, 26, 33, 35, 44, 51, 54, and 55 (MCL 169.203, 169.204, 169.206, 169.209, 169.211, 169.217, 169.224, 169.226, 169.233, 169.235, 169.244, 169.251, 169.254, and 169.255), sections 3 and 11 as amended by 2012 PA 273, sections 4, 6, 9, 24, 33, 35, 54, and 55 as amended by 2015 PA 269, sections 17 and 51 as amended by 1989 PA 95, section 26 as amended by 2013 PA 252, and section 44 as amended by 1994 PA 411, and by adding sections 24b and 24c.

*The People of the State of Michigan enact:*

Sec. 3. (1) “Candidate” means an individual who meets 1 or more of the following criteria:

(a) Files a fee, an affidavit of incumbency, or a nominating petition for an elective office.

(b) Is nominated as a candidate for elective office by a political party caucus or convention and whose nomination is certified to the appropriate filing official.

(c) Receives a contribution, makes an expenditure, or gives consent for another person to receive a contribution or make an expenditure with a view to bringing about the individual’s nomination or election to an elective office, whether or not the specific elective office for which the individual will seek nomination or election is known at the time the contribution is received or the expenditure is made.

(d) Is an officeholder who is the subject of a recall vote.

(e) Holds an elective office, unless the officeholder is constitutionally or legally barred from seeking reelection or fails to file for reelection to that office by the applicable filing deadline. An individual described in this subdivision is considered to be a candidate for reelection to that same office for the purposes of this act only.

For purposes of sections 61 to 71, “candidate” only means, in a primary election, a candidate for the office of governor and, in a general election, a candidate for the office of governor or lieutenant governor. However, the candidates for the office of governor and lieutenant governor of the same political party in a general election are considered as 1 candidate.

(2) “Candidate committee” means the committee designated in a candidate’s filed statement of organization as that individual’s candidate committee. A candidate committee must be under the control and direction of the candidate named in the same statement of organization. Notwithstanding subsection (4), an individual shall form a candidate committee under section 21 if the individual becomes a candidate under subsection (1).

(3) "Closing date" means the date through which a campaign statement is required to be complete.

(4) "Committee" means a person that receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of a candidate, the qualification, passage, or defeat of a ballot question, or the qualification of a new political party, if contributions received total \$500.00 or more in a calendar year or expenditures made total \$500.00 or more in a calendar year. Except as restricted or prohibited by this act or other state or federal law, a committee may also make other lawful disbursements. An individual, other than a candidate, does not constitute a committee. A person, other than a committee registered under this act, making an expenditure to a ballot question committee or an independent expenditure committee, shall not, for that reason, be considered a committee or be required to file a report for the purposes of this act unless the person solicits or receives contributions for the purpose of making an expenditure to that ballot question committee or independent expenditure committee.

Sec. 4. (1) "Contribution" means a payment, gift, subscription, assessment, expenditure, contract, payment for services, dues, advance, forbearance, loan, or donation of money or anything of ascertainable monetary value, or a transfer of anything of ascertainable monetary value to a person, made for the purpose of influencing the nomination or election of a candidate, for the qualification, passage, or defeat of a ballot question, or for the qualification of a new political party.

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

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

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

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

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

(d) A contribution or expenditure for the establishment or administration of, or solicitation, collection, or transfer of contributions to, a separate segregated fund if that contribution or expenditure was made by a connected organization of that separate segregated fund as authorized under section 55.

(e) An independent expenditure.

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

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

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

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

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

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

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

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

(c) An expenditure for the establishment or administration of, or solicitation, collection, or transfer of contributions to, a separate segregated fund if that expenditure was made by a connected organization of that separate segregated fund as authorized under section 55.

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

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

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

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

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

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

(j) Except only for the purposes of section 47, an expenditure for a communication if the communication does not in express terms advocate the election or defeat of a clearly identified candidate so as to restrict the application of this act to communications containing express words of advocacy of election or defeat, such as “vote for”, “elect”, “support”, “cast your ballot for”, “Smith for governor”, “vote against”, “defeat”, or “reject”.

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

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

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

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

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

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

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

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

(h) A disbursement to a ballot question committee.

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

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

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

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

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

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

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

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

(2) "Independent expenditure" means an expenditure by a person if the expenditure is not made in cooperation, consultation, or concert with, or at the request or suggestion of, a ballot question committee or a candidate, a candidate committee or its agents, or a political party committee or its agents, and if the expenditure is not a contribution to a committee.

(3) "Independent expenditure committee" means a committee formed under section 24b for the purpose of making independent expenditures pursuant to this act.

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

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

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

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

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

Sec. 11. (1) "Payroll deduction plan" means any system in which an employer deducts any amount of money from the wages, earnings, or compensation of an employee.

(2) "Person" means a business, individual, proprietorship, limited liability company, firm, partnership, joint venture, syndicate, business trust, labor organization, company, corporation, association, committee, or any other organization or group of persons acting jointly.

(3) "Political committee" means a committee that is not a candidate committee, political party committee, house or senate political party caucus committee, independent committee, independent expenditure committee, or ballot question committee.

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

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

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

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

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

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

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

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

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

(2) The late filing fees collected under sections 24, 33, 34, 35, and 51, and copying charges collected under section 16, must be retained by and for the use of the filing officials collecting the fees or charges to cover their expenses in administering this act. A late filing fee assessed by a county clerk that remains unpaid for more than 60 days is considered a debt of the county, and the county treasurer shall collect that fee in the same manner as other county debts are collected. A late filing fee assessed by the secretary of state that remains unpaid for more than 180 days must be referred to the department of treasury for collection.

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

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

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

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

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

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

(4) Late filing fees that would have occurred except for subsection (3) must be assessed for each statement not filed before the eleventh business day after a notice of failure to file is sent under subsection (3).

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

Sec. 24. (1) A committee shall file a statement of organization with the filing officials designated in section 36 to receive the committee's campaign statements. A committee shall file a statement of organization within 10 days after the committee is formed. A filing official shall maintain a statement of organization filed by a committee until 5 years after the official date of the committee's dissolution. A person who fails to file a statement of organization required by this subsection shall pay a late filing fee of \$10.00 for each business day the statement remains not filed in violation of this subsection. The late filing fee must not exceed \$300.00. A person who violates this subsection by failing to file for more than 30 days after a statement of organization is required to be filed is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00.

(2) The statement of organization required to be filed under subsection (1) must include the following information:

(a) The name, street address, and if available, the electronic mail address and telephone number of the committee, and the electronic mail address of the candidate. If a committee is a candidate committee, the committee name must include the first and last name of the candidate. A committee address may be the home address of the candidate or treasurer of the committee.

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

(c) The name and address of the financial institution in which the official committee depository is or is intended to be located, and the name and address of each financial institution in which a secondary depository is or is intended to be located.

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

(e) A brief statement identifying the substance of each ballot question supported or opposed by the committee. If the ballot question supported or opposed by the committee is a local ballot question, the committee shall identify the county in which the greatest number of registered voters eligible to vote on the ballot question reside.

(f) Identification of the committee as a candidate committee, political party committee, independent committee, independent expenditure committee, political committee, or ballot question committee if it is identifiable as such a committee.

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

(4) If any of the information required in a statement of organization is changed, the committee shall file an amendment when the next campaign statement is required to be filed.

(5) When filing a statement of organization, a committee, other than an independent committee, a political committee, or a political party committee, may indicate in a written statement signed by the treasurer of the committee that the committee does not expect for each election to receive an amount in excess of \$1,000.00 or expend an amount in excess of \$1,000.00. The treasurer of a committee of an incumbent judge or justice is considered to have made the statement required under this subsection following appointment or election of that judge or justice and is not required to file a



written statement under this subsection indicating that the committee does not expect for each election to receive or expend an amount in excess of \$1,000.00.

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

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

(8) A candidate committee that files a written statement under subsection (5) or that is considered to have made a statement under subsection (5) is not required to file a dissolution statement under subsection (7) if the committee failed to receive or expend an amount in excess of \$1,000.00 and 1 of the following applies:

- (a) The candidate was defeated in an election and has no outstanding campaign debts or assets.
- (b) The candidate vacates an elective office and has no outstanding campaign debts or assets.

(9) A political committee organized for the purpose of making independent expenditures formed before the effective date of the amendatory act that added this subsection is considered an independent expenditure committee. The secretary of state may amend the statement of organization for any committee affected by this subsection.

Sec. 24b. (1) One or more persons may create an independent expenditure committee and shall file a statement of organization under section 24. An independent expenditure committee shall file campaign statements under sections 33 and 35 and as otherwise provided in this act.

(2) An independent expenditure committee may receive contributions from any person, except a person prohibited from making a contribution under 52 USC 30121. An independent expenditure committee shall return a contribution made by a person prohibited from making a contribution under this subsection within 30 business days after receiving that contribution.

(3) In addition to any independent expenditures or other disbursements not prohibited by this act or any other law, an independent expenditure committee may make contributions to another independent expenditure committee or to a ballot question committee.

(4) An independent expenditure committee shall not make a contribution to a candidate committee, independent committee, political committee, political party committee, or house or senate political party caucus committee.

(5) An individual who knowingly violates or causes a person to violate subsection (4) is guilty of a felony punishable by imprisonment for not more than 3 years or a fine of not more than \$5,000.00, or both. A person that violates subsection (4) that is not an individual is subject to 1 of the following, whichever is greater:

- (a) A fine of not more than \$20,000.00.
- (b) A fine of not more than triple the amount of the improper contribution or expenditure.

Sec. 24c. (1) If the independent nature of an independent expenditure is defeated, the resulting contribution is punishable as follows:

(a) For an independent expenditure committee or its agent, under section 24b(5) if the resulting contribution violates section 24b(4).

(b) For an entity described under section 54(1) or a person acting for any such entity under section 54(2), under section 54(5) if the resulting contribution violates section 54.

(c) For any other person, as otherwise provided for a violation of this act.

(2) The independent nature of an independent expenditure is not defeated under any of the following:

(a) Where a person making an independent expenditure related to a ballot question committee, candidate, candidate committee, or political party committee engages an attorney, vendor, or other agent that is also or has been engaged by that candidate or committee, if the attorney, vendor, or other agent does not do any of the following:

(i) For the creation, production, or distribution of a communication, convey information to the person making the communication about the campaign plans, projects, activities, or needs of that candidate or committee that he or she also provides or has provided services for and that has been obtained from that candidate or committee or its agents.

(ii) For the creation, production, or distribution of a communication, use any information about the campaign plans, projects, activities, or needs of that candidate or committee that he or she also provides or has provided services for and that has been obtained from that candidate or committee or its agents.

(iii) Convey information about the creation, production, or distribution of the communication to the candidate or committee that he or she also provides or has provided services for.

(b) Where a candidate, candidate committee, political party committee, or an agent of the candidate or any such committee, solicits contributions on behalf of an independent expenditure committee, but does not request or suggest action by, or further cooperate, consult, act in concert, or otherwise coordinate in any way with the independent expenditure committee related to any independent expenditure made on behalf of that candidate or committee. This subdivision does not preserve the independent nature of an independent expenditure if the independent expenditure committee makes independent expenditures during an election cycle related solely to 1 candidate, and that candidate, that candidate's candidate committee, or that candidate's agent solicits funds on the independent expenditure committee's behalf.

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

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

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

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

(d) The following information regarding each fund-raising event must be included in the report:

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

(ii) The total amount of all contributions.

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

(iv) The expenditures incident to the event.

(e) The full name of each individual from whom contributions are received during the period covered by the campaign statement, together with the individual's street address, the amount contributed, the date on which each contribution was received, and the cumulative amount contributed by that individual. The occupation, employer, and principal place of business must be stated if the individual's cumulative contributions are more than \$100.00. For contributions of \$5.00 or less by an individual to a political committee or independent committee, the secretary of state shall accept for filing any written communication from the political committee or independent committee that contains the information otherwise required under this subsection. Any written communication under this subdivision does not need to contain an original signature.

(f) The cumulative amount contributed and the name and address of each individual, except those individuals reported under subdivision (e), who contributed to the committee. The occupation, employer, and principal place of business must be stated for each individual who contributed more than \$100.00.

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

(h) The name, address, and amount given by an individual who contributed to the total amount contributed by a person who is other than a committee or an individual. The occupation, employer, and principal place of business must be stated if the individual contributed more than \$100.00 of the total amount contributed by a person who is other than a committee or an individual.

(i) The cumulative total of expenditures and other disbursements totaling \$50.00 or less to any person made during the period covered by the campaign statement except for expenditures made to or on behalf of another committee, candidate, or ballot question.

(j) The full name and street address of each person to whom expenditures or other disbursements totaling more than \$50.00 were made, together with the amount of each separate expenditure or disbursement to each person during the period covered by the campaign statement; the purpose of the expenditure or disbursement; the full name and street address of the person providing the consideration for which any expenditure or disbursement was made if different from the payee; the itemization regardless of amount of each expenditure made to or on behalf of another committee, candidate, or ballot question; and the cumulative amount of expenditures for or against that candidate or ballot question

for an election cycle. An expenditure made in support of more than 1 candidate or ballot question, or both, must be apportioned reasonably among the candidates or ballot questions, or both.

(2) A candidate committee or ballot question committee shall report all cumulative amounts required by this section on a per election cycle basis. Except as provided in subsection (1)(j), an independent committee, independent expenditure committee, or political committee shall report all cumulative amounts required by this section on a calendar year basis.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 33. (1) A committee, other than an independent committee, an independent expenditure committee, or a political committee required to file with the secretary of state, supporting or opposing a candidate shall file complete campaign statements as required by this act and the rules promulgated under this act according to the following schedule:

(a) A preelection campaign statement must be filed not later than the eleventh day before an election. The closing date for a campaign statement filed under this subdivision is the sixteenth day before the election.

(b) A postelection campaign statement must be filed not later than the thirtieth day following the election. The closing date for a campaign statement filed under this subdivision is the twentieth day following the election. A committee supporting a candidate who loses the primary election shall file closing campaign statements in accordance with this section. If all liabilities of that candidate or committee are paid before the closing date and additional contributions are not expected, the campaign statement may be filed at any time after the election, but not later than the thirtieth day following the election.

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

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

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



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

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

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

(3) An independent committee, an independent expenditure committee, or a political committee other than a house political party caucus committee or senate political party caucus committee required to file with the secretary of state shall file campaign statements as required by this act according to the following schedule:

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

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

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

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

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

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

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

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

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

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

(5) Notwithstanding subsection (3) or (4) or section 51, if an independent expenditure is made within 45 days before a special election by an independent committee, an independent expenditure committee, or a political committee required to file a campaign statement with the secretary of state, the committee shall file a report of the expenditure with the secretary of state within 48 hours after the expenditure. The report must be made on a form provided by the secretary of state and must include the date of the independent expenditure, the amount of the expenditure, a brief description of the nature of the expenditure, and the name and address of the person to whom the expenditure was paid. The brief description of the expenditure must include either the name of the candidate and the office sought by the candidate or the name of the ballot question and state whether the expenditure supports or opposes the candidate or ballot question. This subsection does not apply if the committee is required to report the independent expenditure in a campaign statement that is required to be filed before the date of the election for which the expenditure was made.

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

(7) A committee, candidate, treasurer, or other individual designated as responsible for the committee's record keeping, report preparation, or report filing who fails to file a statement as required by this section shall pay a late filing fee. If the committee has raised \$10,000.00 or less during the previous 2 years, the late filing fee is \$25.00 for each business day the statement remains unfiled, but not to exceed \$500.00. If the committee has raised more than \$10,000.00 during the previous 2 years, the late filing fee must not exceed \$1,000.00, determined as follows:

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

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

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

(8) If a candidate, treasurer, or other individual designated as responsible for the committee's record keeping, report preparation, or report filing fails to file 2 statements required by this section or section 35 and both of the statements

remain unfiled for more than 30 days, that candidate, treasurer, or other designated individual is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 or imprisonment for not more than 90 days, or both.

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

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

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

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

(13) Not more than 5 business days after seizure of money under subsection (12), the secretary of state shall deliver personally or by registered mail to the last known address of the candidate from whom the seizure was made an inventory statement of the money seized. The inventory statement must also contain notice to the effect that unless demand for hearing as provided in this section is made within 10 business days, the money is forfeited to this state. Within 10 business days after the date of service of the notice, the candidate may by registered mail, facsimile transmission, or personal service file with the secretary of state a demand for a hearing before the secretary of state or a person designated by the secretary of state for a determination as to whether the money was lawfully subject to seizure and forfeiture. The candidate is entitled to appear before the secretary of state or a person designated by the secretary of state, to be represented by counsel, and to present testimony and argument. Upon receipt of a request for hearing, the secretary of state or a person designated by the secretary of state shall hold the hearing within 15 business days. The hearing is not a contested case proceeding and is not subject to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. After the hearing, the secretary of state or a person designated by the secretary of state shall render a decision in writing within 10 business days of the hearing and, by order, shall either declare the money subject to seizure and forfeiture or declare the money returnable to the candidate. If, within 10 business days after the date of service of the inventory statement, the candidate does not file with the secretary of state a demand for a hearing before the secretary of state or a person designated by the secretary of state, the money seized is forfeited to this state by operation of law. If, after a hearing before the secretary of state or a person designated by the secretary of state, the secretary of state or a person designated by the secretary of state determines that the money is lawfully subject to seizure and forfeiture and the candidate does not appeal to the circuit court of the county in which the seizure was made within the time prescribed in this section, the money seized is forfeited to this state by operation of law. If a candidate is aggrieved by the decision of the secretary of state or a person designated by the secretary of state, that candidate may appeal to the circuit court of the county where the seizure was made to obtain a judicial determination of the lawfulness of the seizure and forfeiture. The action must be commenced within 20 days after notice of a determination by the secretary of state or a person designated by the secretary of state is sent to the candidate. The court shall hear the action and determine the issues of fact and law involved in accordance with rules of practice and procedure as in other in rem proceedings.

Sec. 35. (1) In addition to any other requirements of this act for filing a campaign statement, a committee shall also file a campaign statement not later than January 31 of each year. The campaign statement has a closing date of December 31 of the previous year. The period covered by the campaign statement filed under this subsection begins the day after the closing date of the previous campaign statement. A campaign statement filed under this subsection is waived if a postelection campaign statement has been filed that has a filing deadline within 30 days of the closing date of the campaign statement required by this subsection.

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

(3) A committee, candidate, treasurer, or other individual designated as responsible for the record keeping, report preparation, or report filing for a candidate committee of a candidate for state elective office or a judicial office who fails to file a campaign statement under this section shall be assessed a late filing fee. If the committee has raised \$10,000.00 or less during the previous 2 years, the late filing fee is \$25.00 for each business day the campaign statement remains unfiled, but not to exceed \$500.00. If the committee has raised more than \$10,000.00 during the previous 2 years, the

late filing fee is \$50.00 for each business day the campaign statement remains unfiled, but not to exceed \$1,000.00. The candidate shall pay the late filing fee assessed under this subsection, and the candidate shall not use committee funds to pay that fee. A committee, treasurer, or other individual designated as responsible for the record keeping, report preparation, or report filing for a committee other than a candidate committee of a candidate for state elective office or a judicial office who fails to file a campaign statement under this section shall pay a late filing fee of \$25.00 for each business day the campaign statement remains not filed in violation of this section. The late filing fee must not exceed \$500.00.

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

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

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

Sec. 44. (1) A person shall not make a contribution to another person with the agreement or arrangement that the person receiving the contribution will then transfer that contribution to a particular candidate committee.

(2) Except as otherwise provided in this section and sections 21a, 45, and 71, a candidate committee shall not make an expenditure or other disbursement except to further the nomination or election of the candidate for which it is formed. A candidate committee shall not make a contribution to or an independent expenditure on behalf of another candidate committee. This subsection does not prohibit the purchase of tickets to another candidate committee's fund-raising event that does not exceed \$100.00 per candidate committee in any calendar year.

(3) An individual, other than a committee treasurer or the individual designated as responsible for the record keeping, report preparation, or report filing for a committee, who obtains possession of a committee's contribution for the purpose of delivering the contribution to another committee shall deliver the contribution to that committee, that committee's treasurer, or that committee's agent, or return the contribution to the payor, not later than 10 business days after obtaining possession of the contribution.

(4) Two or more persons, other than individuals, may hold a joint fund-raiser if the receipts and expenses of the fund-raiser are shared proportionately.

(5) A person who knowingly violates this section is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than \$1,000.00, or both.

Sec. 51. (1) A person, other than a committee, that makes an independent expenditure, advocating the election or defeat of a candidate or the qualification, passage, or defeat of a ballot question, in an amount of \$100.01 or more in a calendar year shall file a report of the independent expenditure, within 10 days after making that independent expenditure, with the clerk of the county of residence of that person. If the independent expenditure advocates the election or defeat of a candidate for state elective office or the qualification, passage, or defeat of a statewide ballot question, or if the person making the independent expenditure is not a resident of this state, the person shall file the report with the secretary of state in lieu of filing with a clerk of a county. The report required under this section must be made on an independent expenditure report form provided by the secretary of state, include the date of the expenditure, a brief description of the nature of the expenditure, the amount, the name and address of the person to whom it was paid, the name and address of the person filing the report, together with the name, address, occupation, employer, and principal place of business of each person that contributed \$100.01 or more to the expenditure, and identify the candidate or ballot question for or against which the independent expenditure was made. The filing official receiving the report shall forward copies, as required, to the appropriate filing officers as described in section 36.

(2) If a person fails to file a report as required under this section, that person shall pay a late filing fee. If the person has made independent expenditures totaling less than \$10,000.00, the late filing fee is \$25.00 for each business day the report remains unfiled, but not to exceed \$1,000.00. If the person has made independent expenditures totaling \$10,000.00 or more, the late filing fee is \$50.00 for each business day the report remains unfiled, but not to exceed \$5,000.00. A person that violates this subsection by failing to file a report required under this section for more than 30 days after the report is required to be filed is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than \$1,000.00, or both.

Sec. 54. (1) Except as otherwise provided in this section and section 55, and except with respect to loans made in the ordinary course of business, a corporation, joint stock company, domestic dependent sovereign, or labor organization shall not make a contribution or expenditure or provide volunteer personal services that are excluded from the definition of a contribution under section 4(3)(a).

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

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

(4) A corporation, joint stock company, domestic dependent sovereign, or labor organization may make a contribution to a ballot question committee or independent expenditure committee subject to this act. A corporation, joint stock company, domestic dependent sovereign, or labor organization may make an independent expenditure in any amount advocating for the election or defeat of a candidate, or the qualification, passage, or defeat of a ballot question and does not for this reason become a committee, unless it solicits or receives contributions in excess of \$500.00 for the purpose of making the independent expenditure, but is subject to the independent expenditure reporting requirements of section 51.

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

Sec. 55. (1) A connected organization may make an expenditure for the establishment or administration of, and solicitation, collection, or transfer of contributions to, a separate segregated fund to be used for political purposes. A separate segregated fund established by a connected organization under this section shall be organized as a political committee or an independent committee, and, in addition to any other disbursements not restricted or prohibited by law, shall only make contributions to, and expenditures on behalf of, candidate committees, ballot question committees, political party committees, political committees, independent expenditure committees, independent committees, and other separate segregated funds.

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

(a) Stockholders of the corporation or company.

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

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

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

(a) Members of the corporation who are individuals.

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

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

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

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

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

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

(b) Officers or directors of the labor organization.

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

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



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

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

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

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

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

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

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

(i) The identity of the individual contributor.

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

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

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

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

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

(9) If a connected organization that obtains contributions for a separate segregated fund from individuals described in subsection (2), (3), (4), or (5) pays to 1 or more of those individuals a bonus or other remuneration for the purpose of reimbursing those contributions, then that connected organization is subject to a civil fine of not more than 2 times the total contributions obtained from all individuals for the separate segregated fund during that calendar year.

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

(11) As used in this section:

(a) "Connected organization" means either of the following:

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

(ii) A member of any entity under subparagraph (i) that is not an individual and that does not maintain its own separate segregated fund, unless its separate segregated fund and the separate segregated fund of the entity of which it is a member are treated as a single independent committee as provided in section 52(10).

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

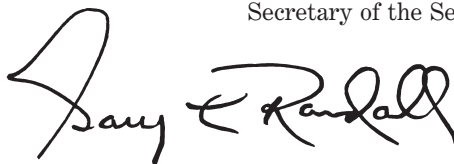


(c) "Written instrument" means a money order, or a check, cashier's check, or other negotiable instrument, as those terms are defined in section 3104 of the uniform commercial code, 1962 PA 174, MCL 440.3104, in the name of the connected organization and payable to the separate segregated fund.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

.....  
Governor