SUBSTITUTE FOR

HOUSE BILL NO. 4446

A bill to amend 1976 PA 388, entitled

"Michigan campaign finance act,"

by amending sections 4, 5, 6, 9, 12, 21, 24, 26, 34, 35, 41, 51, 54, and 55 (MCL 169.204, 169.205, 169.206, 169.209, 169.212, 169.221, 169.224, 169.226, 169.234, 169.235, 169.241, 169.251, 169.254, and 169.255), sections 4, 9, 24, 26, 35, 51, 54, and 55 as amended by 2017 PA 119, sections 5 and 41 as amended by 1999 PA 237, section 6 as amended by 2018 PA 607, section 12 as amended by 2001 PA 250, section 21 as amended by 2015 PA 269, and section 34 as amended by 2012 PA 277.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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, **or for mailing or shipping of an item or prize purchased under section 55(8) for 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. 5. (1) "Domestic dependent sovereign" means an Indian tribe that has been acknowledged, recognized, restored, or reaffirmed as an Indian tribe by the secretary of the interior pursuant to ~~chapter 576, 48 Stat. 984, 25 U.S.C. 461 to 463, 464 to 465, 466 to 470, 471 to 472, 473, 474 to 475, 476 to 478, and 479,~~ **25 USC 5101 to 5144,** commonly referred to as the Indian reorganization act, or has otherwise been acknowledged by the United States government as an Indian tribe.

(2) "Election" means a primary, general, special, or millage election held in this state or a convention or caucus of a political party held in this state to nominate a candidate. Election includes a recall vote.

(3) "Election cycle" means 1 of the following:

(a) For a general election, the period beginning the day following the last general election in which the office appeared on the ballot and ending on the day of the general election in which the office next appears on the ballot.

(b) For a special election, the period beginning the day a special general election is called or the date the office becomes vacant, whichever is earlier, and ending on the day of the special general election.

(4) "Elective office" means a public office filled by an election. ~~A person~~ **An individual** who is appointed to fill a vacancy in a public office that is ordinarily elective holds an elective office. Elective office does not include the office of precinct delegate. Except for the purposes of sections 47, 54, and 55, elective office does not include a school board member in a school district that has a pupil membership of 2,400 or less enrolled on the most recent pupil membership count day. However, elective office includes a school board member in a school district that has a pupil membership of 2,400 or less, if a candidate committee of a candidate for the office of school board member in that school district receives an amount in excess of $1,000.00 or expends an amount in excess of $1,000.00. Elective office does not include a federal office except for the purposes of section 57.

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, **or for mailing or shipping of an item or prize purchased under section 55(8) for 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 168.523a, 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, **but not limited to**, the purchase of tickets to charitable or civic events, **as long as the candidate is not an officer or director of or does not receive compensation, either directly or indirectly, from that organization**.

(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~~ **under** 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. 12. (1) "Qualifying contribution" means a contribution of money made by a written instrument, **credit card, or debit card** by an individual to the candidate committee of a candidate for the office of governor that is $100.00 or less and made after April 1 of the year preceding a year in which a governor is to be elected. Not more than $100.00 of an individual's total aggregate contribution may be used as a qualifying contribution in a calendar year. Qualifying contribution does not include a subscription, loan, advance, deposit of money, in-kind contribution or expenditure, or anything else of value except as prescribed in this act. Qualifying contribution does not include a contribution by an individual who resides outside of this state. For purposes of this subsection, an individual is considered to reside in this state if he or she is considered a resident of this state under the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(2) "Senate political party caucus committee" means an independent committee established by a political party caucus of the state senate under section 24a.

(3) "State elective office" means a statewide elective office or the office of state legislator.

(4) "Statewide elective office" means the office of governor, lieutenant governor, secretary of state, or attorney general, justice of the supreme court, member of the state board of education, regent of the ~~university~~ **University** of Michigan, member of the board of trustees of Michigan ~~state university,~~ **State University**, or member of the board of governors of Wayne ~~state university.~~**State University**.

Sec. 21. (1) A candidate, within 10 days after becoming a candidate, shall form a candidate committee. ~~A person~~ **An individual** who is a candidate for more than 1 office shall form a candidate committee for each office for which the ~~person~~ **individual** is a candidate, if at least 1 of the offices is a state elective office. A candidate shall not form more than 1 candidate committee for each office for which the ~~person~~ **individual** is a candidate.

(2) A candidate committee ~~shall~~ **must** have a treasurer who is a qualified elector of this state. A candidate may appoint himself or herself as the candidate committee treasurer.

(3) A committee other than a candidate committee ~~shall~~ **must**

have a treasurer who is a qualified elector of this state if the committee conducts business through an office or other facility located in this state.

(4) If a committee is not required to have as its treasurer an individual who is a qualified elector of this state, the committee may have as its treasurer an individual who is a resident of another state. A committee with a nonresident treasurer shall file, with its statement of organization, an irrevocable written stipulation, signed by the treasurer, agreeing that legal process affecting the committee, served on the secretary of state or an agent designated by the secretary of state, has the same effect as if personally served on the committee. This appointment remains in force as long as any liability of the committee remains outstanding within this state.

(5) If the secretary of state or designated agent of the secretary of state is served with legal process ~~pursuant to~~ **under** subsection (4), the secretary of state shall promptly notify the committee's treasurer by certified mail at the last known address of the committee shown on the committee's statement of organization.

(6) Except as provided by law, a candidate committee or a committee described in subsection (3) shall have 1 account in a financial institution ~~in this state~~ as an official depository ~~for the purpose of depositing~~ **to deposit** all contributions received by the committee in the form of or which are converted to money, checks, or other negotiable instruments and ~~for the purpose of making~~ **to make** all expenditures. The committee shall designate that financial institution as its official depository. The establishment of an account in a financial institution is not required until the

committee receives a contribution or makes an expenditure. ~~Secondary~~ **Candidate committees shall only use secondary** depositories ~~shall be used for the sole purpose of depositing~~ **to deposit** contributions and promptly ~~transferring~~ **transfer** the deposits to the committee's official depository**, or to deposit the proceeds of a joint fund-raiser under section 44(4) and transfer each committee's share of any receipts from the joint fund-raiser. A committee described in subsection (3) shall only use secondary depositories for any of the following:**

(a) To deposit contributions and promptly transfer the deposits to the committee's official depository.

(b) To deposit the proceeds of a joint fund-raiser under section 44(4) and transfer each committee's share of any receipts from the joint fund-raiser.

(c) To deposit, divide, and transfer contributions that are aggregated with dues or other payments.

(7) Except as provided by law, a committee described in subsection (4) shall have 1 account in a financial institution as its official depository ~~for the purpose of depositing~~ **to deposit** all contributions received by the committee in the form of or which are converted to money, checks, or other negotiable instruments and ~~for the purpose of making~~ **to make** all expenditures. The committee shall designate that financial institution as its official depository. The establishment of an account in a financial institution is not required until the committee receives a contribution or makes an expenditure. ~~Secondary~~ **A committee described in subsection (4) shall only use secondary** depositories ~~shall be used only for the purposes of depositing~~ **for any of the following:**

(a) To deposit contributions and promptly ~~transferring~~ **transfer** the deposits to the committee's official depository. ~~, or depositing, dividing, and transferring~~

(b) To deposit the proceeds of a joint fund-raiser under section 44(4) and transfer each committee's share of any receipts from the joint fund-raiser.

(c) To deposit, divide, and transfer contributions that are aggregated with dues or other payments.

(8) A **committee shall not accept a** contribution ~~shall not be accepted and~~ **or make** an expenditure ~~shall not be made by a~~ **if that** committee ~~that~~ does not have a treasurer. When the office of treasurer in a candidate committee is vacant, the candidate ~~shall be~~ **is** the treasurer until the candidate appoints a new treasurer.

(9) ~~An~~ **A committee shall not make an** expenditure ~~shall not be made by a committee~~ without the authorization of the treasurer or the treasurer's designee. The contributions received or expenditures made by a candidate or an agent of a candidate are considered received or made by the candidate committee.

(10) Contributions received by an individual acting in behalf of a committee ~~shall~~ **must** be reported promptly to the committee's treasurer not later than 5 days before the closing date of any campaign statement required to be filed by the committee, and ~~shall~~ **must** be reported to the committee treasurer immediately if the contribution is received less than 5 days before the closing date.

(11) A contribution is considered received by a committee when it is received by the committee treasurer or a designated agent of the committee treasurer although the contribution may not be deposited in the official depository by the reporting deadline.

(12) Contributions received by a committee ~~shall~~ **must** not be

commingled with other funds of an agent of the committee or of any other person. Contributions are not considered to be commingled if that contribution is either of the following:

(a) A contribution received by a person for transmission to a separate segregated fund as described in section 55(7).

(b) A contribution made by 1 or more persons through a person if all of the following are met:

(*i*) The individual contribution or aggregated contribution is accompanied by or logically associated with all information required under section 26 for each individual contributor.

(*ii*) The person making the contribution is the original source of the contribution.

(*iii*) The contribution is not obtained through use of coercion or physical force, as a condition of employment or membership, or by using or threatening to use job discrimination or financial reprisals.

(*iv*) Only the person making the contribution exercises any control over the making of, or the amount or recipient of, the contribution.

(*v*) The contribution is not otherwise prohibited by this act.

(13) A person that violates this section is subject to a civil fine of not more than $1,000.00.

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 **supreme court** 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, **an independent expenditure 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~~ **December 31, 2019** is considered an independent expenditure committee. The secretary of state may amend the statement of organization for any committee

affected by this subsection.

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.

(7) For a reporting period in which a connected organization of a separate segregated fund makes a payment for a prize or 1 or more items authorized under section 55(8), the separate segregated fund shall report all of the following, as applicable:

(a) The amount of any payment of costs for a prize, the value of the prize, the amount raised by the prize, and the amount, if any, reimbursed to the connected organization by the separate segregated fund for the prize.

(b) The amount per item of any payment of costs for items to be sold or offered in return for a contribution as part of fundraising activities for the separate segregated fund, the amount per item that each item is offered at or offered for sale at, the value of each item, the aggregate amount paid for those items, and the amount, if any, reimbursed to the connected organization by the separate segregated fund for any items. If 1 or more of the same items are sold or offered in return for a contribution, a report by item type satisfies the reporting requirement under this subdivision.

(8) As used in subsection (7), "value" means the regular purchase price offered by the vendor from whom an item is purchased, less any customary discount offered based on the number of items purchased in the same transaction.

Sec. 34. (1) A ballot question committee shall file a campaign statement as required by this act according to the following schedule:

(a) A preelection campaign statement, the closing date of which ~~shall be~~ **is** the sixteenth day before the election, ~~shall~~ **must** not be filed later than the eleventh day before the election.

(b) A postelection campaign statement, the closing date of which ~~shall be~~ **is** the twentieth day following the election, ~~shall~~ **must** not be filed later than the thirtieth day following an election. If all liabilities of the 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) Campaign statements not later than the following dates every year:

~~(*i*) February 15 with a closing date of February 10 of that year.~~

(i) ~~(*ii*)~~ April 25 with a closing date of April 20 of that year.

(ii) ~~(*iii*)~~ July 25 with a closing date of July 20 of that year.

(d) In every odd numbered year, a campaign statement not later than October 25 with a closing date of October 20 of that year.

(2) A ballot question committee supporting or opposing a statewide ballot question shall file a campaign statement, of which the closing date ~~shall be~~ **is** the twenty-eighth day after the filing of the petition form, not later than 35 days after the petition form is filed under section 483a of the Michigan election law, 1954 PA 116, MCL 168.483a.

(3) If a ballot question committee supporting or opposing a statewide ballot question fails to file a preelection statement under this section, that committee or its treasurer shall pay a

late filing fee for each business day the statement remains not filed in violation of this section, not to exceed $1,000.00, pursuant to the following schedule:

(a) First day--$25.00.

(b) Second day--$50.00.

(c) Third day--$75.00.

(d) Fourth day and for each subsequent day that the statement remains unfiled--$100.00.

(4) If a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing of a ballot question committee supporting or opposing a statewide ballot question fails to file a statement, other than a preelection statement, under this section, that committee, treasurer, or other designated individual 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 ~~shall be~~ **is** $25.00 for each business day the campaign statement remains unfiled, but not to exceed $1,000.00. If the committee has raised more than $10,000.00 during the previous 2 years, the late filing fee ~~shall be~~ **is** $50.00 for each business day the campaign statement remains unfiled, but not to exceed $2,000.00.

(5) If a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing of a ballot question committee supporting or opposing other than a statewide ballot question fails to file a statement under this section, that committee, treasurer, or other designated individual 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 ~~shall be~~ **is** $25.00 for each business day the campaign statement

remains unfiled, but not to exceed $1,000.00. If the committee has raised more than $10,000.00 during the previous 2 years, the late filing fee ~~shall be~~ **is** $50.00 for each business day the campaign statement remains unfiled, but not to exceed $2,000.00.

(6) If a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing of a ballot question committee fails to file a statement as required by subsection (1) or (2) for more than 7 days, that 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.

(7) If a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing of a ballot question committee knowingly files an incomplete or inaccurate statement or report required by this section, that treasurer or other designated individual is subject to a civil fine of not more than $1,000.00 or the amount of the undisclosed contribution, whichever is greater.

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) A separate segregated fund filing a campaign statement under this section shall report on the campaign statement the number of items for each item type sold or offered in exchange for a contribution for fundraising purposes where a connected organization paid any costs of the item under section 55(8) during the previous calendar year.

(6) ~~(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.

(7) ~~(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. 41. (1) A person shall not make or accept a single contribution of more than $20.00 in cash or make or accept a single expenditure of more than $50.00 in cash. Contributions of more than $20.00 and expenditures of more than $50.00, other than an in-kind contribution or expenditure, ~~shall~~ **must** be made by written instrument, ~~containing the names of the payor and the payee.~~**credit card, or debit card.**

(2) A person shall not accept or expend an anonymous contribution. An anonymous contribution received by a person ~~shall~~ **must** not be deposited but ~~shall~~ **must** be given to a tax exempt charitable organization. The charitable organization receiving the contribution shall provide the person with a receipt. The receipt ~~shall~~ **must** be retained by an appropriate committee pursuant to section 22.

(3) A contribution ~~shall~~ **must** not be made, directly or indirectly, by any person in a name other than the name by which that person is identified for legal purposes.

(4) A person who knowingly violates this section is guilty of a misdemeanor punishable, if the person is an individual, by a fine of not more than $1,000.00 or imprisonment for not more than 90 days, or both, or, if the person is other than an individual, by a fine of not more than $10,000.00.

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 for judicial office**, or **for** 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~~ **a** 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,~~ **for which it is not a connected organization as provided in section 55** constitutes an in-kind contribution by the corporation and is prohibited under this section. Advanced payment or reimbursement to a corporation by a **nonconnected** 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 connected organization may also pay actual costs related to mailing or shipping of an item or prize purchased under section 55(8) for its separate segregated fund**. A separate segregated fund established by a connected organization under this section ~~shall~~ **must** be organized as a political committee or an independent committee, and, in addition to any other disbursements not restricted or prohibited by law, ~~shall~~ **must** 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. **Affirmative consent expires upon revocation by the individual who provided the affirmative consent.**

(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~~ **a** connected organization **of the separate segregated fund**, for subsequent transfer to the separate segregated fund if all of the following occur:

(a) ~~The~~ **For contributions that are aggregated with dues or**

other payments, 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, **for deposit** 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.~~**reports all information required under section 26 for each individual contributor, and a transfer of contributions for deposit to the separate segregated fund by a connected organization described in subsection (12)(a)(*ii*) must be accompanied by or logically associated with a record or electronic record that sets forth all required information for each individual whose contribution is transferred.**

(d) The connected organization and the separate segregated fund ~~adopt~~ **have** 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) In addition to any other expenditures or disbursements allowed under subsection (1), a connected organization may make an in-kind contribution to pay costs for a prize, or 1 or more items to be sold or offered in exchange for a contribution, as part of fundraising activities for the separate segregated fund. Any in-kind contribution for payment of costs by the connected organization for a prize or per individual item to be sold or offered in exchange for a contribution must not be disproportionately valuable related to the amount raised by that prize or the amount to be raised or contributed per individual item

sold or offered. It is not a violation of this subsection if the connected organization makes an in-kind contribution for a payment of costs under this subsection that is disproportionately valuable and the separate segregated fund reimburses at least the impermissible portion to the connected organization within 60 days of the payment, or as directed by the secretary of state under section 15. An in-kind contribution for a payment of costs under this subsection is not disproportionately valuable if both of the following apply:

(a) The in-kind contribution is equal to or less than $5.00 per prize or per individual item to be sold or offered in exchange for a contribution.

(b) The in-kind contribution is equal to or less than 10% of the total amount raised by the prize, or if the payment of costs per item sold or offered in exchange for a contribution is equal to or less than 10% of the amount to be raised per individual item sold or offered.

(9) ~~(8)~~ Except as otherwise provided in ~~subsection (10),~~ **subsections (8) and (11),** 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.

(10) ~~(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.

(11) ~~(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),~~ **(9)**, 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)~~ **(9)** 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).

(12) ~~(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.