

HOUSE BILL NO. 6268

June 22, 2022, Introduced by Reps. Howell and Brixie and referred to the Committee on Regulatory Reform.

A bill to amend 1976 PA 388, entitled
"Michigan campaign finance act,"
(MCL 169.201 to 169.282) by adding sections 29a and 29b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 29a. (1) Subject to this section, a 527 organization
2 shall file a legibly printed or typed financial statement with the
3 department of licensing and regulatory affairs. The period covered
4 by a financial statement is the period beginning with the day after
5 the closing date of the most recent financial statement filed under

1 this act and ending with the closing date of the financial
2 statement in question. If the 527 organization has not previously
3 filed a financial statement, the period covered begins on the date
4 on which the 527 organization was formed.

5 (2) A 527 organization shall file financial statements as
6 required by this section on the following dates each year:

7 (a) Not later than January 31 with a closing date of December
8 31.

9 (b) Not later than July 31 with a closing date of June 30.

10 (3) A 527 organization shall include in a financial statement
11 under this section all of the following information:

12 (a) The full name and street address of each person from whom
13 contributions are received and, if the person is a committee, the
14 full name of the committee treasurer, the amount, and the date or
15 dates contributed. The occupation, employer, and principal place of
16 business, if any, must be listed for each person from whom
17 contributions totaling more than \$100.00 are received in a calendar
18 year.

19 (b) If the financial statement reports the receipt of a
20 contribution from a committee or person whose treasurer does not
21 reside in, whose principal office is not located in, or whose money
22 is not kept in this state, and whose committee has not filed a
23 statement of organization as required in section 24, the full name
24 and address of the treasurer of the committee.

25 (c) The filer's name, address, and telephone number, if
26 available, if any, and the full name, address, and telephone
27 number, if available, of the 527 organization's treasurer.

28 (d) An itemized list of all expenditures, including in-kind
29 contributions and expenditures and loans, made during the period

1 covered by the financial statement that were \$100.00 or greater.

2 (4) A 527 organization is not required to file a financial
3 statement under this section unless it received or expended an
4 amount in excess of \$5,000.00 in the past year. If the 527
5 organization receives or expends an amount in excess of \$5,000.00
6 during a period covered by a filing, the 527 organization is then
7 subject to financial statement filing requirements under this
8 section.

9 (5) If a 527 organization fails to file a financial statement
10 required under this section, the 527 organization shall pay a late
11 filing fee. If the 527 organization has raised \$10,000.00 or less
12 during the previous 2 years, the late filing fee is \$25.00 for each
13 business day the financial statement remains unfiled, not to exceed
14 \$500.00. If the 527 organization has raised more than \$10,000.00 in
15 the previous 2 years, the late filing fee must not exceed
16 \$1,000.00, determined as follows:

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

19 (b) An additional \$25.00 for each business day after the first
20 3 business days the report remains unfiled.

21 (c) An additional \$50.00 for each business day after the first
22 10 business days the report remains unfiled.

23 (6) If a 527 organization fails to file 2 financial statements
24 required under this section and both of those financial statements
25 remain unfiled for more than 30 days, the 527 organization may be
26 ordered to pay a civil fine of not more than \$1,000.00.

27 (7) If a 527 organization knowingly files an incomplete or
28 inaccurate financial statement required under this section, the 527
29 organization may be ordered to pay a civil fine of not more than

1 \$1,000.00.

2 (8) If a 527 organization knowingly omits or underreports
3 individual contributions or individual expenditures required to be
4 disclosed under this act, the 527 organization may be ordered to
5 pay a civil fine of not more than \$1,000.00 or the amount of the
6 contributions and expenditures omitted or underreported, whichever
7 is greater.

8 (9) If a 527 organization has a balance of \$20,000.00 or more
9 and the 527 organization fails to file financial statements
10 required under this act for 2 consecutive years, the 527
11 organization may be ordered to pay a civil fine of not more than
12 \$5,000.00.

13 (10) The department of the attorney general or the prosecuting
14 attorney of the county in which the 527 organization is located may
15 bring an action to recover a civil fine for a violation of this
16 section.

17 Sec. 29b. (1) Subject to this section, a 501(c)(4)
18 organization shall file a legibly printed or typed financial
19 statement with the department of licensing and regulatory affairs.
20 The period covered by a financial statement is the period beginning
21 with the day after the closing date of the most recent financial
22 statement filed under this act and ending with the closing date of
23 the financial statement in question. If the 501(c)(4) organization
24 has not previously filed a financial statement, the period covered
25 begins on the date on which the 501(c)(4) organization was formed.

26 (2) A 501(c)(4) organization shall file financial statements
27 as required by this section on the following dates each year:

28 (a) Not later than January 31 with a closing date of December
29 31.

1 (b) Not later than July 31 with a closing date of June 30.

2 (3) A 501(c)(4) organization shall include in a financial
3 statement under this section all of the following information:

4 (a) The full name and street address of each person from whom
5 donations are received and, if the person is a committee, the full
6 name of the committee treasurer, the amount, and the date or dates
7 donated. The occupation, employer, and principal place of business,
8 if any, must be listed for each person from whom donations totaling
9 more than \$100.00 are received in a calendar year.

10 (b) If the financial statement reports the receipt of a
11 donation from a committee or person whose treasurer does not reside
12 in, whose principal office is not located in, or whose money is not
13 kept in this state, and whose committee has not filed a statement
14 of organization as required in section 24, the full name and
15 address of the treasurer of the committee.

16 (c) The filer's name, address, and telephone number, if
17 available, if any, and the full name, address, and telephone
18 number, if available, of the 501(c)(4) organization's treasurer.

19 (d) An itemized list of all disbursements, including in-kind
20 donations and disbursements and loans, made during the period
21 covered by the financial statement that were \$100.00 or greater.

22 (4) A 501(c)(4) organization is not required to file a
23 financial statement under this section unless it received or
24 expended an amount in excess of \$5,000.00 in the past year. If the
25 501(c)(4) organization receives or expends an amount in excess of
26 \$5,000.00 during a period covered by a filing, the 501(c)(4)
27 organization is then subject to financial statement filing
28 requirements under this section.

29 (5) If a 501(c)(4) organization fails to file a financial

1 statement required under this section, the 501(c)(4) organization
2 shall pay a late filing fee. If the 501(c)(4) organization has
3 raised \$10,000.00 or less during the previous 2 years, the late
4 filing fee is \$25.00 for each business day the financial statement
5 remains unfiled, not to exceed \$500.00. If the 501(c)(4)
6 organization has raised more than \$10,000.00 in the previous 2
7 years, the late filing fee must not exceed \$1,000.00, determined as
8 follows:

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

11 (b) An additional \$25.00 for each business day after the first
12 3 business days the report remains unfiled.

13 (c) An additional \$50.00 for each business day after the first
14 10 business days the report remains unfiled.

15 (6) If a 501(c)(4) organization fails to file 2 financial
16 statements required under this section and both of those financial
17 statements remain unfiled for more than 30 days, the 501(c)(4)
18 organization may be ordered to pay a civil fine of not more than
19 \$1,000.00.

20 (7) If a 501(c)(4) organization knowingly files an incomplete
21 or inaccurate financial statement required under this section, the
22 501(c)(4) organization may be ordered to pay a civil fine of not
23 more than \$1,000.00.

24 (8) If a 501(c)(4) organization knowingly omits or
25 underreports individual contributions or individual disbursements
26 required to be disclosed under this act, the 501(c)(4) organization
27 may be ordered to pay a civil fine of not more than \$1,000.00 or
28 the amount of the contributions and disbursements omitted or
29 underreported, whichever is greater.

1 (9) If a 501(c)(4) organization has a balance of \$20,000.00 or
2 more and the 501(c)(4) organization fails to file financial
3 statements required under this act for 2 consecutive years, the
4 501(c)(4) organization may be ordered to pay a civil fine of not
5 more than \$5,000.00.

6 (10) The department of the attorney general or the prosecuting
7 attorney of the county in which the 501(c)(4) organization is
8 located may bring an action to recover a civil fine for a violation
9 of this section.

10 Enacting section 1. This amendatory act does not take effect
11 unless Senate Bill No. _____ or House Bill No. 6269 (request no.
12 05731'22) of the 101st Legislature is enacted into law.