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BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909

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Senate Bill 582

Sponsor: Senator William Sederburg

Committee: Finance

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SUMMARY OF SENATE BILL 582 as introduced 10-10-89:

The bill would amend the Campaign Finance Act to limit the time during which certain candidates may accept contributions; require elected officials to report honoraria; require the reporting of all contributions; limit the disposition of officeholder expense funds (OEFs) upon dissolution of an OEF; and repeal a portion of the Bingo Act. The bill would take effect January 1, 1991. Following is a detailed description of the bill.

Contribution Schedule

The bill provides that a candidate for State elective office could accept contributions from an independent committee or a political committee only from April 1 through December 31 of a year in which a general November election was held. A candidate for State elective office in a special election (to fill a vacancy) could accept contributions from an independent committee or a political committee only during the election cycle for the special election. Currently, independent and political committees may contribute to a candidate at any time during any year, although there are limits on how much they may contribute during an election cycle. (For a general election, the election cycle is the period beginning the day after the last general election and ending on the day in which the office next appeared on the ballot; the special election cycle is the period beginning the day a special election was scheduled or the date the office became vacant, whichever was earlier, and ending the day of the election.) The bill would not restrict the time during which a political party committee may contribute to a candidate for State elective office, or the time when individual contributions may be accepted.

Honoraria

The bill states that an elected public official could receive an honorarium, and would define "honorarium" as a payment of money or anything of value in excess of \$100 received by an elected public official, if received as consideration for an appearance, speech, or article. An honorarium would not include reimbursement for the cost of transportation, accommodations, or meals for an elected public official and his or her immediate family and staff.

An elected public official would be required to report honoraria before January 31 each year (with a closing date of December 31 each year), on a form provided by the Secretary of State. The form would have to include a space for an elected public official to report whether an honorarium was contributed to a tax-exempt charitable organization on behalf of the public official.

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The bill specifies that an honorarium would not be considered a contribution. (An elected public official, then, would not be required to report honoraria in the same manner that other contributions must be reported under the Act.)

A person who knowingly violated this section of the bill would be guilty of a misdemeanor punishable by a fine of up to \$1,000, imprisonment for up to 90 days, or both.

OEFs

Currently, a person who has unspent funds in a candidate committee may transfer those funds to another candidate committee of that person, if the contribution limits of the committee receiving the funds are equal to or greater than the contribution limits of the original committee, and if the candidate committees are simultaneously held by the same person. (In other words, an elected official who wants to run for another office, that is considered an equal or higher office in terms of contribution limits, may transfer funds from his or her candidate committee to the new candidate committee.) The bill would allow a similar transfer of a person's OEF.

Currently, unspent campaign committee funds that are not eligible for transfer to another candidate committee must be given to a political party committee or a tax-exempt charitable institution, or returned to the contributors upon termination of a campaign committee. The bill would require a person's OEF to be disposed of in the same manner.

Contribution Reporting

Under the Act, campaign statements and other required reports must include the name, address, and amount given of individuals who contribute over \$20, and the occupation, employer, and principal place of business of individuals who contribute over \$200. Disclosure of the source of contributions of \$20 or less is not required. The bill would require that an individual's name, address, and amount given be reported for any amount contributed, and that an individual's occupation, employer, and principal place of business be reported if an individual contributed over \$100.

Committee Name

The bill would require that the name of a committee include the name of the person or persons who sponsored the committee, or the name of the persons with whom the committee was affiliated. A person, other than an individual or a committee, would be considered a sponsor or affiliated with a committee if the person established, directed, controlled, or financially supported the administration of the committee. "Financially supported" would not include making a contribution to a committee. (Under the Act, "person" can mean a business, individual, proprietorship, firm, partnership, labor organization, company, corporation, association, committee, or any organization or group of persons acting jointly.)

Notify Contributors of Expenditures

The bill would require independent committees and political committees to notify each contributor of the disbursement of committee funds to candidate committees,

ballot question committees, and independent expenditures. The notice would have to be delivered by December 31 each year, and contain the following information:

- If an expenditure were made to a candidate committee, the name of the candidate and the office sought by the candidate.
- If an expenditure were made to a ballot question committee, the name of the ballot question committee.
- If an expenditure were an independent expenditure, whether the expenditure supported or opposed a candidate or a ballot question.

Bingo

Section 19 of the Bingo Act states that any law, other than the Bingo Act, that provides a penalty for a person who conducts or participates in, sells or possesses equipment used in, or allows to be conducted on his or her premises, a bingo game, millionaire party, or charity game, does not apply to such conduct when done pursuant to the Bingo Act. The bill would repeal Section 19.

MCL 169.204 et al.

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have minimal fiscal impact on the State and no fiscal impact on local units of government. Minimal administration costs would be incurred by the Department of State under this bill.

Fiscal Analyst: F. Sanchez

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.