

# HOUSE BILL No. 6081

September 17, 1992, Introduced by Rep. Kosteva and referred to the Committee on House Oversight.

A bill to amend section 49 of Act No. 388 of the Public Acts of 1976, entitled  
"Michigan campaign finance act,"  
being section 169.249 of the Michigan Compiled Laws; and to add section 50.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 49 of Act No. 388 of the Public Acts of  
2 1976, being section 169.249 of the Michigan Compiled Laws, is  
3 amended and section 50 is added to read as follows:

4       Sec. 49. (1) ~~An~~ SUBJECT TO SUBSECTION (3), AN elected  
5 public official may establish an officeholder expense fund. The  
6 fund may be used for expenses incidental to the person's office.  
7 The fund ~~may~~ SHALL not be used to make contributions and  
8 expenditures to further the nomination or election of that public  
9 official.

1       (2) The contributions and expenditures made pursuant to  
2 subsection (1) are not exempt from the contribution limitations  
3 of this act, but ~~any and all~~ THE contributions and expenditures  
4 shall be recorded and shall be reported on forms provided by the  
5 secretary of state and filed not later than January 31 of each  
6 year. ~~and~~ THE REPORT shall have a closing date of January 1 of  
7 that year.

8       (3) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT  
9 THAT ADDED SECTION 50, AN ELECTED PUBLIC OFFICIAL SHALL NOT  
10 ESTABLISH AN OFFICEHOLDER EXPENSE FUND. AN ELECTED PUBLIC OFFI-  
11 CIAL WHO HAS AN OFFICEHOLDER EXPENSE FUND ON THAT DATE SHALL NOT  
12 ACCEPT CONTRIBUTIONS TO THE OFFICEHOLDER EXPENSE FUND ON OR AFTER  
13 THAT DATE UNLESS THE CONTRIBUTION IS NECESSARY TO PAY A DEBT  
14 INCURRED BY THE OFFICEHOLDER BEFORE THAT DATE. BEFORE JANUARY 1,  
15 1993, UNEXPENDED FUNDS IN AN OFFICEHOLDER EXPENSE FUND SHALL BE  
16 DISBURSED IN 1 OF THE FOLLOWING WAYS:

17       (A) GIVEN TO A TAX-EXEMPT CHARITABLE ORGANIZATION.

18       (B) RETURNED TO THE CONTRIBUTORS OF THE OFFICEHOLDER EXPENSE  
19 FUND.

20       (C) CONTRIBUTED TO A POLITICAL PARTY COMMITTEE OR AN INDE-  
21 PENDENT COMMITTEE, IF THE OFFICEHOLDER EXPENSE FUND DID NOT  
22 RECEIVE CORPORATE FUNDS.

23       (D) TRANSFERRED TO A LEGISLATIVE BUSINESS ACCOUNT ESTAB-  
24 LISHED BY THE ELECTED PUBLIC OFFICIAL UNDER SECTION 50.

25       (4) ~~(3)~~ A person who knowingly violates this section is  
26 guilty of a misdemeanor, ~~and shall be punished~~ PUNISHABLE by a

1 fine of not more than \$1,000.00 or ~~imprisoned~~ IMPRISONMENT for  
2 not more than 90 days, or both.

3 SEC. 50. (1) A PERSON HOLDING ELECTIVE OFFICE MAY ESTABLISH  
4 A LEGISLATIVE BUSINESS ACCOUNT BY OPENING 1 ACCOUNT IN A FINAN-  
5 CIAL INSTITUTION IN THIS STATE THAT IS SEPARATE FROM THE ACCOUNT  
6 FOR THE ELECTED OFFICIAL'S CANDIDATE COMMITTEE. A PERSON HOLDING  
7 ELECTIVE OFFICE WHO ESTABLISHES A LEGISLATIVE BUSINESS ACCOUNT  
8 SHALL MAINTAIN THE LEGISLATIVE BUSINESS ACCOUNT AS PROVIDED IN  
9 THIS SECTION.

10 (2) SUBJECT TO THIS SECTION, A PERSON HOLDING ELECTIVE  
11 OFFICE MAY ACCEPT CONTRIBUTIONS FOR DEPOSIT INTO HIS OR HER LEG-  
12 ISLATIVE BUSINESS ACCOUNT. A PERSON HOLDING ELECTIVE OFFICE  
13 SHALL NOT ACCEPT CONTRIBUTIONS FROM A CORPORATION FOR DEPOSIT  
14 INTO HIS OR HER LEGISLATIVE BUSINESS ACCOUNT. A PERSON HOLDING  
15 ELECTIVE OFFICE MAY TRANSFER FUNDS INTO HIS OR HER LEGISLATIVE  
16 BUSINESS ACCOUNT FROM HIS OR HER OFFICEHOLDER EXPENSE FUND AS  
17 PROVIDED IN SECTION 49. A PERSON HOLDING ELECTIVE OFFICE SHALL  
18 NOT TRANSFER FUNDS INTO HIS OR HER LEGISLATIVE BUSINESS ACCOUNT  
19 FROM HIS OR HER CANDIDATE COMMITTEE.

20 (3) SUBJECT TO THIS SECTION, A PERSON MAY MAKE A CONTRIBU-  
21 TION FOR DEPOSIT INTO A LEGISLATIVE BUSINESS ACCOUNT UNDER THIS  
22 SECTION. A CORPORATION SHALL NOT MAKE A CONTRIBUTION FOR DEPOSIT  
23 INTO A LEGISLATIVE BUSINESS ACCOUNT UNDER THIS SECTION.  
24 NOTWITHSTANDING THE CONTRIBUTION LIMITS CONTAINED IN SECTIONS 52  
25 AND 69, A PERSON SHALL NOT MAKE CONTRIBUTIONS FOR DEPOSIT INTO  
26 THE LEGISLATIVE BUSINESS ACCOUNT ESTABLISHED BY A PERSON HOLDING

1 STATE ELECTIVE OFFICE DURING AN ELECTION CYCLE THAT EXCEED THE  
2 FOLLOWING AMOUNTS, AS APPLICABLE:

3 (A) TO THE LEGISLATIVE BUSINESS ACCOUNT OF A PERSON HOLDING  
4 STATE ELECTIVE OFFICE OTHER THAN A STATE SENATOR OR STATE REPRE-  
5 SENTATIVE, THE FOLLOWING AMOUNT, AS APPLICABLE:

6 (i) CONTRIBUTIONS BY A PERSON OTHER THAN AN INDEPENDENT COM-  
7 MITTEE OR A POLITICAL PARTY COMMITTEE, \$1,700.00.

8 (ii) CONTRIBUTIONS BY AN INDEPENDENT COMMITTEE OR A POLITI-  
9 CAL PARTY COMMITTEE OTHER THAN A STATE CENTRAL COMMITTEE,  
10 \$17,000.00.

11 (iii) CONTRIBUTIONS BY A STATE CENTRAL COMMITTEE OF A POLIT-  
12 ICAL PARTY, \$34,000.00.

13 (B) TO THE LEGISLATIVE BUSINESS ACCOUNT OF A STATE SENATOR,  
14 THE FOLLOWING AMOUNT, AS APPLICABLE:

15 (i) CONTRIBUTIONS BY A PERSON OTHER THAN AN INDEPENDENT COM-  
16 MITTEE OR A POLITICAL PARTY COMMITTEE, \$500.00.

17 (ii) CONTRIBUTIONS BY AN INDEPENDENT COMMITTEE OR A POLITI-  
18 CAL PARTY COMMITTEE OTHER THAN A STATE CENTRAL COMMITTEE,  
19 \$5,000.00.

20 (iii) CONTRIBUTIONS BY A STATE CENTRAL COMMITTEE OF A POLIT-  
21 ICAL PARTY, \$10,000.00.

22 (C) TO THE LEGISLATIVE BUSINESS ACCOUNT OF A STATE REPRES-  
23 ENTATIVE, THE FOLLOWING AMOUNT, AS APPLICABLE:

24 (i) CONTRIBUTIONS BY A PERSON OTHER THAN AN INDEPENDENT COM-  
25 MITTEE OR A POLITICAL PARTY COMMITTEE, \$250.00.

1       (ii) CONTRIBUTIONS BY AN INDEPENDENT COMMITTEE OR A  
2 POLITICAL PARTY COMMITTEE OTHER THAN A STATE CENTRAL COMMITTEE,  
3 \$2,500.00.

4       (iii) CONTRIBUTIONS BY A STATE CENTRAL COMMITTEE OF A POLIT-  
5 ICAL PARTY, \$5,000.00.

6       (4) A PERSON HOLDING ELECTIVE OFFICE SHALL MAKE ONLY THE  
7 FOLLOWING DISBURSEMENTS FROM HIS OR HER LEGISLATIVE BUSINESS  
8 ACCOUNT:

9       (A) A PAYMENT FOR AN ORDINARY AND NECESSARY TRADE OR BUSI-  
10 NESS EXPENSE ALLOWABLE AS A DEDUCTION UNDER SECTION 162 OF THE  
11 INTERNAL REVENUE CODE.

12       (B) A CHARITABLE CONTRIBUTION ALLOWABLE AS A DEDUCTION UNDER  
13 SECTION 170 OF THE INTERNAL REVENUE CODE WITHOUT REGARD TO THE  
14 PERCENTAGE LIMITATIONS OF SECTION 170 OF THE INTERNAL REVENUE  
15 CODE.

16       (C) A PAYMENT FOR CAPITAL EXPENDITURES OF \$5,000.00 OR LESS  
17 AS DESCRIBED IN SECTION 263 OF THE INTERNAL REVENUE CODE.

18       (5) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A PERSON  
19 HOLDING ELECTIVE OFFICE SHALL RECORD AND REPORT A RECEIPT BY OR A  
20 DISBURSEMENT FROM HIS OR HER LEGISLATIVE BUSINESS ACCOUNT UNDER  
21 THIS SECTION IN THE SAME MANNER AS THE ELECTED OFFICIAL'S CANDI-  
22 DATE COMMITTEE CONTRIBUTIONS AND EXPENDITURES ARE RECORDED AND  
23 REPORTED UNDER THIS ACT. A PERSON HOLDING ELECTIVE OFFICE SHALL  
24 REPORT A RECEIPT BY OR DISBURSEMENT FROM HIS OR HER LEGISLATIVE  
25 BUSINESS ACCOUNT UNDER THIS SECTION ON A FORM PRESCRIBED BY THE  
26 SECRETARY OF STATE. THE PERSON HOLDING ELECTIVE OFFICE SHALL  
27 FILE THE REPORT REQUIRED UNDER THIS SUBSECTION WITH THE FILING

1 OFFICIAL FOR THAT OFFICE NOT LATER THAN JANUARY 31 OF EACH YEAR,  
2 WHICH REPORT SHALL HAVE A CLOSING DATE OF DECEMBER 31 OF THE PRE-  
3 VIOUS YEAR.

4 (6) IF A FILING OFFICIAL, OTHER THAN THE SECRETARY OF STATE,  
5 IS UNABLE TO DETERMINE IF A RECEIPT BY OR DISBURSEMENT FROM A  
6 LEGISLATIVE BUSINESS ACCOUNT CONTAINED WITHIN A REPORT FILED  
7 UNDER THIS SECTION WAS MADE IN COMPLIANCE WITH THIS SECTION, THE  
8 FILING OFFICIAL SHALL FORWARD WRITTEN NOTIFICATION OF THE INABIL-  
9 ITY TO MAKE A DETERMINATION AND ALL OTHER INFORMATION AND DOCU-  
10 MENTATION RELATING TO THE REPORT TO THE SECRETARY OF STATE FOR  
11 REVIEW. IF THE SECRETARY OF STATE, UPON EXAMINATION OF A REPORT  
12 FILED UNDER THIS SECTION WITH THE SECRETARY OF STATE OR UPON  
13 REVIEW OF A REPORT FORWARDED TO THE SECRETARY OF STATE BY ANOTHER  
14 FILING OFFICIAL UNDER THIS SUBSECTION, IS UNABLE TO DETERMINE IF  
15 A RECEIPT BY OR DISBURSEMENT FROM A LEGISLATIVE BUSINESS ACCOUNT  
16 CONTAINED WITHIN THE REPORT WAS MADE IN COMPLIANCE WITH THIS SEC-  
17 TION, THE SECRETARY OF STATE SHALL REQUEST ADDITIONAL INFORMATION  
18 OR DOCUMENTATION FROM THE PERSON HOLDING ELECTIVE OFFICE SUFFI-  
19 CIENT TO ESTABLISH THE LEGALITY OF THE RECEIPT OR DISBURSEMENT.

20 (7) IF THE SECRETARY OF STATE DETERMINES THAT A RECEIPT BY  
21 OR DISBURSEMENT FROM A LEGISLATIVE BUSINESS ACCOUNT WAS NOT MADE  
22 IN COMPLIANCE WITH THIS SECTION, THE SECRETARY OF STATE SHALL  
23 NOTIFY THE PERSON WHO ESTABLISHED THE LEGISLATIVE BUSINESS  
24 ACCOUNT OF THAT DETERMINATION IN WRITING BY FIRST CLASS MAIL TO  
25 HIS OR HER LAST KNOWN ADDRESS. THE PERSON HOLDING ELECTIVE  
26 OFFICE SHALL REIMBURSE THE LEGISLATIVE BUSINESS ACCOUNT WITH AN  
27 AMOUNT EQUAL TO THE UNAUTHORIZED DISBURSEMENT OR RETURN TO THE

1 PERSON WHO MADE AN UNAUTHORIZED CONTRIBUTION AN AMOUNT EQUAL TO  
2 THE UNAUTHORIZED RECEIPT WITHIN 20 BUSINESS DAYS AFTER RECEIVING  
3 THE NOTIFICATION BY THE SECRETARY OF STATE UNDER THIS  
4 SUBSECTION.

5 (8) A PERSON WHO KNOWINGLY VIOLATES THIS SECTION IS GUILTY  
6 OF A MISDEMEANOR PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000.00  
7 OR IMPRISONMENT FOR NOT MORE THAN 90 DAYS, OR BOTH.