



# HOUSE BILL No. 5803

September 14, 1994, Introduced by Reps Jaye Stille, Walberg, Shugars, Dalman and Bobier and referred to the Committee on House Oversight and Ethics

A bill to amend sections 5, 8, 9, 52, and 69 of Act No 388 of the Public Acts of 1976, entitled as amended "Michigan campaign finance act," section 5 as amended by Act No 7 of the Public Acts of 1992, sections 8 and 52 as amended by Act No 117 of the Public Acts of 1994, and section 69 as amended by Act No 95 of the Public Acts of 1989, being sections 169 205, 169 208, 169 209, 169 252, and 169 269 of the Michigan Compiled Laws

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 5, 8, 9, 52, and 69 of Act No 388 of  
2 the Public Acts of 1976, section 5 as amended by Act No 7 of the  
3 Public Acts of 1992, sections 8 and 52 as amended by Act No 117  
4 of the Public Acts of 1994, and section 69 as amended by Act  
5 No 95 of the Public Acts of 1989, being sections 169 205,

1 169 208, 169 209 169 252 and 169 269 of the Michigan Compiled  
2 Laws, are amended to read as follows

3       Sec 5   (1) 'Election means a primary general special,  
4 or millage election held in this state or a convention or caucus  
5 of a political party held in this state to nominate a candidate  
6 Election includes a recall vote

7       (2) "ELECTION CYCLE" MEANS 1 OF THE FOLLOWING

8       (A) FOR A GENERAL ELECTION, THE PERIOD BEGINNING THE DAY  
9 FOLLOWING THE LAST GENERAL ELECTION IN WHICH THE OFFICE APPEARED  
10 ON THE BALLOT AND ENDING ON THE DAY OF THE GENERAL ELECTION IN  
11 WHICH THE OFFICE NEXT APPEARS ON THE BALLOT

12       (B) FOR A SPECIAL ELECTION THE PERIOD BEGINNING THE DAY A  
13 SPECIAL GENERAL ELECTION IS SCHEDULED OR THE DATE THE OFFICE  
14 BECOMES VACANT WHICHEVER IS EARLIER AND ENDING ON THE DAY OF  
15 THE SPECIAL GENERAL ELECTION

16       (3) ~~-(2)-~~ 'Elective office' means a public office filled by  
17 an election except for federal offices A person who is  
18 appointed to fill a vacancy in a public office that is ordinarily  
19 elective holds an elective office Elective office does not  
20 include the office of precinct delegate Except for the purposes  
21 of sections 47, 54, and 55 elective office does not include a  
22 school board member in a school district that has a pupil member-  
23 ship of 2,400 or less enrolled on the most recent pupil member-  
24 ship count day However, elective office includes a school board  
25 member in a school district that has a pupil membership of 2,400  
26 or less, if a candidate committee of a candidate for the office  
27 of school board member in that school district receives an amount

1 in excess of \$1,000 00 or expends an amount in excess of  
 2 \$1,000 00

3       Sec 8   (1) "Immediate family' means ~~any~~ A child residing  
 4 in a candidate's household, the candidate s spouse, or any indi-  
 5 vidual claimed by that candidate or that candidate's spouse as a  
 6 dependent for federal income tax purposes

7       (2) "Independent committee" means a committee, other than a  
 8 political party committee, ~~which~~ THAT before contributing to a  
 9 candidate committee of a candidate for ~~state~~ elective office  
 10 under section ~~52(3)~~ 52(2) or 69(2) files a statement of organi-  
 11 zation as an independent committee at least 6 months before an  
 12 election for which it expects to accept contributions or make  
 13 expenditures in support of or in opposition to a candidate for  
 14 nomination to or election to ~~a state~~ AN elective office and  
 15 receives contributions from at least 25 persons and makes expen-  
 16 ditures not to exceed the limitations of section 52(1) in support  
 17 of or in opposition to 3 or more candidates for nomination for or  
 18 election to ~~a state~~ AN elective office in the same calendar  
 19 year

20       Sec 9   (1) "Independent expenditure" means an expenditure  
 21 ~~as defined in section 6~~ by a person if the expenditure is not  
 22 made at the direction of, or under the control of, another person  
 23 and if the expenditure is not a contribution to a committee

24       (2) "In-kind contribution or expenditure" means a contribu-  
 25 tion ~~as defined in section 4~~ or expenditure ~~as defined in sec-~~  
 26 ~~tion 6~~ other than money

1 (3) 'Loan means a transfer of money, property or anything  
2 of ascertainable monetary value in exchange for an obligation,  
3 conditional or not, to repay in whole or part

4 (4) "LOCAL ELECTIVE OFFICE" MEANS AN ELECTIVE OFFICE AT THE  
5 LOCAL UNIT OF GOVERNMENT LEVEL

6 (5) 'LOCAL UNIT OF GOVERNMENT' MEANS A DISTRICT AUTHORITY  
7 COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE  
8 SCHOOL DISTRICT OR COMMUNITY COLLEGE DISTRICT

9 Sec 52 (1) Except as provided in subsection ~~(7)~~ (5) a  
10 person other than an independent committee or a political party  
11 committee shall not make contributions to a candidate committee  
12 of a candidate for ~~state~~ AN elective office that, with respect  
13 to an election cycle, are more than the following

14 (a) \$3,400 00 for a candidate for state elective office  
15 other than the office of state legislator OR FOR A CANDIDATE FOR  
16 LOCAL ELECTIVE OFFICE IF THE DISTRICT IN WHICH HE OR SHE IS SEEK-  
17 ING OFFICE HAS A POPULATION OF MORE THAN 250 000

18 (b) \$1,000 00 for a candidate for state senator OR FOR A  
19 CANDIDATE FOR LOCAL ELECTIVE OFFICE IF THE DISTRICT IN WHICH HE  
20 OR SHE IS SEEKING OFFICE HAS A POPULATION OF 250 000 OR LESS BUT  
21 MORE THAN 85,000

22 (c) \$500 00 for a candidate for state representative OR FOR  
23 A CANDIDATE FOR LOCAL ELECTIVE OFFICE IF THE DISTRICT IN WHICH HE  
24 OR SHE IS SEEKING OFFICE HAS A POPULATION OF 85,000 OR LESS

25 ~~(2) For the purpose of subsection (1), "with respect to an~~  
26 ~~election cycle" means 1 of the following~~

1       ~~(a) For a general election the period beginning the day~~  
2 ~~following the last general election in which the office appeared~~  
3 ~~on the ballot and ending on the day of the next general election~~  
4 ~~in which the office next appears on the ballot~~

5       ~~(b) For a special election the period beginning the day a~~  
6 ~~special general election is scheduled or the date the office~~  
7 ~~becomes vacant, whichever is earlier, and ending on the day of~~  
8 ~~the special general election~~

9       (2) ~~-(3)-~~ An independent committee shall not make contribu-  
10 tions to a candidate committee of a candidate for ~~state~~ elec-  
11 tive office that, in the aggregate for that election cycle, are  
12 more than 10 times the amount permitted a person other than an  
13 independent committee or political party committee in subsection  
14 (1)

15       (3) ~~-(4)-~~ A political party committee other than a state  
16 central committee shall not make contributions to the candidate  
17 committee of a candidate for ~~state~~ elective office that are  
18 more than 10 times the amount permitted a person other than an  
19 independent committee or political party committee in subsection  
20 (1)

21       (4) ~~-(5)-~~ A state central committee of a political party  
22 shall not make contributions to the candidate committee of a can-  
23 didate for ~~state~~ elective office other than a candidate for the  
24 legislature that are more than 20 times the amount permitted a  
25 person other than an independent committee or political party  
26 committee in subsection (1) A state central committee of a  
27 political party shall not make contributions to the candidate

1 committee of a candidate for state senator or state  
2 representative that are more than 10 times the amount permitted a  
3 person other than an independent committee or political party  
4 committee in subsection (1)

5 (5) ~~-(6)-~~ A contribution from a member of a candidate's  
6 immediate family to the candidate committee of that candidate is  
7 exempt from the limitations of subsection (1)

8 (6) ~~-(7)-~~ Consistent with the provisions of this section, a  
9 contribution designated in writing for a particular election  
10 cycle shall be considered made for that election cycle A con-  
11 tribution made after the close of a particular election cycle and  
12 designated in writing for that election cycle shall be made only  
13 to the extent that the contribution does not exceed the candidate  
14 committee's net outstanding debts and obligations from the elec-  
15 tion cycle so designated If a contribution is not designated in  
16 writing for a particular election cycle, the contribution shall  
17 be considered made for the election cycle that corresponds to the  
18 date of the written instrument

19 (7) ~~-(8)-~~ A candidate committee, a candidate, or a treasurer  
20 or agent of a candidate committee shall not accept a contribution  
21 with respect to an election cycle that exceeds the limitations in  
22 subsection (1), (2), (3), OR (4) ~~-, or (5)-~~

23 ~~-(9) For the purposes of this act, a contribution made or~~  
24 ~~received before June 21, 1989 is considered to be made with~~  
25 ~~respect to an election cycle-~~

26 (8) ~~-(10)-~~ A person who knowingly violates this section is  
27 guilty of a misdemeanor punishable, if the person is an

1 individual, by a fine of not more than \$1,000 00 or imprisonment  
2 for not more than 90 days, or both, or, if the person is not an  
3 individual, by a fine of not more than \$10,000 00

4       (9) ~~-(++)-~~ For purposes of the limitations provided in  
5 subsections (1) and ~~-(3)-~~ (2) all contributions made by politi-  
6 cal committees or independent committees established by any cor-  
7 poration, joint stock company, or labor organization, including  
8 any parent, subsidiary, branch, division, department, or local  
9 unit thereof, shall be considered to have been made by a single  
10 independent committee By way of illustration and not limita-  
11 tion, all of the following apply as a result of the application  
12 of this requirement

13       (a) All of the political committees and independent commit-  
14 tees established by a for profit corporation or joint stock com-  
15 pany, by a subsidiary of the for profit corporation or joint  
16 stock company, or by any combination thereof, are treated as a  
17 single independent committee

18       (b) All of the political committees and independent commit-  
19 tees established by a single national or international labor  
20 organization, by a labor organization of that national or inter-  
21 national labor organization, by a local labor organization of  
22 that national or international labor organization, or by any  
23 other subordinate organization of that national or international  
24 labor organization, or by any combination thereof, are treated as  
25 a single independent committee

26       (c) All of the political committees and independent  
27 committees established by an organization of national or

1 international unions by a state central body of that  
 2 organization by a local central body of that organization, or by  
 3 any combination thereof, are treated as a single independent  
 4 committee

5 (d) All of the political committees and independent commit-  
 6 tees established by a nonprofit corporation, by a related state  
 7 entity of that nonprofit corporation, by a related local entity  
 8 of that nonprofit corporation, or by any combination thereof are  
 9 treated as a single independent committee

10 Sec 69 (1) Except as provided in subsection (6) a person  
 11 other than an independent committee or a political party commit-  
 12 tee shall not make contributions to a candidate committee of a  
 13 candidate ~~which~~ THAT are more than \$3,400 00 in value for an  
 14 election cycle

15 (2) An independent committee shall not make contributions to  
 16 a candidate committee ~~which,~~ THAT for ~~that~~ AN election cycle  
 17 are more than 10 times the amount permitted a person other than  
 18 an independent committee or political party committee in subsec-  
 19 tion (1)

20 (3) A political party committee that is a state central com-  
 21 mittee shall not make contributions to a candidate committee  
 22 ~~which~~ THAT for an election cycle are more than \$750,000 00

23 (4) A political party committee that is a congressional dis-  
 24 trict or county committee shall not make contributions to a can-  
 25 didate committee ~~which~~ THAT for an election cycle are more than  
 26 \$30,000 00



1 (5) A candidate committee, a candidate, or a treasurer or  
2 agent shall not accept a contribution with respect to an election  
3 cycle that exceeds a limitation in subsections (1) to (4)

4 (6) As used in this subsection, "immediate family" means a  
5 spouse, parent, brother, sister, son, or daughter A candidate  
6 and members of that candidate's immediate family may not contrib-  
7 ute in total to that person's candidate committee an amount  
8 ~~which~~ THAT is more than \$50,000 00 in value for an election  
9 cycle

10 (7) ~~Section 52(2) and 52(7)~~ SECTIONS 5(2) AND 52(6) apply  
11 to determining when an election cycle begins and ends and to  
12 which election cycle a particular contribution shall be  
13 attributed

14 (8) The candidate committee of a candidate for governor that  
15 does not make application for FUNDS FROM THE state campaign  
16 ~~funds~~ FUND and that accepts from the candidate and the  
17 candidate's immediate family contributions that total for an  
18 election cycle more than \$340,000 00 shall notify the secretary  
19 of state in writing within 48 hours after receipt of this  
20 amount Within 2 business days after receipt of this notice, the  
21 secretary of state shall send notice to all candidates who are  
22 either seeking the same nomination, in the case of a primary  
23 election, or election to that same office, in the case of a gen-  
24 eral election, informing those candidate committees of all of the  
25 following

26 (a) That the expenditure limits provided in section 67 are  
27 waived for the remainder of that election for those notified

1 candidate committees that receive FUNDS FROM THE state campaign  
2 ~~funds~~ FUND under this act

3 (b) That the expenditure limits of section 67 are not waived  
4 for the purpose of determining the amount of public funds avail-  
5 able to a candidate under section 64 or 65

6 (9) A person who knowingly violates this section is guilty  
7 of a misdemeanor punishable, if the person is an individual, by a  
8 fine of not more than \$1,000 00 ~~—~~ or imprisonment for not more  
9 than 90 days, or both, or, if the person is not an individual, by  
10 a fine of not more than \$10,000 00

11 Section 2 This amendatory act shall take effect April 1,  
12 1995