



# SENATE BILL No. 1089

April 12 1994, Introduced by Senator ARTHURHULTZ and  
referred to the Committee on Government Operations

A bill to amend the title and sections 22, 26, 28, 29, 41,  
and 42 of Act No 388 of the Public Acts of 1976 entitled  
"Michigan campaign finance act "  
sections 22 26 28, 29, and 42 as amended by Act No 95 of the  
Public Acts of 1989, being sections 169 222, 169 226, 169 228,  
169 229, 169 241, and 169 242 of the Michigan Compiled Laws and  
to add section 46a

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 The title and sections 22, 26, 28, 29, 41, and  
2 42 of Act No 388 of the Public Acts of 1976, sections 22, 26,  
3 28, 29 and 42 as amended by Act No 95 of the Public Acts of  
4 1989, being sections 169 222 169 226, 169 228, 169 229, 169 241,  
5 and 169 242 of the Michigan Compiled Laws, are amended and  
6 section 46a is added to read as follows

## 1 TITLE

2 An act to regulate political activity to regulate campaign  
3 financing to restrict campaign contributions and expenditures  
4 to require campaign statements and reports to regulate anonymous  
5 contributions to regulate campaign advertising and literature  
6 to provide for segregated funds for political purposes to pro-  
7 vide for the use of public funds for political purposes to  
8 create ~~a state campaign fund~~ CERTAIN FUNDS to provide for  
9 reversion, ~~of~~ RETENTION or refunding of ~~—~~ unexpended bal-  
10 ances IN CERTAIN FUNDS to require OTHER STATEMENTS AND reports  
11 TO REGULATE ACCEPTANCE OF CERTAIN GIFTS, PAYMENTS, AND REIMBURSE-  
12 MENTS TO PRESCRIBE THE POWERS AND DUTIES OF CERTAIN STATE  
13 DEPARTMENTS AND STATE AND LOCAL OFFICIALS AND EMPLOYEES to pro-  
14 vide appropriations to prescribe penalties AND PROVIDE REMEDIES  
15 and to repeal certain acts and parts of acts

16 Sec 22 A committee treasurer or other individual desig-  
17 nated on the statement of organization as responsible for the  
18 committee's record keeping, report preparation, or report filing  
19 shall keep detailed accounts, records, bills, and receipts as  
20 required to substantiate the information contained in a statement  
21 or report filed pursuant to this act or rules promulgated under  
22 this act ~~The~~ FOR A CANDIDATE COMMITTEE, THE TREASURER OR  
23 OTHER INDIVIDUAL SHALL RECORD THE NAME AND ADDRESS OF A PERSON  
24 FROM WHOM A CONTRIBUTION IS RECEIVED FOR A COMMITTEE OTHER THAN  
25 A CANDIDATE COMMITTEE, THE treasurer OR OTHER INDIVIDUAL shall  
26 record the name and address of a person from whom a contribution  
27 is received except for contributions of \$20 00 or less received

1 pursuant to section 41(3) The records of a committee shall be  
2 preserved for 5 years and shall be made available for inspection  
3 as authorized by the secretary of state A treasurer or other  
4 individual designated as responsible for the committee's record  
5 keeping, report preparation, or report filing who knowingly vio-  
6 lates this section is subject to a civil fine of not more than  
7 \$1,000 00

8 Sec 26 (1) A campaign statement of a committee, other  
9 than a political party committee required by this act shall con-  
10 tain all of the following information

11 (a) The filing committee's name, address, and telephone  
12 number, and the full name, residential and business addresses,  
13 and telephone numbers of ~~its~~ THE committee treasurer OR OTHER  
14 INDIVIDUAL DESIGNATED AS RESPONSIBLE FOR THE COMMITTEE'S RECORD  
15 KEEPING, REPORT PREPARATION, OR REPORT FILING

16 (b) Under the heading "receipts", the total amount of con-  
17 tributions received during the period covered by the campaign  
18 statement under the heading "expenditures", the total amount of  
19 expenditures made during the period covered by the campaign  
20 statement and the cumulative amount of those totals  
21 Forgiveness of a loan shall not be included in the totals  
22 Payment of a loan by a third party shall be recorded and reported  
23 as an in-kind contribution by the third party In-kind contribu-  
24 tions or expenditures shall be listed at fair market value and  
25 shall be reported as both contributions and expenditures A con-  
26 tribution or expenditure ~~which~~ THAT is by other than completed  
27 and accepted payment gift or other transfer, ~~which~~ THAT is

1 clearly not legally enforceable, and ~~which~~ THAT is expressly  
2 withdrawn or rejected and returned before a campaign statement  
3 closing date need not be included in the campaign statement and  
4 if included may, in a later or amended statement, be shown as a  
5 deduction, but THE COMMITTEE SHALL KEEP adequate records of each  
6 instance ~~shall be kept~~

7 (c) The balance of cash on hand at the beginning and the end  
8 of the period covered by the campaign statement

9 (d) ~~The~~ FOR A COMMITTEE OTHER THAN A CANDIDATE COMMITTEE,  
10 THE total amount of contributions received during the period cov-  
11 ered by the campaign statement from persons who contributed  
12 ~~\$20 01 or~~ more THAN \$20 00

13 (e) ~~The~~ FOR A COMMITTEE OTHER THAN A CANDIDATE COMMITTEE,  
14 THE total amount of contributions received during the period cov-  
15 ered by the campaign statement from persons who contributed  
16 \$20 00 or less

17 (f) ~~The~~ FOR A COMMITTEE OTHER THAN A CANDIDATE COMMITTEE,  
18 THE total amount of contributions of \$20 00 or less received  
19 during the period covered by the campaign statement and the cumu-  
20 lative amount of the contributions received by the filer pursuant  
21 to section 41(3)

22 (g) The following information regarding each fund-raising  
23 event shall be included in the report

24 (1) The type of event, date held, address and name, if any,  
25 of the place where the activity was held, and approximate number  
26 of individuals participating or in attendance

1       (11) ~~The~~ FOR A CANDIDATE COMMITTEE THE TOTAL AMOUNT OF  
2 ALL CONTRIBUTIONS FOR A COMMITTEE OTHER THAN A CANDIDATE  
3 COMMITTEE, THE total amount of all contributions of ~~-\$20-01-or-~~  
4 more THAN \$20 00

5       (111) ~~The~~ FOR A COMMITTEE OTHER THAN A CANDIDATE COMMIT-  
6 TEE, THE total amount of all contributions of \$20 00 or less

7       (iv) The gross receipts of the fund-raising event

8       (v) The expenditures incident to the event

9       (h) ~~The~~ FOR A CANDIDATE COMMITTEE, THE FULL NAME OF EACH  
10 INDIVIDUAL FROM WHOM CONTRIBUTIONS ARE RECEIVED DURING THE PERIOD  
11 COVERED BY THE CAMPAIGN STATEMENT AND FOR A COMMITTEE OTHER THAN  
12 A CANDIDATE COMMITTEE THE full name of each individual from whom  
13 contributions totaling ~~-\$20-01-or-~~ more THAN \$20 00 are received  
14 during the period covered by the campaign statement, together  
15 with the individual's street address, the amount contributed, the  
16 date on which each contribution was received, and the cumulative  
17 amount contributed by that individual The occupation, employer,  
18 and principal place of business shall be stated if the  
19 individual's cumulative contributions are ~~-\$200-01-or-~~ more THAN  
20 \$100 00

21       (i) The cumulative amount contributed and the name and  
22 address of each individual, except those individuals reported  
23 under subdivision (h), who contributed TO A CANDIDATE COMMITTEE  
24 OR WHO CONTRIBUTED a total of ~~-\$20-01-or-~~ more THAN \$20 00 TO A  
25 COMMITTEE OTHER THAN A CANDIDATE COMMITTEE The occupation,  
26 employer, and principal place of business, shall be stated for  
27 each individual who contributed ~~-\$200-01-or-~~ more THAN \$100 00

1 (j) The name and street address of each person, other than  
 2 an individual from whom contributions are received during the  
 3 period covered by the campaign statement, together with an item-  
 4 ization of the amounts contributed, the date on which each con-  
 5 tribution was received, and the cumulative amount contributed by  
 6 that person

7 (k) ~~The~~ FOR A CANDIDATE COMMITTEE, THE NAME, ADDRESS, AND  
 8 AMOUNT GIVEN BY AN INDIVIDUAL WHO CONTRIBUTED TO THE TOTAL AMOUNT  
 9 CONTRIBUTED BY A PERSON WHO IS OTHER THAN A COMMITTEE OR AN  
 10 INDIVIDUAL FOR A COMMITTEE OTHER THAN A CANDIDATE COMMITTEE,  
 11 THE name, address, and amount given by an individual who contrib-  
 12 uted ~~-\$20-01- or~~ more ~~of~~ THAN \$20 00 TO the total amount con-  
 13 tributed by a person who is other than a committee or an  
 14 individual The occupation, employer and principal place of  
 15 business shall be stated if the individual contributed ~~-\$200-01~~  
 16 ~~or~~ more THAN \$100 00 of the total amount contributed by a person  
 17 who is other than a committee or an individual

18 (l) The cumulative total of expenditures of \$50 00 or less  
 19 made during the period covered by the campaign statement except  
 20 for expenditures made to or on behalf of another committee, can-  
 21 didate, or ballot question

22 (m) The full name and street address of each person to whom  
 23 expenditures totaling ~~-\$50-01- or~~ more THAN \$50 00 were made,  
 24 together with the amount of each separate expenditure to each  
 25 ~~such~~ person during the period covered by the campaign state-  
 26 ment the purpose of the expenditure the full name and street  
 27 address of the person providing the consideration for which any

1 expenditure was made if different from the payee the itemization  
 2 regardless of amount of each expenditure made to or on behalf of  
 3 another committee, candidate, or ballot question and the cumula-  
 4 tive amount of expenditures for or against that candidate or  
 5 ballot question for an election cycle An expenditure made in  
 6 support of more than 1 candidate or ballot question, or both,  
 7 shall be apportioned reasonably among the candidates or ballot  
 8 questions, or both

9 (2) A candidate committee or ballot question committee shall  
 10 report all cumulative amounts required by this section on a per  
 11 election cycle basis Except for ~~subdivision (m)~~

12 SUBSECTION (1)(M), an independent committee or political commit-  
 13 tee shall report all cumulative amounts required by this section  
 14 on a calendar year basis

15 Sec 28 (1) Interest received by a committee on an account  
 16 consisting of funds belonging to the committee shall not be con-  
 17 sidered a contribution to the committee but THE COMMITTEE shall  
 18 ~~be reported~~ REPORT ITS RECEIPT ON A CAMPAIGN STATEMENT as  
 19 interest ~~Interest~~ A COMMITTEE SHALL REPORT INTEREST paid by  
 20 ~~a~~ THE committee ~~shall be reported~~ ON A CAMPAIGN STATEMENT as  
 21 an expenditure

22 (2) A COMMITTEE SHALL REPORT A loan with an outstanding bal-  
 23 ance made or received ~~shall be set forth~~ in a separate schedule  
 24 ATTACHED TO THE CAMPAIGN STATEMENT providing the date and amount  
 25 of the loan, the date and amount of each payment, the amount of  
 26 cumulative payments, the amount of the outstanding balance, and  
 27 whether the loan payments were made by money, services, property,

1 or other means The committee shall provide the name and address  
 2 of the lender and each person who is liable directly, indirectly,  
 3 or contingently on each loan ~~of \$20 01 or more~~ The COMMITTEE  
 4 SHALL PROVIDE THE occupation and employer, if any, of the lender  
 5 and EACH person ~~shall be stated~~ if the loan is ~~\$200 01 or~~ FOR  
 6 more THAN \$200 00 If a loan is paid off within a reporting  
 7 period, this activity need not be reported on a separate schedule  
 8 TO THE CAMPAIGN STATEMENT However, if a loan is forgiven, ~~it~~  
 9 THE COMMITTEE shall ~~be detailed~~ DETAIL THAT FACT on a separate  
 10 schedule TO THE CAMPAIGN STATEMENT

11 (3) Accompanying a campaign statement FROM A CANDIDATE COM-  
 12 MITTEE REPORTING THE RECEIPT OF A CONTRIBUTION, OR FROM A COMMIT-  
 13 TEE OTHER THAN A CANDIDATE COMMITTEE reporting the receipt of a  
 14 contribution of ~~\$20 01 or~~ more THAN \$20 00, from a person whose  
 15 treasurer does not reside in whose principal office is not  
 16 located in, or whose funds are not kept in this state, shall be a  
 17 statement certified as true and correct by an officer of the con-  
 18 tributing person setting forth the full name address, along with  
 19 the amount contributed of each person who contributed ~~\$20 01~~  
 20 ~~or~~ TO THE TOTAL AMOUNT OF THE CONTRIBUTION TO A CANDIDATE COM-  
 21 MITTEE OR WHO CONTRIBUTED more THAN \$20 00 of the contribution TO  
 22 A COMMITTEE OTHER THAN A CANDIDATE COMMITTEE The occupation,  
 23 employer, and principal place of business shall be stated for  
 24 each person who contributed ~~\$200 01 or~~ more THAN \$100 00 This  
 25 subsection does not apply if the contributing person is regis-  
 26 tered as a committee under section 24



1       Sec 29    (1) A campaign statement filed by a political  
2 party committee shall contain all of the following information

3       (a) The full name of each person from whom contributions  
4 totaling ~~-\$20 01 or~~ more THAN \$20 00 in value are received in a  
5 calendar year, the amount, and the date or dates contributed  
6 and, if the person is a committee, the name and address of the  
7 committee and the full name of the committee treasurer, together  
8 with the amount of the contribution and the date received   The  
9 occupation, employer, and principal place of business, if any,  
10 shall be listed for each person from whom contributions totaling  
11 ~~-\$200 01 or~~ more THAN \$100 00 are received in a calendar year

12       (b) Accompanying a campaign statement reporting the receipt  
13 of a contribution of ~~-\$20 01 or~~ more THAN \$20 00 from a commit-  
14 tee or person whose treasurer does not reside in, whose principal  
15 office is not located in, or whose funds are not kept in this  
16 state, and whose committee has not filed a statement of organiza-  
17 tion as required in section 24, shall be a statement setting  
18 forth the full name and address of the treasurer of the  
19 committee

20       (c) An itemized list of all expenditures including in-kind  
21 contributions and expenditures and loans made during the period  
22 covered by the campaign statement that were contributions to a  
23 candidate committee of a candidate for elective office or a  
24 ballot question committee or independent expenditures in support  
25 of the qualification, passage, or defeat of a ballot question or  
26 in support of the nomination or election of a candidate for

1 elective office or the defeat of any of the candidate's  
2 opponents

3 (d) The total expenditure by the committee for each candi-  
4 date for elective office or ballot question in whose behalf an  
5 independent expenditure was made or a contribution was given for  
6 the election cycle

7 (e) The filer's name, address, and telephone number, if  
8 available, if any, and the full name, address, and telephone  
9 number, if available, of the committee treasurer

10 (2) ~~An~~ THE COMMITTEE SHALL IDENTIFY AN expenditure listed  
11 under subsection (1)(c) ~~shall be identified~~ as an independent  
12 expenditure or as a contribution to a candidate committee or a  
13 ballot question committee

14 (3) ~~A~~ THE COMMITTEE SHALL DESIGNATE FOR A contribution to  
15 or on behalf of a candidate committee or ballot question commit-  
16 tee listed under subsection (1)(c) ~~shall note~~ the name and  
17 address of the committee, the name of the candidate and the  
18 office sought if any the amount contributed and the date of  
19 contribution

20 (4) ~~An~~ THE COMMITTEE SHALL DESIGNATE FOR AN independent  
21 expenditure listed under subsection (1)(c) ~~shall note~~ either  
22 the name of the candidate for whose benefit the expenditure was  
23 made and the office sought by the candidate or a brief descrip-  
24 tion of the ballot question for which the expenditure was made  
25 the amount, date, and purpose of the expenditure and the full  
26 name and address of the person to whom the expenditure was made

1       (5) ~~An~~ THE COMMITTEE SHALL APPORTION AN expenditure listed  
 2 ~~which~~ THAT was made in support of more than 1 candidate or  
 3 ballot question, or both, ~~shall be apportioned~~ reasonably among  
 4 the candidates or ballot questions, or both

5       Sec 41   (1) A person shall not make or accept ~~any~~ A  
 6 single contribution of ~~-\$20-01 or~~ more THAN \$20 00 in cash ~~nor~~  
 7 OR make or accept ~~any~~ A single expenditure of ~~-\$50-01 or~~ more  
 8 THAN \$50 00 in cash   Contributions of ~~-\$20-01 or~~ more THAN  
 9 \$20 00 and expenditures of ~~-\$50-01 or~~ more THAN \$50 00, other  
 10 than an in-kind contribution or expenditure, shall be made by  
 11 written instrument containing the names of the payor and the  
 12 payee   ~~A person who knowingly violates this section is guilty~~  
 13 ~~of a misdemeanor and shall be punished by a fine of not more than~~  
 14 ~~\$1,000-00, or imprisoned for not more than 90 days, or both and~~  
 15 ~~if the person is other than an individual the person shall be~~  
 16 ~~fined not more than \$10,000-00~~

17       (2) A person shall not accept or expend an anonymous  
 18 contribution   An anonymous contribution received by a person  
 19 shall not be deposited but shall be given to a tax exempt chari-  
 20 table organization   The charitable organization receiving the  
 21 contribution shall provide the person with a receipt   The  
 22 receipt shall be returned by an appropriate committee pursuant to  
 23 section 22

24       (3) A contribution received as the result of a fund-raising  
 25 event or casual services BY A COMMITTEE OTHER THAN A CANDIDATE  
 26 COMMITTEE, or from the sale of political merchandise that is  
 27 \$20 00 or less in the aggregate from a person in any calendar

1 year ~~shall~~ IS not ~~be~~ considered an anonymous contribution A  
2 contribution received from membership fees, dues, or subscrip-  
3 tions for political purposes to an independent committee or a  
4 political party committee that is \$20 00 or less in the aggregate  
5 from a person in any calendar year ~~shall~~ IS not ~~be~~ considered  
6 an anonymous contribution

7 (4) A person making a contribution pursuant to subsection  
8 (3) ~~which~~ THAT is ~~\$20 01 or~~ more THAN \$20 00 in any calendar  
9 year when added to all other contributions made to that committee  
10 by that person shall furnish the recipient with the donor's name,  
11 address, and the total amount contributed

12 ~~(5) A person who knowingly violates subsection (2), (3), or~~  
13 ~~(4) is guilty of a misdemeanor and shall be punished by a fine of~~  
14 ~~not more than \$1,000 00, or imprisoned for not more than 90 days,~~  
15 ~~or both~~

16 (5) ~~(6)~~ A contribution shall not be made, directly or  
17 indirectly by any person in a name other than the name by which  
18 that person is identified for legal purposes

19 (6) A person who KNOWINGLY violates this ~~subsection~~  
20 SECTION is guilty of a misdemeanor ~~and shall be punished~~  
21 PUNISHABLE, IF THE PERSON IS AN INDIVIDUAL, by a fine of not more  
22 than \$1,000 00 ~~,~~ or ~~imprisoned~~ IMPRISONMENT for not more than  
23 90 days, or both, ~~and~~ OR, if the person is other than an  
24 individual, ~~the person shall be fined~~ BY A FINE OF not more  
25 than \$10 000 00

26 Sec 42 (1) A person who accepts a contribution other  
27 than by written instrument, on behalf of another and acts as the

1 intermediary or agent of the person from whom the contribution  
 2 was accepted shall disclose to the recipient of the contribution  
 3 the intermediary's own name and address and the name and address  
 4 of the actual source of the contribution ~~A person who know-~~  
 5 ~~ingly violates this subsection is guilty of a misdemeanor punish-~~  
 6 ~~able by a fine of not more than \$1,000 00, or imprisonment for~~  
 7 ~~not more than 90 days, or both~~

8 (2) ~~A~~ FOR A CANDIDATE COMMITTEE, A CONTRIBUTION, OR FOR A  
 9 COMMITTEE OTHER THAN A CANDIDATE COMMITTEE, A contribution of  
 10 ~~\$20 01 or~~ more THAN \$20 00 from a person whose treasurer does  
 11 not reside in, whose principal office is not located in, or whose  
 12 funds are not kept in this state, shall not be accepted by a  
 13 person for purposes of supporting or opposing candidates for  
 14 elective office or the qualification, passage, or defeat of a  
 15 ballot question unless accompanied by a statement certified as  
 16 true and correct by an officer of the contributing person setting  
 17 forth the full name and address along with the amount contribut-  
 18 ed, of each person WHO CONTRIBUTED TO THE TOTAL AMOUNT OF THE  
 19 CONTRIBUTION TO A CANDIDATE COMMITTEE OR who contributed ~~\$20 01~~  
 20 ~~or~~ more THAN \$20 00 of the contribution TO A COMMITTEE OTHER  
 21 THAN A CANDIDATE COMMITTEE The occupation, employer, and princi-  
 22 pal place of business shall be listed for each person who con-  
 23 tributed ~~\$200 01 or~~ more THAN \$100 00 TO THE TOTAL AMOUNT of  
 24 the contribution The certified statement shall also state that  
 25 the contribution was not made from an account containing funds  
 26 prohibited by section 54 ~~A person who knowingly violates this~~  
 27 ~~subsection is guilty of a misdemeanor punishable, if the person~~

1 ~~is an individual, by a fine of not more than \$1,000 00, or~~  
 2 ~~imprisonment for not more than 90 days, or both, or, if the~~  
 3 ~~person is not an individual, by a fine of not more than~~  
 4 ~~\$10,000 00~~ This subsection does not apply if the contributing  
 5 person is registered as a committee under section 24

6 (3) A person shall not receive a contribution from a person  
 7 other than a committee unless for purposes of the recipient  
 8 person's record keeping and reporting requirements, the contribu-  
 9 tion is accompanied by the name and address of each person WHO  
 10 CONTRIBUTED TO THE TOTAL AMOUNT OF THE CONTRIBUTION TO A CANDI-  
 11 DATE COMMITTEE OR who contributed ~~-\$20 01 or~~ more THAN \$20 00 to  
 12 the contribution TO A COMMITTEE OTHER THAN A CANDIDATE COMMITTEE,  
 13 and the name, address, occupation, employer and principal place  
 14 of business of each person who contributed ~~-\$200 01 or~~ more THAN  
 15 \$100 00 to the TOTAL AMOUNT OF THE contribution

16 (4) A person who knowingly violates this ~~subsection~~  
 17 SECTION is guilty of a misdemeanor punishable if the person is  
 18 an individual, by a fine of not more than \$1 000 00 or imprison-  
 19 ment for not more than 90 days, or both or if the person is  
 20 other than an individual, by a fine of not more than \$10,000 00

21 SEC 46A BEGINNING JANUARY 1, 1995 AND EVERY ODD NUMBERED  
 22 YEAR AFTER 1995, THE SECRETARY OF STATE SHALL ADJUST THE DOLLAR  
 23 VALUE FLOOR FOR REPORTING THE OCCUPATION, EMPLOYER, AND PRINCIPAL  
 24 PLACE OF BUSINESS OF A CONTRIBUTOR UNDER THIS ACT THE SECRETARY  
 25 OF STATE SHALL MAKE THE ADJUSTMENT REQUIRED BY THIS SECTION BY  
 26 FEBRUARY 1 OF THE ODD NUMBERED YEAR, WHICH ADJUSTMENT IS  
 27 RETROACTIVE TO JANUARY 1 OF THAT YEAR THE SECRETARY OF STATE

1 SHALL BASE THE ADJUSTMENT UNDER THIS SECTION UPON THE UNITED  
2 STATES DEPARTMENT OF COMMERCE'S CONSUMER PRICE INDEX AND THE  
3 NUMBER OF REGISTERED VOTERS IN THIS STATE