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ALLOW NEW, LEGISLATIVE POLITICAL PARTY PACS

House Bill 5410
Sponsor: Rep. Susan Munsell
**Committee: House Oversight
and Ethics**

Complete to 11-27-95

A SUMMARY OF HOUSE BILL 5410 AS INTRODUCED 11-9-95

The bill would amend the Michigan Campaign Finance Act (Public Act 388 of 1976) to create new legislative "political party caucus committees," which would be allowed to make unlimited contributions to candidates running for state legislative office. The bill also would change reporting requirements for voter registration and election day activities, prohibit campaign contributions by "public bodies," and add fines for failure to report late contributions.

Political party caucus committees. The bill would create House and Senate "political party caucus committees," independent committees established by the leader of each political party caucus in each legislative house (that is, the House of Representatives and the Senate), which would be allowed to make unlimited contributions to candidates running for the House or Senate.

More specifically, the bill would define a House or Senate "political party caucus committee" as "an independent committee established by a political party caucus" of the House of Representatives or the Senate. Each party could establish only one such House or Senate political party caucus committee, and the party leaders of each legislative house would be required to establish or designate their political party caucus committee within 30 days after the bill took effect.

Currently, the act limits the amount that independent committees may contribute during each election cycle to candidates for state elective office to no more than ten times the amounts allowed for contributors other than independent committees or political party committees. The bill would specifically exempt political party caucus committees from this limit.

Reporting of voter registration and election day activities. Currently, the campaign finance act requires that certain expenditures be reported on campaign statements, but exempts from its definition of reportable "expenditure" (among other things) expenditures for nonpartisan voter registration or nonpartisan get-out-the-vote activities. The bill would require that all political action committees report certain election day activities, exempting only federally non-profit organizations and the secretary of state and voter registration officials from having to report voter registration or get-out-the-vote expenditures.

The current exemption of voter registration and get-out-the-vote activities from expenditures that must be reported on campaign finance statements specifically includes such activities when conducted by the secretary of state "and other registration officials" under the

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provisions of the Michigan Election Law. The act specifically doesn't exempt such activities from reporting when sponsored or financed by candidates or groups of candidates (including elected officials who aren't up for reelection in the year in which the expenditures are made). The bill would restrict the existing reporting exemption of nonpartisan voter registration or get-out-the-vote expenditures to federally non-profit organizations and the secretary of state (and other registration officials), and would add certain election day activities (poll watchers, challengers, distribution of election day literature, canvassing of voters to get out the vote, or transporting voters to the polls) to the definition of (reportable) "expenditure." Finally, the bill would add a new reporting requirement for all political action committees, namely, an itemized list of all expenditures during the reporting period for election day busing of voters to the polls, get-out-the-vote activities, slate cards, challengers, poll watchers, and poll workers.

Prohibit campaign contributions by public bodies. The bill would define "public body" (which would include, but not be limited to, boards, commissions, authorities, or councils of legislative or governing bodies of the state or political subdivisions of the state that were legally empowered to exercise or perform governmental or proprietary authority), and would prohibit public bodies from making contributions or expenditures or providing volunteer personal services that were excluded from the act's definition of "contribution." A violation of this prohibition would be a felony, punishable by a fine of up to \$20,000 for violators who were not individuals, and by a fine of up to \$2,000 and imprisonment for up to one year for violators who were individuals.

Penalties for failure to report late contributions. The bill would add penalties for the failure to report late contributions as currently required under the act. The bill would impose late filing fees of \$25 for each business day the report remained unfiled up to a maximum of \$500.

MCL 169.205 et al.

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.