



# HOUSE BILL No. 5074

September 19, 1995, Introduced by Rep. Fitzgerald and referred to the Committee on House Oversight and Ethics.

A bill to amend sections 5, 8, 9, 36, 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, section 9 as amended by Act No. 411 of the Public Acts of 1994, and sections 36 and 69 as amended by Act No. 95 of the Public Acts of 1989, being sections 169.205, 169.208, 169.209, 169.236, 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, 36, 52, and 69 of Act No. 388  
2 of the Public Acts of 1976, section 5 as amended by Act No. 7 of  
3 the Public Acts of 1992, sections 8 and 52 as amended by Act  
4 No. 117 of the Public Acts of 1994, section 9 as amended by Act  
5 No. 411 of the Public Acts of 1994, and sections 36 and 69 as

1 amended by Act No. 95 of the Public Acts of 1989, being sections  
2 169.205, 169.208, 169.209, 169.236, 169.252, and 169.269 of the  
3 Michigan Compiled Laws, are amended to read as follows:

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

8       (2) "ELECTION CYCLE" MEANS 1 OF THE FOLLOWING:

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

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

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

1 of school board member in that school district receives an amount  
2 in excess of \$1,000.00 or expends an amount in excess of  
3 \$1,000.00.

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

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

21       Sec. 9. (1) "Incidental expense" means an expenditure that  
22 is an ordinary and necessary expense, as described in section 162  
23 of the internal revenue code of 1986, 26 U.S.C. 162, paid or  
24 incurred in carrying out the business of an elective office.  
25 Incidental expense includes, but is not limited to, any of the  
26 following:

1 (a) A disbursement necessary to assist, serve, or  
2 communicate with a constituent.

3 (b) A disbursement for equipment, furnishings, or supplies  
4 for the office of the public official.

5 (c) A disbursement for a district office if the district  
6 office is not used for campaign-related activity.

7 (d) A disbursement for the public official or his or her  
8 staff, or both, to attend a conference, meeting, reception, or  
9 other similar event.

10 (e) A disbursement to maintain a publicly owned residence or  
11 a temporary residence at the seat of government.

12 (f) An unreimbursed disbursement for travel, lodging, meals,  
13 or other expenses incurred by the public official, a member of  
14 the public official's immediate family, or a member of the public  
15 official's staff in carrying out the business of the elective  
16 office.

17 (g) A donation to a tax-exempt charitable organization,  
18 including the purchase of tickets to charitable or civic events.

19 (h) A disbursement to a ballot question committee.

20 (i) A purchase of tickets for use by that public official  
21 and members of his or her immediate family and staff to a  
22 fund-raising event sponsored by a candidate committee, indepen-  
23 dent committee, political party committee, or a political commit-  
24 tee that does not exceed \$100.00 per committee in any calendar  
25 year.

1 (j) A disbursement for an educational course or seminar that  
2 maintains or improves skills employed by the public official in  
3 carrying out the business of the elective office.

4 (k) A purchase of advertisements in testimonials, program  
5 books, souvenir books, or other publications if the advertisement  
6 does not support or oppose the nomination or election of a  
7 candidate.

8 (l) A disbursement for consultation, research, polling, and  
9 photographic services not related to a campaign.

10 (m) A fee paid to a fraternal, veteran, or other service  
11 organization.

12 (n) A payment of a tax liability incurred as a result of  
13 authorized transactions by the candidate committee of the public  
14 official.

15 (o) A fee for accounting, professional, or administrative  
16 services for the candidate committee of the public official.

17 (p) A debt or obligation incurred by the candidate committee  
18 of a public official for a disbursement authorized by subdivi-  
19 sions (a) to (o), if the debt or obligation was reported in the  
20 candidate committee report filed for the year in which the debt  
21 or obligation arose.

22 (2) "Independent expenditure" means an expenditure by a  
23 person if the expenditure is not made at the direction of, or  
24 under the control of, another person and if the expenditure is  
25 not a contribution to a committee.

26 (3) "In-kind contribution or expenditure" means a  
27 contribution or expenditure other than money.

1 (4) "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 (5) "LOCAL ELECTIVE OFFICE" MEANS AN ELECTIVE OFFICE AT THE  
5 LOCAL UNIT OF GOVERNMENT LEVEL.

6 (6) "LOCAL UNIT OF GOVERNMENT" MEANS A DISTRICT, AUTHORITY,  
7 COUNTY, CITY, VILLAGE, TOWNSHIP, BOARD, SCHOOL DISTRICT, INTERME-  
8 DIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT.

9 Sec. 36. (1) A ~~copy of the campaign statement of candi-~~  
10 date ~~committees~~ COMMITTEE for a state elective office or a  
11 judicial office shall ~~be filed~~ FILE A COPY OF THE CAMPAIGN  
12 STATEMENT REQUIRED UNDER THIS ACT with the secretary of state.  
13 ~~who~~ THE SECRETARY OF STATE shall reproduce the copy and  
14 transmit the reproduction to the clerk of the county of residence  
15 of the candidate. ~~A copy of the campaign statement of candidate~~  
16 ~~committees of candidates for all other offices shall be filed~~  
17 ~~with the clerk of the county of residence of the candidate.~~

18 (2) A ~~copy of the campaign statement of a~~ ballot question  
19 committee supporting or opposing a statewide ballot question  
20 shall ~~be filed~~ FILE A COPY OF THE CAMPAIGN STATEMENT REQUIRED  
21 UNDER THIS ACT with the secretary of state and with the clerk of  
22 the most populous county in the state. A ballot question commit-  
23 tee supporting or opposing a ballot question to be voted upon in  
24 more than 1 county, but not statewide, shall file A COPY OF THE  
25 CAMPAIGN STATEMENT REQUIRED UNDER THIS ACT with the clerk of the  
26 county in which the greatest number of registered voters eligible  
27 to vote on the ballot question reside. A ballot question

1 committee supporting or opposing a ballot question to be voted  
2 upon within a single county shall file a COPY OF THE CAMPAIGN  
3 statement REQUIRED UNDER THIS ACT only with the clerk of that  
4 county.

5 (3) A ~~copy of the campaign statement of a~~ political party  
6 committee shall ~~be filed~~ FILE A COPY OF THE CAMPAIGN STATEMENT  
7 REQUIRED UNDER THIS ACT with the secretary of state. The secre-  
8 tary of state shall reproduce a copy of the campaign statement of  
9 a political party committee that is a county committee and file  
10 the copy with the clerk of the county where the county committee  
11 operates.

12 (4) A ~~copy of a campaign statement of a~~ committee support-  
13 ing or opposing a candidate for ~~the~~ LOCAL ELECTIVE office, ~~of~~  
14 ~~school board, where~~ IF the office is to be voted on in more than  
15 1 county but not statewide, shall ~~be filed~~ FILE A COPY OF THE  
16 CAMPAIGN STATEMENT REQUIRED UNDER THIS ACT with the clerk of the  
17 county in which the greatest number of registered voters eligible  
18 to vote on the office reside.

19 (5) A ~~copy of the campaign statement of any other~~ commit-  
20 tee not covered under subsection (1), (2), (3), or (4) shall ~~be~~  
21 ~~filed~~ FILE A COPY OF THE CAMPAIGN STATEMENT REQUIRED UNDER THIS  
22 ACT with the secretary of state, except that a committee report-  
23 ing contributions or expenditures for a candidate within only 1  
24 county shall file a statement only with the clerk of that  
25 county.

26 (6) A LOCAL UNIT OF GOVERNMENT THAT RECEIVES COPIES OF  
27 CAMPAIGN STATEMENTS UNDER THIS SECTION SHALL MAKE THE STATEMENTS

1 AVAILABLE FOR PUBLIC INSPECTION AND REPRODUCTION DURING REGULAR  
2 BUSINESS HOURS OF THE LOCAL UNIT OF GOVERNMENT. THE LOCAL UNIT  
3 OF GOVERNMENT SHALL MAKE THE STATEMENTS AVAILABLE AS SOON AS  
4 PRACTICABLE AFTER RECEIPT, BUT NOT LATER THAN THE THIRD BUSINESS  
5 DAY FOLLOWING THE DAY ON WHICH THEY ARE RECEIVED.

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

11 (a) \$3,400.00 for a candidate for state elective office  
12 other than the office of state legislator, OR FOR A CANDIDATE FOR  
13 LOCAL ELECTIVE OFFICE IF THE DISTRICT FROM WHICH HE OR SHE IS  
14 SEEKING OFFICE HAS A POPULATION OF MORE THAN 250,000.

15 (b) \$1,000.00 for a candidate for state senator, OR FOR A  
16 CANDIDATE FOR LOCAL ELECTIVE OFFICE IF THE DISTRICT FROM WHICH HE  
17 OR SHE IS SEEKING OFFICE HAS A POPULATION OF MORE THAN 85,000 BUT  
18 250,000 OR LESS.

19 (c) \$500.00 for a candidate for state representative, OR FOR  
20 A CANDIDATE FOR LOCAL ELECTIVE OFFICE IF THE DISTRICT FROM WHICH  
21 HE OR SHE IS SEEKING OFFICE HAS A POPULATION OF 85,000 OR LESS.

22 ~~(2) For the purpose of subsection (1), "with respect to an~~  
23 ~~election cycle" means + of the following:~~

24 ~~(a) For a general election, the period beginning the day~~  
25 ~~following the last general election in which the office appeared~~  
26 ~~on the ballot and ending on the day of the next general election~~  
27 ~~in which the office next appears on the ballot.~~



1 ~~(b) For a special election, the period beginning the day a~~  
2 ~~special general election is scheduled or the date the office~~  
3 ~~becomes vacant, whichever is earlier, and ending on the day of~~  
4 ~~the special general election.~~

5 (2) ~~(3)~~ An independent committee shall not make contribu-  
6 tions to a candidate committee of a candidate for ~~state~~ elec-  
7 tive office that, in the aggregate for that election cycle, are  
8 more than 10 times the amount permitted a person other than an  
9 independent committee or political party committee in subsection  
10 (1).

11 (3) ~~(4)~~ A political party committee other than a state  
12 central committee shall not make contributions to the candidate  
13 committee of a candidate for ~~state~~ elective office that are  
14 more than 10 times the amount permitted a person other than an  
15 independent committee or political party committee in subsection  
16 (1).

17 (4) ~~(5)~~ A state central committee of a political party  
18 shall not make contributions to the candidate committee or a can-  
19 didate for ~~state~~ elective office other than a candidate for the  
20 legislature that are more than 20 times the amount permitted a  
21 person other than an independent committee or political party  
22 committee in subsection (1). A state central committee of a  
23 political party shall not make contributions to the candidate  
24 committee of a candidate for state senator or state representa-  
25 tive that are more than 10 times the amount permitted a person  
26 other than an independent committee or political party committee  
27 in subsection (1).

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

4       (6) ~~-(7)-~~ Consistent with the provisions of this section, a  
5 contribution designated in writing for a particular election  
6 cycle shall be considered made for that election cycle. A con-  
7 tribution made after the close of a particular election cycle and  
8 designated in writing for that election cycle shall be made only  
9 to the extent that the contribution does not exceed the candidate  
10 committee's net outstanding debts and obligations from the elec-  
11 tion cycle so designated. If a contribution is not designated in  
12 writing for a particular election cycle, the contribution shall  
13 be considered made for the election cycle that corresponds to the  
14 date of the written instrument.

15       (7) ~~-(8)-~~ A candidate committee, a candidate, or a treasurer  
16 or agent of a candidate committee shall not accept a contribution  
17 with respect to an election cycle that exceeds the limitations in  
18 subsection (1), (2), (3), OR (4). ~~/ or (5).~~

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

22       (8) ~~-(10)-~~ A person who knowingly violates this section is  
23 guilty of a misdemeanor punishable, if the person is an individu-  
24 al, by a fine of not more than \$1,000.00 or imprisonment for not  
25 more than 90 days, or both, or, if the person is not an individu-  
26 al, by a fine of not more than \$10,000.00.

1       (9) ~~(11)~~ For purposes of the limitations provided in  
2 subsections (1) and ~~(3)~~ (2), all contributions made by  
3 political committees or independent committees established by any  
4 corporation, joint stock company, or labor organization, includ-  
5 ing any parent, subsidiary, branch, division, department, or  
6 local unit thereof, shall be considered to have been made by a  
7 single independent committee. By way of illustration and not  
8 limitation, all of the following apply as a result of the appli-  
9 cation of this requirement:

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

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

23       (c) All of the political committees and independent commit-  
24 tees established by an organization of national or international  
25 unions, by a state central body of that organization, by a local  
26 central body of that organization, or by any combination thereof,  
27 are treated as a single independent committee.

1 (d) All of the political committees and independent  
2 committees established by a nonprofit corporation, by a related  
3 state entity of that nonprofit corporation, by a related local  
4 entity of that nonprofit corporation, or by any combination  
5 thereof, are treated as a single independent committee.

6 Sec. 69. (1) Except as provided in subsection (6), a person  
7 other than an independent committee or a political party commit-  
8 tee shall not make contributions to a candidate committee of a  
9 candidate ~~which~~ THAT are more than \$3,400.00 in value for an  
10 election cycle.

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

16 (3) A political party committee that is a state central com-  
17 mittee shall not make contributions to a candidate committee  
18 ~~which~~ THAT for an election cycle are more than \$750,000.00.

19 (4) A political party committee that is a congressional dis-  
20 trict or county committee shall not make contributions to a can-  
21 didate committee ~~which~~ THAT for an election cycle are more than  
22 \$30,000.00.

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

26 (6) As used in this subsection, "immediate family" means a  
27 spouse, parent, brother, sister, son, or daughter. A candidate

1 and members of that candidate's immediate family may not  
2 contribute in total to that person's candidate committee an  
3 amount ~~which~~ THAT is more than \$50,000.00 in value for an elec-  
4 tion cycle.

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

9 (8) The candidate committee of a candidate for governor that  
10 does not make application for FUNDS FROM THE state campaign  
11 ~~funds~~ FUND and that accepts from the candidate and the  
12 candidate's immediate family contributions that total for an  
13 election cycle more than \$340,000.00 shall notify the secretary  
14 of state in writing within 48 hours after receipt of this  
15 amount. Within 2 business days after receipt of this notice, the  
16 secretary of state shall send notice to all candidates who are  
17 either seeking the same nomination, in the case of a primary  
18 election, or election to that same office, in the case of a gen-  
19 eral election, informing those candidate committees of all of the  
20 following:

21 (a) That the expenditure limits provided in section 67 are  
22 waived for the remainder of that election for those notified can-  
23 didate committees that receive FUNDS FROM THE state campaign  
24 ~~funds~~ FUND under this act.

25 (b) That the expenditure limits of section 67 are not waived  
26 for the purpose of determining the amount of public funds  
27 available to a candidate under section 64 or 65.

1       (9) A person who knowingly violates this section is guilty  
2 of a misdemeanor punishable, if the person is an individual, by a  
3 fine of not more than \$1,000.00 ~~—~~ or imprisonment for not more  
4 than 90 days, or both, or, if the person is not an individual, by  
5 a fine of not more than \$10,000.00.