



# HOUSE BILL No. 5959

June 7, 1996, Introduced by Rep. Jaye and referred to the Committee on House Oversight and Ethics.

A bill to amend sections 8, 9, and 52 of Act No. 388 of the Public Acts of 1976, entitled as amended "Michigan campaign finance act," sections 8 and 52 as amended by Act No. 264 of the Public Acts of 1995 and section 9 as amended by Act No. 411 of the Public Acts of 1994, being sections 169.208, 169.209, and 169.252 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 8, 9, and 52 of Act No. 388 of the  
2 Public Acts of 1976, sections 8 and 52 as amended by Act No. 264  
3 of the Public Acts of 1995 and section 9 as amended by Act  
4 No. 411 of the Public Acts of 1994, being sections 169.208,  
5 169.209, and 169.252 of the Michigan Compiled Laws, are amended  
6 to read as follows:

1       Sec. 8. (1) "House political party caucus committee" means  
 2 an independent committee established by a political party caucus  
 3 of the state house of representatives under section 24a.

4       (2) "Immediate family" means any child residing in a  
 5 candidate's household, the candidate's spouse, or any individual  
 6 claimed by that candidate or that candidate s spouse as a depen-  
 7 dent for federal income tax purposes.

8       (3) "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(2) or 69(2) files a statement of organization as  
 12 an independent committee at least 6 months before an election for  
 13 which it expects to accept contributions or make expenditures in  
 14 support of or in opposition to a candidate for nomination to or  
 15 election to ~~a state~~ AN elective office; and receives contribu-  
 16 tions from at least 25 persons and makes expenditures not to  
 17 exceed the limitations of section 52(1) in support of or in oppo-  
 18 sition to 3 or more candidates for nomination ~~for~~ TO or elec-  
 19 tion to ~~a state~~ AN elective office in the same calendar year.

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

26       (a) A disbursement necessary to assist, serve, or  
 27 communicate with a constituent.

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

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

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

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

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

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

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

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

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

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

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

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

9 (n) A payment of a tax liability incurred as a result of  
10 authorized transactions by the candidate committee of the public  
11 official.

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

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

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

23 (3) "In-kind contribution or expenditure" means a contribu-  
24 tion or expenditure other than money.

25 (4) "Loan" means a transfer of money, property, or anything  
26 of ascertainable monetary value in exchange for an obligation,  
27 conditional or not, to repay in whole or part.

1       (5) "LOCAL ELECTIVE OFFICE" MEANS AN ELECTIVE OFFICE AT THE  
2 LOCAL UNIT OF GOVERNMENT LEVEL. LOCAL ELECTIVE OFFICE ALSO  
3 INCLUDES JUDGE OF THE COURT OF APPEALS, JUDGE OF THE CIRCUIT  
4 COURT, JUDGE OF THE RECORDER'S COURT OF THE CITY OF DETROIT,  
5 JUDGE OF THE DISTRICT COURT, JUDGE OF THE PROBATE COURT, AND  
6 JUDGE OF A MUNICIPAL COURT.

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

10       Sec. 52. (1) Except as provided in subsection (5) AND  
11 SUBJECT TO SUBSECTION (8), a person other than an independent  
12 committee or a political party committee shall not make contribu-  
13 tions to a candidate committee of a candidate for ~~state~~ elec-  
14 tive office that, with respect to an election cycle, are more  
15 than the following:

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

20       (b) \$1,000.00 for a candidate for state senator, OR FOR A  
21 CANDIDATE FOR LOCAL ELECTIVE OFFICE IF THE DISTRICT FROM WHICH HE  
22 OR SHE IS SEEKING OFFICE HAS A POPULATION OF MORE THAN 85,000 BUT  
23 250,000 OR LESS.

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

1       (2) Except as otherwise provided in this subsection, an  
2 independent committee shall not make contributions to a candidate  
3 committee of a candidate for ~~state~~ elective office that, in the  
4 aggregate for that election cycle, are more than 10 times the  
5 amount permitted a person other than an independent committee or  
6 political party committee in subsection (1). A house political  
7 party caucus committee or a senate political party caucus commit-  
8 tee is not limited under this subsection in the amount of contri-  
9 butions made to the candidate committee of a candidate for the  
10 office of state legislator, except as follows:

11       (a) A house political party caucus committee or a senate  
12 political party caucus committee shall not pay a debt incurred by  
13 a candidate if that debt was incurred while the candidate was  
14 seeking nomination at a primary election and the candidate was  
15 opposed at that primary.

16       (b) A house political party caucus committee or a senate  
17 political party caucus committee shall not make a contribution to  
18 or make an expenditure on behalf of a candidate if that candidate  
19 is seeking nomination at a primary election and the candidate is  
20 opposed at that primary.

21       (3) A political party committee other than a state central  
22 committee shall not make contributions to the candidate committee  
23 of a candidate for ~~state~~ elective office that are more than 10  
24 times the amount permitted a person other than an independent  
25 committee or political party committee in subsection (1).

26       (4) A state central committee of a political party shall not  
27 make contributions to the candidate committee of a candidate for

1 ~~state~~ elective office other than a candidate for the  
2 legislature that are more than 20 times the amount permitted a  
3 person other than an independent committee or political party  
4 committee in subsection (1). A state central committee of a  
5 political party shall not make contributions to the candidate  
6 committee of a candidate for state senator or state representa-  
7 tive that are more than 10 times the amount permitted a person  
8 other than an independent committee or political party committee  
9 in subsection (1).

10 (5) A contribution from a member of a candidate's immediate  
11 family to the candidate committee of that candidate is exempt  
12 from the limitations of subsection (1).

13 (6) Consistent with the provisions of this section, a con-  
14 tribution designated in writing for a particular election cycle  
15 is considered made for that election cycle. A contribution made  
16 after the close of a particular election cycle and designated in  
17 writing for that election cycle shall be made only to the extent  
18 that the contribution does not exceed the candidate committee's  
19 net outstanding debts and obligations from the election cycle so  
20 designated. If a contribution is not designated in writing for a  
21 particular election cycle, the contribution is considered made  
22 for the election cycle that corresponds to the date of the writ-  
23 ten instrument.

24 (7) A candidate committee, a candidate, or a treasurer or  
25 agent of a candidate committee shall not accept a contribution  
26 with respect to an election cycle that exceeds the limitations in  
27 subsection (1), (2), (3), or (4).

1       (8) THE CONTRIBUTION LIMITS IN SUBSECTION (1) FOR A  
2 CANDIDATE FOR LOCAL ELECTIVE OFFICE ARE EFFECTIVE BEGINNING WITH  
3 THE FIRST ELECTION CYCLE FOR THAT CANDIDATE IMMEDIATELY SUCCEED-  
4 ING THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT PROVIDES FOR  
5 THOSE CONTRIBUTION LIMITS.

6       (9) ~~-(8)-~~ A person who knowingly violates this section is  
7 guilty of a misdemeanor punishable, if the person is an individu-  
8 al, by a fine of not more than \$1,000.00 or imprisonment for not  
9 more than 90 days, or both, or, if the person is not an individu-  
10 al, by a fine of not more than \$10,000.00.

11       (10) ~~-(9)-~~ For purposes of the limitations provided in  
12 subsections (1) and (2), all contributions made by political com-  
13 mittees or independent committees established by any corporation,  
14 joint stock company, domestic dependent sovereign, or labor  
15 organization, including any parent, subsidiary, branch, division,  
16 department, or local unit thereof, shall be considered to have  
17 been made by a single independent committee. By way of illustra-  
18 tion and not limitation, all of the following apply as a result  
19 of the application of this requirement:

20       (a) All of the political committees and independent commit-  
21 tees established by a for profit corporation or joint stock com-  
22 pany, by a subsidiary of the for profit corporation or joint  
23 stock company, or by any combination thereof, are treated as a  
24 single independent committee.

25       (b) All of the political committees and independent commit-  
26 tees established by a single national or international labor  
27 organization, by a labor organization of that national or

1 international labor organization, by a local labor organization  
2 of that national or international labor organization, or by any  
3 other subordinate organization of that national or international  
4 labor organization, or by any combination thereof, are treated as  
5 a single independent committee.

6 (c) All of the political committees and independent commit-  
7 tees established by an organization of national or international  
8 unions, by a state central body of that organization, by a local  
9 central body of that organization, or by any combination thereof,  
10 are treated as a single independent committee.

11 (d) All of the political committees and independent commit-  
12 tees established by a nonprofit corporation, by a related state  
13 entity of that nonprofit corporation, by a related local entity  
14 of that nonprofit corporation, or by any combination thereof, are  
15 treated as a single independent committee.