

HOUSE BILL No. 6301

December 1, 1998, Introduced by Reps. Middleton, Dobb, Bobier, Crissman, London, Bodem, Dalman, Oxender, Brackenridge, Nye, Profit and McNutt and referred to the Committee on House Oversight and Ethics.

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 8, 52, and 69 (MCL 169.208, 169.252, and 169.269), as amended by 1996 PA 590.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 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, that before contributing to a
10 candidate committee of a candidate for elective office under

1 section ~~52(2)~~ 52 or ~~69(2)~~ 69 files a statement of
2 organization as an independent committee at least 6 months before
3 an election for which it expects to accept contributions or make
4 expenditures in support of or in opposition to a candidate for
5 nomination to or election to an elective office; and receives
6 contributions from at least 25 persons and makes expenditures not
7 to exceed the limitations of section ~~52(1)~~ 52 in support of or
8 in opposition to 3 or more candidates for nomination to or elec-
9 tion to an elective office in the same calendar year.

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 elective office
14 that, with respect to an election cycle, are more than the
15 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 elective office that, in the aggre-
4 gate for that election cycle, are more than ~~10 times~~ the amount
5 permitted a person other than an independent committee or politi-
6 cal party committee in subsection (1). A house political party
7 caucus committee or a senate political party caucus committee is
8 not limited under this subsection in the amount of contributions
9 made to the candidate committee of a candidate for the office of
10 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 elective office that are more than 10 times
24 the amount permitted a person other than an independent committee
25 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 legislature
2 that are more than 20 times the amount permitted a person other
3 than an independent committee or political party committee in
4 subsection (1). A state central committee of a political party
5 shall not make contributions to the candidate committee of a can-
6 didate for state senator, state representative, or local elective
7 office 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 on ~~the effec-~~
3 ~~tive date of the amendatory act that provides for those contribu-~~
4 ~~tion limits~~ MARCH 31, 1997, however, only contributions received
5 by that candidate on and after ~~that date~~ MARCH 31, 1997 shall
6 be used to determine if the contribution limit has been reached.
7 THE CONTRIBUTION LIMITS IN SUBSECTION (2) FOR AN INDEPENDENT COM-
8 MITTEE ARE EFFECTIVE ON THE EFFECTIVE DATE OF THE AMENDATORY ACT
9 THAT ADDED THIS SENTENCE; HOWEVER, ONLY CONTRIBUTIONS MADE BY THE
10 INDEPENDENT COMMITTEE ON AND AFTER THAT DATE SHALL BE USED TO
11 DETERMINE IF THE CONTRIBUTION LIMIT HAS BEEN REACHED.

12 (9) A person who knowingly violates this section is guilty
13 of a misdemeanor punishable, if the person is an individual, by a
14 fine of not more than \$1,000.00 or imprisonment for not more than
15 90 days, or both, or, if the person is not an individual, by a
16 fine of not more than \$10,000.00.

17 (10) For purposes of the limitations provided in subsections
18 (1) and (2), all contributions made by political committees or
19 independent committees established by any corporation, joint
20 stock company, domestic dependent sovereign, or labor organiza-
21 tion, including any parent, subsidiary, branch, division, depart-
22 ment, or local unit thereof, shall be considered to have been
23 made by a single independent committee. By way of illustration
24 and not limitation, all of the following apply as a result of the
25 application of this requirement:

26 (a) All of the political committees and independent
27 committees established by a for profit corporation or joint stock

1 company, by a subsidiary of the for profit corporation or joint
2 stock company, or by any combination thereof, are treated as a
3 single independent committee.

4 (b) All of the political committees and independent commit-
5 tees established by a single national or international labor
6 organization, by a labor organization of that national or inter-
7 national labor organization, by a local labor organization of
8 that national or international labor organization, or by any
9 other subordinate organization of that national or international
10 labor organization, or by any combination thereof, are treated as
11 a single independent committee.

12 (c) All of the political committees and independent commit-
13 tees established by an organization of national or international
14 unions, by a state central body of that organization, by a local
15 central body of that organization, or by any combination thereof,
16 are treated as a single independent committee.

17 (d) All of the political committees and independent commit-
18 tees established by a nonprofit corporation, by a related state
19 entity of that nonprofit corporation, by a related local entity
20 of that nonprofit corporation, or by any combination thereof, are
21 treated as a single independent committee.

22 Sec. 69. (1) Except as provided in subsection ~~-(6)-~~ (5), a
23 person other than ~~an independent committee or~~ a political party
24 committee shall not make contributions to a candidate committee
25 of a candidate that are more than \$3,400.00 in value for an elec-
26 tion cycle.

1 ~~-(2) An independent committee shall not make contributions~~
2 ~~to a candidate committee that for an election cycle are more than~~
3 ~~10 times the amount permitted a person other than an independent~~
4 ~~committee or political party committee in subsection (1).~~

5 (2) ~~-(3)~~ A political party committee that is a state cen-
6 tral committee shall not make contributions to a candidate com-
7 mittee that for an election cycle are more than \$750,000.00.

8 (3) ~~-(4)~~ A political party committee that is a congressio-
9 nal district or county committee shall not make contributions to
10 a candidate committee that for an election cycle are more than
11 \$30,000.00.

12 (4) ~~-(5)~~ A candidate committee, a candidate, or a treasurer
13 or agent shall not accept a contribution with respect to an elec-
14 tion cycle that exceeds a limitation in subsections (1) to ~~-(4)~~
15 (3).

16 (5) ~~-(6)~~ As used in this subsection, "immediate family"
17 means a spouse, parent, brother, sister, son, or daughter. A
18 candidate and members of that candidate's immediate family may
19 not contribute in total to that person's candidate committee an
20 amount that is more than \$50,000.00 in value for an election
21 cycle. THE CONTRIBUTION LIMITS IN SUBSECTION (1) FOR AN INDEPEN-
22 DENT COMMITTEE ARE EFFECTIVE ON THE EFFECTIVE DATE OF THE AMENDA-
23 TORY ACT THAT ADDED THIS SENTENCE; HOWEVER, ONLY CONTRIBUTIONS
24 MADE BY THE INDEPENDENT COMMITTEE ON AND AFTER THAT DATE SHALL BE
25 USED TO DETERMINE IF THE CONTRIBUTION LIMIT HAS BEEN REACHED.

1 (6) ~~-(7)-~~ Sections 5(3) and ~~-52(6)-~~ 52 apply to determining
2 when an election cycle begins and ends and to which election
3 cycle a particular contribution is attributed.

4 (7) ~~-(8)-~~ The candidate committee of a candidate for gover-
5 nor that does not apply for funds from the state campaign fund
6 and that accepts from the candidate and the candidate's immediate
7 family contributions that total for an election cycle more than
8 \$340,000.00 shall notify the secretary of state in writing within
9 48 hours after receipt of this amount. Within 2 business days
10 after receipt of this notice, the secretary of state shall send
11 notice to all candidates who are either seeking the same nomina-
12 tion, in the case of a primary election, or election to that same
13 office, in the case of a general election, informing those candi-
14 date committees of all of the following:

15 (a) That the expenditure limits provided in section 67 are
16 waived for the remainder of that election for those notified can-
17 didate committees that receive funds from the state campaign fund
18 under this act.

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

22 (8) ~~-(9)-~~ 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.