

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5056 (Substitute H-1 as passed by the House)
Sponsor: Representative Judson Gilbert
House Committee: Constitutional Law and Ethics
Senate Committee: Government Operations

Date Completed: 12-2-99

CONTENT

The bill would amend the Campaign Finance Act to require the Secretary of State to make late contribution reports available on the Internet; increase the late filing fee for failure to report a late contribution; and extend the period for preserving statements or reports containing uncorrected violations.

Currently, a late contribution must be reported to a filing official within 48 hours after its receipt. A "late contribution" is a contribution of \$200 or more received after the closing date of the last campaign statement required to be filed before an election. A filing official must make a statement or report required to be filed under the Act available for public inspection by the third business day following the date it is received. The bill provides that if a report were a report of a late contribution made to the Secretary of State, the Secretary of State also would have to make the report or its contents available to the public on the Internet, without charge, as soon as practical but not later than the end of the business day on which it was received, at a single website established and maintained by the Secretary of State.

Currently, a committee, candidate, treasurer, or other individual designated as responsible for a committee's record-keeping must pay a filing fee for failure to report a late contribution. The fee is \$25 for each business day a report remains unfiled, not to exceed \$500. The bill provides that the fee would be \$25 per business day for the first three days; an additional \$25 per day for each business day after the first three business days; and an additional \$50 per day for each business day after the first 10 business days. The bill would establish a maximum late filing fee of \$2,000.

Currently, a filing official must preserve a statement of organization filed under the Act for five years from the official date of the committee's dissolution. A statement or report filed by a candidate for an office with a term exceeding four years must be preserved for one year beyond that candidate's term of office. Any other statement or report must be preserved for five years from the date the filing occurred. The bill provides that if uncorrected violations occurred in the statements or reports, or a court determined that a violation of the Act had occurred with regard to the statements or reports, the preservation period would be extended until five years after the date of the court determination or the date the violations were corrected, whichever was later.

MCL 169.216 & 169.232

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would impose costs on the Department of State by requiring the Department to maintain a website for the disclosure of late contribution reports. Further, the bill would increase the penalty for failure to report a late contribution. These new fees could increase revenue to the State. However, the amount of fees collected depends upon the number of individuals failing to file the reports, as well as the number of days each report is unfiled.

Fiscal Analyst: E. Limbs

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.