

SENATE BILL No. 840

October 21, 1999, Introduced by Senator SIKKEMA and referred to the Committee on Government Operations.

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 5, 22, 26, 28, 29, 41, and 42 (MCL 169.205, 169.222, 169.226, 169.228, 169.229, 169.241, and 169.242), sections 5, 26, and 29 as amended by 1995 PA 264, section 22 as amended by 1989 PA 95, and sections 28, 41, and 42 as amended by 1994 PA 117, and by adding section 18; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) "Domestic dependent sovereign" means an Indian
2 tribe that has been acknowledged, recognized, restored, or reaf-
3 firmed as an Indian tribe by the secretary of the interior pursu-
4 ant to chapter 576, 48 Stat. 984, 25 U.S.C. 461 to 463, 464 to
5 465, 466 to 470, 471 to 472, 473, 474 to 475, 476 to 478, and
6 479, commonly referred to as the Indian reorganization act, or

1 has otherwise been acknowledged by the United States government
2 as an Indian tribe.

3 (2) "Election" means a primary, general, special, or millage
4 election held in this state or a convention or caucus of a polit-
5 ical party held in this state to nominate a candidate. Election
6 includes a recall vote.

7 (3) "Election cycle" means 1 of the following:

8 (a) For a general election, the period beginning the day
9 following the last general election in which the office appeared
10 on the ballot and ending on the day of the general election in
11 which the office next appears on the ballot.

12 (b) For a special election, the period beginning the day a
13 special general election is called or the date the office becomes
14 vacant, whichever is earlier, and ending on the day of the spe-
15 cial general election.

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

1 in excess of \$1,000.00 or expends an amount in excess of
2 \$1,000.00. ELECTIVE OFFICE DOES NOT INCLUDE A FEDERAL OFFICE
3 EXCEPT FOR THE PURPOSES OF SECTION 57.

4 SEC. 18. (1) THE SECRETARY OF STATE SHALL DEVELOP AND
5 IMPLEMENT AN ELECTRONIC DISCLOSURE SYSTEM THAT PERMITS COMMITTEES
6 REQUIRED TO ELECTRONICALLY FILE STATEMENTS OR REPORTS REQUIRED
7 UNDER THIS ACT WITH THE SECRETARY OF STATE BY DISKETTE, MODEM, OR
8 INTERNET AND THAT PROVIDES INTERNET DISCLOSURE OF ELECTRONICALLY
9 FILED STATEMENTS OR REPORTS ON A WEBSITE.

10 (2) BY JULY 1, 2000, THE SECRETARY OF STATE SHALL OFFER EACH
11 COMMITTEE REQUIRED TO FILE WITH THE SECRETARY OF STATE THE OPTION
12 OF FILING CAMPAIGN STATEMENTS ELECTRONICALLY, AS DESCRIBED IN
13 SUBSECTION (1).

14 (3) BEGINNING WITH THE PREELECTION CAMPAIGN STATEMENT FOR
15 THE AUGUST 2000 PRIMARY, EACH CANDIDATE COMMITTEE FOR THE SUPREME
16 COURT, COURT OF APPEALS, OR STATE HOUSE OF REPRESENTATIVES THAT
17 RECEIVED OR EXPENDED \$20,000.00 OR MORE IN THE PRECEDING ELECTION
18 CYCLE OR EXPECTS TO RECEIVE OR EXPEND \$20,000.00 OR MORE IN THE
19 CURRENT ELECTION CYCLE SHALL ELECTRONICALLY FILE ALL STATEMENTS
20 AND REPORTS REQUIRED UNDER THIS ACT, AS DESCRIBED IN SUBSECTION
21 (1).

22 (4) BEGINNING WITH THE ANNUAL CAMPAIGN STATEMENT DUE JANUARY
23 31, 2002, EACH CANDIDATE COMMITTEE REQUIRED TO FILE WITH THE SEC-
24 RETARY OF STATE THAT RECEIVED OR EXPENDED \$20,000.00 OR MORE IN
25 THE PRECEDING ELECTION CYCLE OR THAT RECEIVES OR EXPENDS OR
26 EXPECTS TO RECEIVE OR EXPEND \$20,000.00 OR MORE IN THE CURRENT

1 ELECTION CYCLE SHALL ELECTRONICALLY FILE ALL STATEMENTS AND
2 REPORTS REQUIRED UNDER THIS ACT, AS DESCRIBED IN SUBSECTION (1).

3 (5) BEGINNING WITH THE ANNUAL CAMPAIGN STATEMENT DUE JANUARY
4 31, 2002, EACH COMMITTEE, OTHER THAN A CANDIDATE COMMITTEE,
5 REQUIRED TO FILE WITH THE SECRETARY OF STATE THAT RECEIVED OR
6 EXPENDED \$20,000.00 OR MORE IN THE PRECEDING CALENDAR YEAR OR
7 EXPECTS TO RECEIVE OR EXPEND \$20,000.00 OR MORE IN THE CURRENT
8 CALENDAR YEAR SHALL ELECTRONICALLY FILE ALL STATEMENTS AND
9 REPORTS REQUIRED UNDER THIS ACT, AS DESCRIBED IN SUBSECTION (1).

10 (6) IF A COMMITTEE WAS NOT REQUIRED TO FILE A CAMPAIGN
11 STATEMENT UNDER SUBSECTION (3), (4), OR (5) ONLY BECAUSE IT DID
12 NOT MEET THE APPLICABLE THRESHOLD OF RECEIVING OR EXPENDING
13 \$20,000.00 OR MORE, BUT THE COMMITTEE LATER REACHES THAT THRESH-
14 OLD, THE COMMITTEE SHALL NOTIFY THE SECRETARY OF STATE WITHIN 10
15 BUSINESS DAYS AFTER REACHING THAT THRESHOLD AND SHALL SUBSE-
16 QUENTLY FILE ELECTRONICALLY ALL STATEMENTS AND REPORTS REQUIRED
17 UNDER THIS ACT PURSUANT TO SUBSECTION (3), (4), OR (5), AS
18 APPLICABLE.

19 (7) THE SECRETARY OF STATE MAY PERMIT A COMMITTEE TO ELEC-
20 TRONICALLY FILE STATEMENTS AND REPORTS REQUIRED UNDER THIS ACT,
21 AS DESCRIBED IN SUBSECTION (1), EXCEPT AN ORIGINAL STATEMENT OF
22 ORGANIZATION, AFTER THE COMMITTEE TREASURER AND, FOR A CANDIDATE
23 COMMITTEE, THE CANDIDATE HAS SIGNED AND FILED A FORM DESIGNED BY
24 THE SECRETARY OF STATE TO SERVE AS THE SIGNATURE VERIFYING THE
25 ACCURACY AND COMPLETENESS OF EACH STATEMENT OR REPORT FILED
26 ELECTRONICALLY.

1 Sec. 22. A committee treasurer or other individual
2 designated on the statement of organization as responsible for
3 the committee's record keeping, report preparation, or report
4 filing shall keep detailed accounts, records, bills, and receipts
5 as required to substantiate the information contained in a state-
6 ment or report filed pursuant to this act or rules promulgated
7 under this act. The treasurer shall record the name and address
8 of a person from whom a contribution is received. ~~except for~~
9 ~~contributions of \$20.00 or less received pursuant to section~~
10 ~~41(3).~~ The records of a committee shall be preserved for 5 years
11 and shall be made available for inspection as authorized by the
12 secretary of state. A treasurer or other individual designated
13 as responsible for the committee's record keeping, report prepa-
14 ration, or report filing who knowingly violates this section is
15 subject to a civil fine of not more than \$1,000.00.

16 Sec. 26. (1) A campaign statement of a committee, other
17 than a political party committee, required by this act shall con-
18 tain all of the following information:

19 (a) The filing committee's name, address, and telephone
20 number, and the full name, residential and business addresses,
21 and telephone numbers of the committee treasurer or other indi-
22 vidual designated as responsible for the committee's record keep-
23 ing, report preparation, or report filing.

24 (b) Under the heading "receipts", the total amount of con-
25 tributions received during the period covered by the campaign
26 statement; under the heading "expenditures", the total amount of
27 expenditures made during the period covered by the campaign

1 statement; and the cumulative amount of those totals.
2 Forgiveness of a loan shall not be included in the totals.
3 Payment of a loan by a third party shall be recorded and reported
4 as an in-kind contribution by the third party. In-kind contribu-
5 tions or expenditures shall be listed at fair market value and
6 shall be reported as both contributions and expenditures. A con-
7 tribution or expenditure that is by other than completed and
8 accepted payment, gift, or other transfer, that is clearly not
9 legally enforceable, and that is expressly withdrawn or rejected
10 and returned before a campaign statement closing date need not be
11 included in the campaign statement and if included may, in a
12 later or amended statement, be shown as a deduction, but the com-
13 mittee shall keep adequate records of each instance.

14 (c) The balance of cash on hand at the beginning and the end
15 of the period covered by the campaign statement.

16 ~~(d) The total amount of contributions received during the~~
17 ~~period covered by the campaign statement from persons who con-~~
18 ~~tributed more than \$20.00.~~

19 ~~(e) The total amount of contributions received during the~~
20 ~~period covered by the campaign statement from persons who con-~~
21 ~~tributed \$20.00 or less.~~

22 ~~(f) The total amount of contributions of \$20.00 or less~~
23 ~~received during the period covered by the campaign statement and~~
24 ~~the cumulative amount of the contributions received by the filer~~
25 ~~pursuant to section 41(3).~~

26 (D) ~~(g)~~ The following information regarding each
27 fund-raising event shall be included in the report:

1 (i) The type of event, date held, address and name, if any,
2 of the place where the activity was held, and approximate number
3 of individuals participating or in attendance.

4 (ii) The total amount of all contributions. ~~of more than~~
5 ~~\$20.00.~~

6 ~~(iii) The total amount of all contributions of \$20.00 or~~
7 ~~less.~~

8 (iii) ~~(iv)~~ The gross receipts of the fund-raising event.

9 (iv) ~~(v)~~ The expenditures incident to the event.

10 (E) ~~(h)~~ The full name of each individual from whom contri-
11 butions ~~totaling more than \$20.00~~ are received during the
12 period covered by the campaign statement, together with the
13 individual's street address, the amount contributed, the date on
14 which each contribution was received, and the cumulative amount
15 contributed by that individual. The occupation, employer, and
16 principal place of business shall be stated if the individual's
17 cumulative contributions are more than \$100.00.

18 (F) ~~(i)~~ The cumulative amount contributed and the name and
19 address of each individual, except those individuals reported
20 under subdivision ~~(h)~~ (E), who contributed ~~a total of more~~
21 ~~than \$20.00~~ TO THE COMMITTEE. The occupation, employer, and
22 principal place of business, shall be stated for each individual
23 who contributed more than \$100.00.

24 (G) ~~(j)~~ The name and street address of each person, other
25 than an individual, from whom contributions are received during
26 the period covered by the campaign statement, together with an
27 itemization of the amounts contributed, the date on which each

1 contribution was received, and the cumulative amount contributed
2 by that person.

3 (H) ~~(k)~~ The name, address, and amount given by an individ-
4 ual who contributed ~~more than \$20.00~~ to the total amount con-
5 tributed by a person who is other than a committee or an
6 individual. The occupation, employer, and principal place of
7 business shall be stated if the individual contributed more than
8 \$100.00 of the total amount contributed by a person who is other
9 than a committee or an individual.

10 (I) ~~(l)~~ The cumulative total of expenditures of \$50.00 or
11 less made during the period covered by the campaign statement
12 except for expenditures made to or on behalf of another commit-
13 tee, candidate, or ballot question.

14 (J) ~~(m)~~ The full name and street address of each person to
15 whom expenditures totaling more than \$50.00 were made, together
16 with the amount of each separate expenditure to each person
17 during the period covered by the campaign statement; the purpose
18 of the expenditure; the full name and street address of the
19 person providing the consideration for which any expenditure was
20 made if different from the payee; the itemization regardless of
21 amount of each expenditure made to or on behalf of another com-
22 mittee, candidate, or ballot question; and the cumulative amount
23 of expenditures for or against that candidate or ballot question
24 for an election cycle. An expenditure made in support of more
25 than 1 candidate or ballot question, or both, shall be appor-
26 tioned reasonably among the candidates or ballot questions, or
27 both.

1 (2) A candidate committee or ballot question committee shall
2 report all cumulative amounts required by this section on a per
3 election cycle basis. Except for subsection ~~(1)(m)~~ (1)(J), an
4 independent committee or political committee shall report all
5 cumulative amounts required by this section on a calendar year
6 basis.

7 (3) A campaign statement of a committee, in addition to the
8 other information required by this section, shall include an
9 itemized list of all expenditures during the reporting period for
10 election day busing of electors to the polls, get-out-the-vote
11 activities, slate cards, challengers, poll watchers, and poll
12 workers.

13 Sec. 28. (1) Interest received by a committee on an account
14 consisting of funds belonging to the committee shall not be con-
15 sidered a contribution to the committee but the committee shall
16 report its receipt on a campaign statement as interest. A com-
17 mittee shall report interest paid by the committee on a campaign
18 statement as an expenditure.

19 (2) A committee shall report a loan with an outstanding bal-
20 ance made or received in a separate schedule attached to the cam-
21 paign statement providing the date and amount of the loan, the
22 date and amount of each payment, the amount of cumulative pay-
23 ments, the amount of the outstanding balance, and whether the
24 loan payments were made by money, services, property, or other
25 means. The committee shall provide the name and address of the
26 lender and each person who is liable directly, indirectly, or
27 contingently on each loan. ~~of more than \$20.00.~~ The committee

1 shall provide the occupation and employer, if any, of the lender
2 and each person if the loan is for more than \$100.00. If a loan
3 is paid off within a reporting period, this activity need not be
4 reported on a separate schedule to the campaign statement.
5 However, if a loan is forgiven, the committee shall detail that
6 fact on a separate schedule to the campaign statement.

7 (3) Accompanying a campaign statement reporting the receipt
8 of a contribution ~~of more than \$20.00,~~ from a person whose
9 treasurer does not reside in, whose principal office is not
10 located in, or whose funds are not kept in this state, shall be a
11 statement certified as true and correct by an officer of the con-
12 tributing person setting forth the full name, address, along with
13 the amount contributed, of each person who contributed ~~more than~~
14 ~~\$20.00~~ TO THE TOTAL AMOUNT of the contribution. The occupation,
15 employer, and principal place of business shall be stated for
16 each person who contributed more than \$100.00. This subsection
17 does not apply if the contributing person is registered as a com-
18 mittee under section 24.

19 Sec. 29. (1) A campaign statement filed by a political
20 party committee shall contain all of the following information:

21 (a) The full name of each person from whom contributions
22 ~~totaling more than \$20.00 in value~~ are received in a calendar
23 year, the amount, and the date or dates contributed; and, if the
24 person is a committee, the name and address of the committee and
25 the full name of the committee treasurer, together with the
26 amount of the contribution and the date received. The
27 occupation, employer, and principal place of business, if any,

1 shall be listed for each person from whom contributions totaling
2 more than \$100.00 are received in a calendar year.

3 (b) Accompanying a campaign statement reporting the receipt
4 of a contribution ~~of more than \$20.00~~ from a committee or
5 person whose treasurer does not reside in, whose principal office
6 is not located in, or whose funds are not kept in this state, and
7 whose committee has not filed a statement of organization as
8 required in section 24, shall be a statement setting forth the
9 full name and address of the treasurer of the committee.

10 (c) An itemized list of all expenditures, including in-kind
11 contributions and expenditures and loans, made during the period
12 covered by the campaign statement that were contributions to a
13 candidate committee of a candidate for elective office or a
14 ballot question committee; or independent expenditures in support
15 of the qualification, passage, or defeat of a ballot question or
16 in support of the nomination or election of a candidate for elec-
17 tive office or the defeat of any of the candidate's opponents.

18 (d) The total expenditure by the committee for each candi-
19 date for elective office or ballot question in whose behalf an
20 independent expenditure was made or a contribution was given for
21 the election cycle.

22 (e) The filer's name, address, and telephone number, if
23 available, if any, and the full name, address, and telephone
24 number, if available, of the committee treasurer.

25 (2) The committee shall identify an expenditure listed under
26 subsection (1)(c) as an independent expenditure or as a

1 contribution to a candidate committee or a ballot question
2 committee.

3 (3) The committee shall designate for a contribution to or
4 on behalf of a candidate committee or ballot question committee
5 listed under subsection (1)(c) the name and address of the com-
6 mittee, the name of the candidate and the office sought, if any,
7 the amount contributed, and the date of contribution.

8 (4) The committee shall designate for an independent expen-
9 diture listed under subsection (1)(c) either the name of the can-
10 didate for whose benefit the expenditure was made and the office
11 sought by the candidate, or a brief description of the ballot
12 question for which the expenditure was made; the amount, date,
13 and purpose of the expenditure; and the full name and address of
14 the person to whom the expenditure was made.

15 (5) The committee shall apportion an expenditure listed that
16 was made in support of more than 1 candidate or ballot question,
17 or both, reasonably among the candidates or ballot questions, or
18 both.

19 (6) A campaign statement of a committee, in addition to the
20 other information required by this section, shall include an
21 itemized list of all expenditures during the reporting period for
22 election day busing of electors to the polls, get-out-the-vote
23 activities, slate cards, challengers, poll watchers, and poll
24 workers.

25 Sec. 41. (1) A person shall not make or accept a single
26 contribution of more than \$20.00 in cash or make or accept a
27 single expenditure of more than \$50.00 in cash. Contributions of

1 more than \$20.00 and expenditures of more than \$50.00, other than
2 an in-kind contribution or expenditure, shall be made by written
3 instrument containing the names of the payor and the payee.

4 (2) A person shall not accept or expend an anonymous
5 contribution. An anonymous contribution received by a person
6 shall not be deposited but shall be given to a tax exempt chari-
7 table organization. The charitable organization receiving the
8 contribution shall provide the person with a receipt. The
9 receipt shall be ~~returned~~ RETAINED by an appropriate committee
10 pursuant to section 22.

11 ~~(3) A contribution received as the result of a fund-raising~~
12 ~~event or casual services or from the sale of political merchan-~~
13 ~~dise that is \$20.00 or less in the aggregate from a person in any~~
14 ~~calendar year is not considered an anonymous contribution. A~~
15 ~~contribution received from membership fees, dues, or subscrip-~~
16 ~~tions for political purposes to an independent committee or a~~
17 ~~political party committee that is \$20.00 or less in the aggregate~~
18 ~~from a person in any calendar year is not considered an anonymous~~
19 ~~contribution.~~

20 (4) ~~A person making a contribution pursuant to subsection~~
21 ~~(3) that is more than \$20.00 in any calendar year when added to~~
22 ~~all other contributions made to that committee by that person~~
23 ~~shall furnish the recipient with the donor's name, address, and~~
24 ~~the total amount contributed.~~

25 (3) ~~(5)~~ A contribution shall not be made, directly or
26 indirectly, by any person in a name other than the name by which
27 that person is identified for legal purposes.

1 (4) ~~(6)~~ A person who knowingly violates this section is
2 guilty of a misdemeanor punishable, if the person is an individu-
3 al, by a fine of not more than \$1,000.00 or imprisonment for not
4 more than 90 days, or both, or, if the person is other than an
5 individual, by a fine of not more than \$10,000.00.

6 Sec. 42. (1) A person who accepts a contribution, other
7 than by written instrument, on behalf of another and acts as the
8 intermediary or agent of the person from whom the contribution
9 was accepted shall disclose to the recipient of the contribution
10 the intermediary's own name and address and the name and address
11 of the actual source of the contribution.

12 (2) A contribution ~~of more than \$20.00,~~ from a person
13 whose treasurer does not reside in, whose principal office is not
14 located in, or whose funds are not kept in this state, shall not
15 be accepted by a person for purposes of supporting or opposing
16 candidates for elective office or the qualification, passage, or
17 defeat of a ballot question unless accompanied by a statement
18 certified as true and correct by an officer of the contributing
19 person setting forth the full name and address along with the
20 amount contributed, of each person who contributed ~~more than~~
21 ~~\$20.00~~ TO THE TOTAL AMOUNT of the contribution. The occupation,
22 employer, and principal place of business shall be listed for
23 each person who contributed more than \$100.00 to the total amount
24 of the contribution. The certified statement shall also state
25 that the contribution was not made from an account containing
26 funds prohibited by section 54. This subsection does not apply

1 if the contributing person is registered as a committee under
2 section 24.

3 (3) A person shall not receive a contribution from a person
4 other than a committee unless for purposes of the recipient
5 person's record keeping and reporting requirements, the contribu-
6 tion is accompanied by the name and address of each person who
7 contributed ~~more than \$20.00~~ to the TOTAL AMOUNT OF THE contri-
8 bution, and the name, address, occupation, employer, and princi-
9 pal place of business of each person who contributed more than
10 \$100.00 to the total amount of the contribution.

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

16 Enacting section 1. Section 25a of the Michigan campaign
17 finance act, 1976 PA 388, MCL 169.225a, is repealed.