

# HOUSE BILL No. 5451

September 22, 2009, Introduced by Reps. Knollenberg, Bledsoe and Walsh and referred to the Committee on Ethics and Elections.

A bill to amend 1976 PA 388, entitled  
"Michigan campaign finance act,"  
by amending sections 24, 45, 52, and 69 (MCL 169.224, 169.245,  
169.252, and 169.269), section 24 as amended by 1999 PA 237,  
section 45 as amended by 1996 PA 590, and sections 52 and 69 as  
amended by 2001 PA 250.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 24. (1) A committee shall file a statement of  
2 organization with the filing officials designated in section 36 to  
3 receive the committee's campaign statements. A statement of  
4 organization shall be filed within 10 days after a committee is  
5 formed. A filing official shall maintain a statement of  
6 organization filed by a committee until 5 years after the official  
7 date of the committee's dissolution. A person who fails to file a

1 statement of organization required by this subsection shall pay a  
2 late filing fee of \$10.00 for each business day the statement  
3 remains not filed in violation of this subsection. The late filing  
4 fee shall not exceed \$300.00. A person who violates this subsection  
5 by failing to file for more than 30 days after a statement of  
6 organization is required to be filed is guilty of a misdemeanor  
7 punishable by a fine of not more than \$1,000.00.

8 (2) The statement of organization required by subsection (1)  
9 shall include the following information:

10 (a) The name, street address, and if available, the telephone  
11 number of the committee. If a committee is a candidate committee,  
12 the committee name shall include the first and last name of the  
13 candidate. A committee address may be the home address of the  
14 candidate or treasurer of the committee.

15 (b) The name, street address, and if available, the telephone  
16 number of the treasurer or other individual designated as  
17 responsible for the committee's record keeping, report preparation,  
18 or report filing.

19 (c) The name and address of the financial institution in which  
20 the official committee depository is or is intended to be located,  
21 and the name and address of each financial institution in which a  
22 secondary depository is or is intended to be located.

23 (d) The full name of the office being sought by, including  
24 district number or jurisdiction, and the county residence of each  
25 candidate supported or opposed by the committee.

26 (e) A brief statement identifying the substance of each ballot  
27 question supported or opposed by the committee. If the ballot

1 question supported or opposed by the committee is not statewide,  
2 the committee shall identify the county in which the greatest  
3 number of registered voters eligible to vote on the ballot question  
4 reside.

5 (f) Identification of the committee as a candidate committee,  
6 political party committee, independent committee, political  
7 committee, or ballot question committee if it is identifiable as  
8 such a committee.

9 (3) An independent committee or political committee shall  
10 include in the name of the committee the name of the person or  
11 persons that sponsor the committee, if any, or with whom the  
12 committee is affiliated. A person, other than an individual or a  
13 committee, sponsors or is affiliated with an independent committee  
14 or political committee if that person establishes, directs,  
15 controls, or financially supports the administration of the  
16 committee. For the purposes of this subsection, a person does not  
17 financially support the administration of a committee by merely  
18 making a contribution to the committee.

19 (4) If any of the information required in a statement of  
20 organization is changed, the committee shall file an amendment when  
21 the next campaign statement is required to be filed. An independent  
22 committee or political committee whose name does not include the  
23 name of the person or persons that sponsor the committee or with  
24 whom the committee is affiliated as required by subsection (3)  
25 shall file an amendment to the committee's statement of  
26 organization not later than the date the next campaign statement is  
27 required to be filed after ~~the effective date of the amendatory act~~

1 ~~that added this sentence~~ **APRIL 1, 1995.**

2 (5) When filing a statement of organization, a committee,  
3 other than an independent committee, a political committee, or a  
4 political party committee, may indicate in a written statement  
5 signed by the treasurer of the committee that the committee does  
6 not expect for each election to receive an amount in excess of  
7 \$1,000.00 or expend an amount in excess of \$1,000.00.

8 (6) When filing a statement of organization, an independent  
9 committee, a political committee, or a political party committee  
10 may indicate in a written statement signed by the treasurer of the  
11 committee that the committee does not expect in a calendar year to  
12 receive or expend an amount in excess of \$1,000.00.

13 (7) Upon the dissolution of a committee, the committee shall  
14 file a statement indicating dissolution with the filing officials  
15 with whom the committee's statement of organization was filed.  
16 Dissolution of a committee shall be accomplished pursuant to rules  
17 promulgated by the secretary of state under the administrative  
18 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. **A**

19 **CANDIDATE COMMITTEE DISSOLVED BY APPLICATION OF SUBSECTION (9) OR**  
20 **(10) SHALL COMPLY WITH THIS SUBSECTION.**

21 (8) A candidate committee that files a written statement  
22 pursuant to subsection (5) shall not be required to file a  
23 dissolution statement pursuant to subsection (7) if the committee  
24 failed to receive or expend an amount in excess of \$1,000.00 and 1  
25 of the following applies:

26 (a) The candidate was defeated in an election and has no  
27 outstanding campaign debts or assets.

1 (b) The candidate vacates an elective office and has no  
2 outstanding campaign debts or assets.

3 (9) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (10), A  
4 CANDIDATE COMMITTEE DISSOLVES ON THE DATE THE CANDIDATE COMMITTEE  
5 FILES THE POSTELECTION STATEMENT FOR THE ELECTION IN WHICH THE  
6 CANDIDATE WAS ELECTED FOR THE LAST TERM THAT THE CANDIDATE CAN  
7 SERVE IN THE ELECTED OFFICE BECAUSE OF THE LIMIT ON THE NUMBER OF  
8 TERMS PRESCRIBED IN SECTION 54 OF ARTICLE IV OF THE STATE  
9 CONSTITUTION OF 1963.

10 (10) A CANDIDATE COMMITTEE DOES NOT DISSOLVE UNDER SUBSECTION  
11 (9) IF THE CANDIDATE COMMITTEE HAS OUTSTANDING DEBTS AND  
12 OBLIGATIONS. A CANDIDATE COMMITTEE WITH OUTSTANDING DEBTS AND  
13 OBLIGATIONS THAT WOULD OTHERWISE DISSOLVE UNDER SUBSECTION (9) MAY  
14 CONTINUE TO ACCEPT CONTRIBUTIONS UNDER THE LIMITATIONS PRESCRIBED  
15 IN SECTION 52. A CANDIDATE COMMITTEE DESCRIBED IN THIS SUBSECTION  
16 DISSOLVES WHEN IT RECEIVES SUFFICIENT CONTRIBUTIONS TO PAY ITS  
17 OUTSTANDING DEBTS AND OBLIGATIONS.

18 Sec. 45. (1) ~~A-SUBJECT TO SUBSECTION (3), A~~ person may  
19 transfer any unexpended ~~funds-MONEY~~ from 1 candidate committee to  
20 another candidate committee of that person if the contribution  
21 limits prescribed in section 52 or 69 for the candidate committee  
22 receiving the ~~funds-MONEY~~ are equal to or greater than the  
23 contribution limits for the candidate committee transferring the  
24 ~~funds-MONEY~~ and if the candidate committees are simultaneously held  
25 by the same person. The ~~funds-MONEY~~ being transferred shall not be  
26 considered a qualifying contribution regardless of the amount of  
27 the individual contribution being transferred.

(2) ~~Upon~~ **SUBJECT TO SUBSECTION (3), UPON** termination of a candidate committee, unexpended ~~funds~~ **MONEY** in the candidate committee that ~~are~~ **IS** not eligible for transfer to another candidate committee of the person under subsection (1) shall be disbursed as follows:

(a) Given to a political party committee.

(b) Given to a tax exempt charitable organization, as long as the candidate does not become an officer or director of or receive compensation, either directly or indirectly, from that organization.

(c) Returned to the contributors of the ~~funds~~ **MONEY** upon termination of the campaign committee.

(d) If the person was a candidate for the office of state representative, given to a house political party caucus committee.

(e) If the person was a candidate for the office of state senator, given to a senate political party caucus committee.

(f) Given to an independent committee.

(g) Given to a ballot question committee.

**(3) BEFORE MONEY IS TRANSFERRED OR DISBURSED UNDER SUBSECTION (1) OR (2), A CANDIDATE COMMITTEE SHALL USE UNEXPENDED MONEY TO PAY THE CANDIDATE COMMITTEE'S OUTSTANDING DEBTS AND OBLIGATIONS.**

Sec. 52. (1) Except as provided in subsection (5) or ~~(11)~~ **(12)** and subject to subsection ~~(8)~~ **(9)**, a person other than an independent committee or a political party committee shall not make contributions to a candidate committee of a candidate for elective office that, with respect to an election cycle, are more than the following:

1           (a) \$3,400.00 for a candidate for state elective office other  
2 than the office of state legislator, or for a candidate for local  
3 elective office if the district from which he or she is seeking  
4 office has a population of more than 250,000.

5           (b) \$1,000.00 for a candidate for state senator, or for a  
6 candidate for local elective office if the district from which he  
7 or she is seeking office has a population of more than 85,000 but  
8 250,000 or less.

9           (c) \$500.00 for a candidate for state representative, or for a  
10 candidate for local elective office if the district from which he  
11 or she is seeking office has a population of 85,000 or less.

12           (2) Except as otherwise provided in this subsection and  
13 subsection ~~(12)~~-(13), an independent committee shall not make  
14 contributions to a candidate committee of a candidate for elective  
15 office that, in the aggregate for that election cycle, are more  
16 than 10 times the amount permitted a person other than an  
17 independent committee or political party committee in subsection  
18 (1). A house political party caucus committee or a senate political  
19 party caucus committee is not limited under this subsection in the  
20 amount of contributions made to the candidate committee of a  
21 candidate for the office of state legislator, except as follows:

22           (a) A house political party caucus committee or a senate  
23 political party caucus committee shall not pay a debt incurred by a  
24 candidate if that debt was incurred while the candidate was seeking  
25 nomination at a primary election and the candidate was opposed at  
26 that primary.

27           (b) A house political party caucus committee or a senate

1 political party caucus committee shall not make a contribution to  
2 or make an expenditure on behalf of a candidate if that candidate  
3 is seeking nomination at a primary election and the candidate is  
4 opposed at that primary.

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

10 (4) A state central committee of a political party shall not  
11 make contributions to the candidate committee of a candidate for  
12 state elective office other than a candidate for the legislature  
13 that are more than 20 times the amount permitted a person other  
14 than an independent committee or political party committee in  
15 subsection (1). A state central committee of a political party  
16 shall not make contributions to the candidate committee of a  
17 candidate for state senator, state representative, or local  
18 elective office that are more than 10 times the amount permitted a  
19 person other than an independent committee or political party  
20 committee in subsection (1).

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

24 (6) Consistent with the provisions of this section, a  
25 contribution designated in writing for a particular election cycle  
26 is considered made for that election cycle. A contribution made  
27 after the close of a particular election cycle and designated in



1 writing for that election cycle shall be made only to the extent  
2 that the contribution does not exceed the candidate committee's net  
3 outstanding debts and obligations from the election cycle so  
4 designated. If a contribution is not designated in writing for a  
5 particular election cycle, the contribution is considered made for  
6 the election cycle that corresponds to the date of the written  
7 instrument.

8 (7) IF A CANDIDATE IS ELECTED FOR THE LAST TERM THAT THE  
9 CANDIDATE CAN SERVE IN THE ELECTED OFFICE BECAUSE OF THE LIMIT ON  
10 THE NUMBER OF TERMS PRESCRIBED IN SECTION 54 OF ARTICLE IV OF THE  
11 STATE CONSTITUTION OF 1963, BOTH OF THE FOLLOWING APPLY TO A  
12 CONTRIBUTION MADE TO THE CANDIDATE'S CANDIDATE COMMITTEE FOR THAT  
13 OFFICE AFTER THE CLOSE OF THE ELECTION CYCLE FOR THAT ELECTION:

14 (A) IF THE CANDIDATE COMMITTEE HAS OUTSTANDING DEBTS AND  
15 OBLIGATIONS, THE CONTRIBUTION IS CONSIDERED MADE FOR THAT ELECTION  
16 CYCLE.

17 (B) THE CANDIDATE COMMITTEE SHALL ACCEPT THE CONTRIBUTION ONLY  
18 TO THE EXTENT THE CONTRIBUTION DOES NOT EXCEED THE CANDIDATE  
19 COMMITTEE'S NET OUTSTANDING DEBTS AND OBLIGATIONS FROM THAT  
20 ELECTION CYCLE.

21 (8) ~~(7)~~—A candidate committee, a candidate, or a treasurer or  
22 agent of a candidate committee shall not accept a contribution with  
23 respect to an election cycle that exceeds the limitations in  
24 subsection (1), (2), (3), (4), ~~(11)~~—(12), or ~~(12)~~—(13).

25 (9) ~~(8)~~—The contribution limits in subsection (1) for a  
26 candidate for local elective office are effective on the effective  
27 date of the amendatory act that provides for those contribution

1 limits, however, only contributions received by that candidate on  
2 and after that date shall be used to determine if the contribution  
3 limit has been reached.

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

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

18 (a) All of the political committees and independent committees  
19 established by a for profit corporation or joint stock company, by  
20 a subsidiary of the for profit corporation or joint stock company,  
21 or by any combination thereof, are treated as a single independent  
22 committee.

23 (b) All of the political committees and independent committees  
24 established by a single national or international labor  
25 organization, by a labor organization of that national or  
26 international labor organization, by a local labor organization of  
27 that national or international labor organization, or by any other

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

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

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

14 (12) ~~(11)~~—The limitation on a political committee's  
15 contributions under subsection (1) does not apply to contributions  
16 that are part of 1 or more bundled contributions delivered to the  
17 candidate committee of a candidate for statewide elective office  
18 and that are attributed to the political committee as prescribed in  
19 section 31. A political committee shall not make contributions to a  
20 candidate committee of a candidate for statewide elective office  
21 that are part of 1 or more bundled contributions delivered to that  
22 candidate committee, that are attributed to the political committee  
23 as prescribed in section 31, and that, in the aggregate for that  
24 election cycle, are more than the amount permitted a person other  
25 than an independent committee or political party committee in  
26 subsection (1).

27 (13) ~~(12)~~—The limitation on an independent committee's

1 contributions under subsection (2) does not apply to contributions  
2 that are part of 1 or more bundled contributions delivered to the  
3 candidate committee of a candidate for statewide elective office  
4 and that are attributed to the independent committee as prescribed  
5 in section 31. An independent committee shall not make  
6 contributions to a candidate committee of a candidate for statewide  
7 elective office that are part of 1 or more bundled contributions  
8 delivered to that candidate committee, that are attributed to the  
9 independent committee as prescribed in section 31, and that, in the  
10 aggregate for that election cycle, are more than 10 times the  
11 amount permitted a person other than an independent committee or  
12 political party committee in subsection (1).

13       Sec. 69. (1) Except as provided in subsection (6) or (10), a  
14 person other than an independent committee or a political party  
15 committee shall not make contributions to a candidate committee of  
16 a candidate that are more than \$3,400.00 in value for an election  
17 cycle.

18       (2) Except as provided in subsection (11), an independent  
19 committee shall not make contributions to a candidate committee  
20 that for an election cycle are more than 10 times the amount  
21 permitted a person other than an independent committee or political  
22 party committee in subsection (1).

23       (3) A political party committee that is a state central  
24 committee shall not make contributions to a candidate committee  
25 that for an election cycle are more than \$750,000.00.

26       (4) A political party committee that is a congressional  
27 district or county committee shall not make contributions to a

1 candidate committee that for an election cycle are more than  
2 \$30,000.00.

3 (5) A candidate committee, a candidate, or a treasurer or  
4 agent shall not accept a contribution with respect to an election  
5 cycle that exceeds a limitation in subsections (1) to (4), or (10).

6 (6) As used in this subsection, "immediate family" means a  
7 spouse, parent, brother, sister, son, or daughter. A candidate and  
8 members of that candidate's immediate family may not contribute in  
9 total to that person's candidate committee an amount that is more  
10 than \$50,000.00 in value for an election cycle.

11 (7) Sections 5(3) and 52(6) **AND (7)** apply to determining when  
12 an election cycle begins and ends and to which election cycle a  
13 particular contribution is attributed.

14 (8) The candidate committee of a candidate for governor that  
15 does not apply for funds from the state campaign fund and that  
16 accepts from the candidate and the candidate's immediate family  
17 contributions that total for an election cycle more than  
18 \$340,000.00 shall notify the secretary of state in writing within  
19 48 hours after receipt of this amount. Within 2 business days after  
20 receipt of this notice, the secretary of state shall send notice to  
21 all candidates who are either seeking the same nomination, in the  
22 case of a primary election, or election to that same office, in the  
23 case of a general election, informing those candidate committees of  
24 all of the following:

25 (a) That the expenditure limits provided in section 67 are  
26 waived for the remainder of that election for those notified  
27 candidate committees that receive funds from the state campaign

1 fund under this act.

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

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

10 (10) The limitation on a political committee's contributions  
11 under subsection (1) does not apply to contributions that are part  
12 of 1 or more bundled contributions delivered to the candidate  
13 committee of a candidate for statewide elective office and that are  
14 attributed to the political committee as prescribed in section 31.  
15 A political committee shall not make contributions to a candidate  
16 committee of a candidate for statewide elective office that are  
17 part of 1 or more bundled contributions delivered to that candidate  
18 committee, that are attributed to the political committee as  
19 prescribed in section 31, and that, in the aggregate for that  
20 election cycle, are more than the amount permitted a person other  
21 than an independent committee or political party committee in  
22 subsection (1).

23 (11) The limitation on an independent committee's  
24 contributions under subsection (2) does not apply to contributions  
25 that are part of 1 or more bundled contributions delivered to the  
26 candidate committee of a candidate for statewide elective office  
27 and that are attributed to the independent committee as prescribed

1 in section 31. An independent committee shall not make  
2 contributions to a candidate committee of a candidate for statewide  
3 elective office that are part of 1 or more bundled contributions  
4 delivered to that candidate committee, that are attributed to the  
5 independent committee as prescribed in section 31, and that, in the  
6 aggregate for that election cycle, are more than 10 times the  
7 amount permitted a person other than an independent committee or  
8 political party committee in subsection (1).