

Legislative Analysis



CAMPAIGN FINANCE: ELIMINATE ANNUAL CONSENT REQUIREMENT FOR PAC CONTRIBUTIONS

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Senate Bill 283 as passed the Senate
Sponsor: Sen. Arlan Meekhof
House Committee: Elections and Ethics
Senate Committee: Local Government and Elections

Complete to 6-18-13

A SUMMARY OF SENATE BILL 283 AS PASSED BY THE SENATE 5-22-13

Senate Bill 283 would amend the Michigan Campaign Finance Act (MCL 169.255) to eliminate the requirement that an individual consent annually to a political contribution made on an automatic basis to a political action committee, instead requiring the consent only once.

Now the act allows a corporation organized on a for-profit or nonprofit basis, a joint stock company, a domestic dependent sovereign, or a labor organization to establish, administer, and solicit contributions to, a separate segregated fund that is used for political purposes, customarily called a political action committee or PAC.

Contributions for the separate segregated fund may be solicited from certain people or their spouses, as shown in the chart, below.

Soliciting Entity	Contributors
For-profit corporation or joint stock company	Stockholders, officers and directors, employees*
Nonprofit corporation	Members who are individuals, stockholders of members, officers or directors of members, employees of the corporation or of members*
Labor organization	Members, officers or directors, employees*
Domestic dependent sovereign	Individuals who are members
*Employees from whom contributions may be solicited are limited to those who have policy-making, managerial, professional, supervisory, or administrative non-clerical duties.	

As a rule, the Campaign Finance Act prohibits a corporation, joint stock company, labor organization, or domestic dependent sovereign from soliciting or obtaining contributions from an individual on an automatic basis, including a payroll deduction plan. These entities may, however, solicit or obtain contributions on an automatic basis, including a payroll deduction plan, if the individual contributing to the fund affirmatively consents to the contribution at least once every calendar year.

As noted earlier, Senate Bill 283 would eliminate the requirement that an individual consent to a contribution on an annual basis, instead requiring him or her to consent only once.

(Note: Under the law, a violation of the consent requirement is a felony. The penalty for an individual violator is a fine of up to \$5,000 and/or imprisonment for up to three years. For a violator who is not an individual, the penalty is a maximum fine of \$10,000.)

FISCAL IMPACT:

Senate Bill 283 would have no significant fiscal impact.

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