

Legislative Analysis



ELECTRONIC FILING OF CAMPAIGN STATEMENTS

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Senate Bill 440 (without amendment)

Senate Bill 441 (Substitute S-1)

Sponsor: Sen. Dave Robertson

House Committee: Elections and Ethics

Senate Committee: Local Government and Elections

Complete to 12-2-13

A SUMMARY OF SENATE BILLS 440 & 441 AS PASSED BY THE SENATE 11-14-13

Senate Bill 440 would amend the Michigan Campaign Finance Act (MCL 169.218) to require a committee to file its campaign statements and reports electronically if it received or spent at least \$5,000—rather than \$20,000—in one year.

Senate Bill 441 would amend the Michigan Campaign Finance Act (MCL 169.18a) to do the following:

- Authorize a county clerk to adopt a system that permitted committees to file campaign statements and reports with the county electronically, and that provided internet disclosure of these statements and reports on a website.
- Allow a county clerk that adopted an electronic filing and disclosure system to require a committee that received or spent the annual threshold amount set by the county to file campaign statements or reports electronically.
- Require a county clerk to set the threshold at \$5,000 or \$1,500.
- Require a county clerk that adopted an electronic system to allow a committee to file electronically, after a signature was filed to verify accuracy and completeness.
- Require a committee that did not meet the threshold initially, but later met the threshold, to notify the county within 10 business days and file electronically subsequently.

The bills are described in more detail below.

Senate Bill 440—Secretary of State

Now under the law, the Michigan Campaign Finance Act requires the Secretary of State to develop and implement an electronic filing and internet disclosure system that permits committees that are required to file campaign statements or reports with the Secretary of State to do so electronically, and that provides internet disclosure of electronically filed statements or reports on a website. The Secretary of State must offer each committee required to file the option of doing so electronically.

If a committee that is required to file received or spent at least \$20,000 in the preceding calendar year, or expects to receive or spend that much in the current calendar year, the committee must electronically file all required statements and reports. A committee that

was not required to file only because it did not meet the \$20,000 threshold, but later reaches that threshold must notify the Secretary of State within 10 business days and subsequently must file all required statements and reports electronically.

Under Senate Bill 440, beginning with the annual campaign statement due January 31, 2014, the bill would lower the threshold from \$20,000 to \$5,000.

Senate Bill 441(Substitute S-1) —County Clerks

The bill would authorize a county clerk to adopt an electronic filing and internet disclosure system developed or approved by the Secretary of State that permitted committees that were required to file statements or reports with the county to file them electronically, and that provided internet disclosure of electronically filed statements or reports on a website. If the Secretary of State developed an internet disclosure system, he or she could not charge a county clerk for the system's software.

A county clerk that adopted an electronic filing and disclosure system could require each committee to file campaign statements or reports electronically, if the committee received or spent the threshold amount set by the county clerk in the preceding calendar year, or expected to receive or spend that amount in the current calendar year. A county clerk would have to set the threshold at \$5,000 or \$1,500.

A county clerk that adopted an electronic system would have to allow a committee to file required statements and reports electronically after the committee treasurer, and, for a candidate committee, the candidate, signed and filed a form designed by the Secretary of State to serve as the signature verifying the accuracy and completeness of each statement or report filed electronically. This provision would not apply to an original statement of organization.

If a committee were not required to file a campaign statement only because it did not meet the applicable threshold, but the committee later reached that threshold, the committee would have to notify the county within 10 business days and subsequently would have to file electronically all required statements and reports.

FISCAL IMPACT:

The bills would have no fiscal impact on the state. Counties could incur costs of developing and operating electronic filing systems; those costs would vary by county, and would depend in part on whether the county opted for the electronic filing, what the county may have already had in place, and the degree to which any efficiencies were realized.

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