Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 283 (as reported without amendment) *(as passed by the Senate)*
Sponsor: Senator Arlan Meekhof
Committee: Local Government and Elections

Date Completed: 5-21-13

RATIONALE

The Michigan Campaign Finance Act allows certain entities, including a for-profit or nonprofit corporation and a labor organization, to establish a separate segregated fund for political purposes, such as supporting candidate committees, ballot question committees, or political party committees. Contributions for the fund may be solicited from certain people, such as employees, or their spouses. To protect individuals from being forced to donate to political causes, contributions may not be solicited on an automatic basis, such as a payroll deduction, unless a person gives his or her consent every year. Some people believe that the annual consent requirement is unnecessary, and that an individual's original consent should be sufficient for the ongoing collection of a political contribution.

CONTENT

The bill would amend the Michigan Campaign Finance Act to eliminate a requirement that an individual consent annually to a political contribution made on an automatic basis.

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 make an expenditure for the establishment and administration of, and solicitation of contributions to, a separate segregated fund to be used for political purposes. Contributions for a separate segregated fund may be solicited from certain people or their spouses, as shown in Table 1.

Table 1

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 nonclerical duties.	

As a rule, the Act prohibits a corporation, joint stock company, labor organization, or domestic dependent sovereign from soliciting or obtaining contributions from an individual on an automatic or passive 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.

The bill would eliminate the requirement that an individual consent to a contribution on an annual basis, instead requiring him or her to consent only once.

(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.)

MCL 169.255

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The requirement that a person give his or her consent to an automatic political contribution on an annual basis can be burdensome for the entities that collect donations in this manner. Allowing regular contributions after an individual has consented initially would eliminate an administrative inefficiency while maintaining the protection against compulsory political donations.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Dan O'Connor