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Senate Bills 440 and 441 (as introduced 6-20-13)
Sponsor: Senator Dave Robertson
Committee: Local Government and Elections

Date Completed: 11-6-13

CONTENT

Senate Bill 440 would amend the Michigan Campaign Finance Act 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 Act to do the following:

- **Authorize a county 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 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 to set the threshold at \$5,000 or \$1,500.**
- **Require a county 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 detail below.

Senate Bill 440

The Act requires the Secretary of State (SOS) 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 SOS to do so electronically, and that provides internet disclosure of electronically filed statements or reports on a website. The SOS must offer each committee required to file the option of doing so electronically.

If a committee 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 SOS within 10 business days and subsequently must file all required statements and reports electronically.

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

The bill would authorize a county to adopt an electronic filing and internet disclosure system developed or approved by the SOS 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 SOS developed an internet disclosure system, he or she could not charge a county for the system's software.

A county 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 in the preceding calendar year, or expected to receive or spend that amount in the current calendar year. A county would have to set the threshold at \$5,000 or \$1,500.

A county 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 SOS 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.

MCL 169.218 (S.B. 440)
Proposed MCL 169.18a (S.B. 441)

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

Senate Bill 440

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

Senate Bill 441

The bill would have no fiscal impact on the Department of State as the Department already has in place a system that accepts electronic filings. Any costs to the Department would be absorbed with current annual appropriations.

The bill could have a fiscal impact on counties for the costs of development, maintenance, and operation of an electronic filing system if a county does not currently have such a system in place. The costs estimate is indeterminate and dependent on whether the county chose to implement an electronic filing system and to what degree the county is already "internet ready" to implement this system.

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.