Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 638 (Substitute S-1 as reported)
Sponsor: Senator Dave Robertson
Committee: Elections and Government Reform

CONTENT

The bill would amend the Michigan Campaign Finance Act to do the following:

-- Permit the creation of independent expenditure committees.
-- Allow an independent expenditure committee to make unlimited contributions to another such committee, a ballot question committee, or a person or account not subject to the Act, or for any other lawful purpose.
-- Allow an independent expenditure committee to receive contributions from any person other than a foreign national.
-- Provide that an independent expenditure committee would not lose its independent nature if it used an attorney or other vendor also used by another type of committee, if certain conditions were met.
-- Require an independent expenditure committee to file campaign statements according to a schedule that applies to an independent committee, and delete the February date from that schedule.
-- Allow a corporation, joint stock company, labor organization, or domestic dependent sovereign to make an independent expenditure; contribute to an independent expenditure committee; and make an expenditure in any amount for the establishment or administration, or solicitation of contributions to, an independent expenditure committee.
-- Require such entity to file a report of an independent expenditure, and provide that an entity making a contribution to or an expenditure for an independent expenditure committee would have no reporting obligations.
-- Allow a separate segregated fund to make contributions to, and expenditures on behalf of, an independent expenditure committee.

The bill would define "independent expenditure committee" as a committee that receives contributions and makes independent expenditures pursuant to the Act, expenditures authorized under the Act, or disbursements not prohibited by the Act

The bill also would redefine "independent expenditure", which currently means an expenditure by a person if the expenditure is not made at the direction of, or under the control of, another person and if the expenditure is not a contribution to a committee. The bill would define the term, instead, as an expenditure by a person if the expenditure is not made in concert or cooperation with, or at the request or suggestion of, a ballot question committee or a candidate, a candidate's authorized political committee or its agents, or a political party committee or its agents, and is not a contribution made directly to a candidate's authorized political committee or a political party committee.

MCL 169.203 et al. Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government. The bill would allow a corporation, joint stock company, labor organization, or domestic dependent sovereign to make independent expenditures and contributions to independent expenditure committees. It also would, however, add reporting requirements for an entity that made an independent expenditure, and a violation would be a felony. It is unknown whether these provisions would lead to more or fewer arrests and convictions under the Act.

An increase in felony arrests and convictions could increase resource demands on local court systems, law enforcement, and prisons. For any increase in prison intakes, in the short term, the marginal cost to State government would be approximately $3,764 per prisoner per year. In the long term, if the increased intake of prisoners increased the total prisoner population enough to require the Department of Corrections to open a housing unit or an entire facility, the marginal cost to State government would be approximately $34,550 per prisoner per year. Any associated increase in fine revenue would increase funding to public libraries.

Conversely, to the extent that the bill prevented misdemeanor or felony arrests and convictions, costs would be avoided.

The bill would have a negligible impact on the Department of State regarding reporting requirements.

Date Completed: 12-9-15

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