

SENATE BILL No. 1022

May 22, 2018, Introduced by Senator ROBERTSON and referred to the Committee on Elections and Government Reform.

A bill to amend 1976 PA 388, entitled
"Michigan campaign finance act,"
by amending sections 5, 7, 21, 24, 44, 45, 51, 52, and 55 (MCL
169.205, 169.207, 169.221, 169.224, 169.244, 169.245, 169.251,
169.252, and 169.255), section 5 as amended by 1999 PA 237, section
7 as amended by 2001 PA 250, sections 21 and 52 as amended by 2015
PA 269, sections 24, 44, 51, and 55 as amended by 2017 PA 119, and
section 45 as amended by 1996 PA 590.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) "Domestic dependent sovereign" means an Indian
2 tribe that has been acknowledged, recognized, restored, or
3 reaffirmed as an Indian tribe by the secretary of the interior

1 pursuant to ~~chapter 576, 48 Stat. 984, 25 U.S.C. 461 to 463, 464 to~~
2 ~~465, 466 to 470, 471 to 472, 473, 474 to 475, 476 to 478, and 479,~~
3 **USC 5101 TO 5144**, commonly referred to as the Indian reorganization
4 act, or has otherwise been acknowledged by the United States
5 government as an Indian tribe.

6 (2) "Election" means a primary, general, special, or millage
7 election held in this state or a convention or caucus of a
8 political party held in this state to nominate a candidate.
9 Election includes a recall vote.

10 (3) "Election cycle" means 1 of the following:

11 (a) For a general election, the period beginning the day
12 following the last general election in which the office appeared on
13 the ballot and ending on the day of the general election in which
14 the office next appears on the ballot.

15 (b) For a special election, the period beginning the day a
16 special general election is called or the date the office becomes
17 vacant, whichever is earlier, and ending on the day of the special
18 general election.

19 (4) "Elective office" means a public office filled by an
20 election. ~~A person~~ **AN INDIVIDUAL** who is appointed to fill a vacancy
21 in a public office that is ordinarily elective holds an elective
22 office. Elective office does not include the office of precinct
23 delegate. Except for the purposes of sections 47, 54, and 55,
24 elective office does not include a school board member in a school
25 district that has a pupil membership of 2,400 or less enrolled on
26 the most recent pupil membership count day. However, elective
27 office includes a school board member in a school district that has

1 a pupil membership of 2,400 or less, if a candidate committee of a
2 candidate for the office of school board member in that school
3 district receives an amount in excess of \$1,000.00 or expends an
4 amount in excess of \$1,000.00. Elective office does not include a
5 federal office except for the purposes of section 57.

6 Sec. 7. (1) "Filed" means the receipt by the appropriate
7 filing official of a statement or report required to be filed under
8 this act.

9 (2) "Filer" means a person required to file a statement or
10 report under this act.

11 (3) "Filing official" means the official designated under this
12 act to receive required statements and reports.

13 (4) **"FINANCIAL INSTITUTION" MEANS THAT TERM AS DEFINED IN**
14 **SECTION 4 OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270, MCL**
15 **125.2004.**

16 (5) ~~(4) "Fund raising"~~ **FUND-RAISING** event" means an event such
17 as a dinner, reception, testimonial, rally, auction, or similar
18 affair through which contributions are solicited or received by
19 purchase of a ticket, payment of an attendance fee, making a
20 donation, or purchase of goods or services.

21 (6) ~~(5) "Gift"~~ means a payment, subscription, advance,
22 forbearance, rendering, or deposit of money, services, or anything
23 of value, unless consideration of equal or greater value is given
24 in exchange.

25 (7) ~~(6) "Honorarium"~~ means a payment of money to ~~a person~~ **AN**
26 **INDIVIDUAL** holding elective office as consideration for an
27 appearance, a speech, an article, or any activity related to or

1 associated with the performance of duties as an elected official.

2 An honorarium does not include any of the following:

3 (a) Reimbursement for the cost of transportation,
4 accommodations, or meals for the ~~person~~-**INDIVIDUAL**.

5 (b) Wages, salaries, other employee compensation, and expenses
6 authorized to be paid by this state or a political subdivision of
7 this state to the ~~person~~-**INDIVIDUAL** holding elective office.

8 (c) An award.

9 Sec. 21. (1) A candidate, within 10 days after becoming a
10 candidate, shall form a candidate committee. ~~A person~~-**AN INDIVIDUAL**
11 who is a candidate for more than 1 office shall form a candidate
12 committee for each office for which the ~~person~~-**INDIVIDUAL** is a
13 candidate, if at least 1 of the offices is a state elective office.
14 A candidate shall not form more than 1 candidate committee for each
15 office for which the ~~person~~-**INDIVIDUAL** is a candidate.

16 (2) A candidate committee ~~shall~~-**MUST** have a treasurer who is a
17 qualified elector of this state. A candidate may appoint himself or
18 herself as the candidate committee treasurer.

19 (3) A committee other than a candidate committee ~~shall~~-**MUST**
20 have a treasurer who is a qualified elector of this state if the
21 committee conducts business through an office or other facility
22 located in this state.

23 (4) If a committee is not required to have as its treasurer an
24 individual who is a qualified elector of this state, the committee
25 may have as its treasurer an individual who is a resident of
26 another state. A committee with a nonresident treasurer shall file,
27 with its statement of organization, an irrevocable written

1 stipulation, signed by the treasurer, agreeing that legal process
2 affecting the committee, served on the secretary of state or an
3 agent designated by the secretary of state, has the same effect as
4 if personally served on the committee. This appointment remains in
5 force as long as any liability of the committee remains outstanding
6 within this state.

7 (5) If the secretary of state or designated agent of the
8 secretary of state is served with legal process ~~pursuant to~~ **UNDER**
9 subsection (4), the secretary of state shall promptly notify the
10 committee's treasurer by certified mail at the last known address
11 of the committee shown on the committee's statement of
12 organization.

13 (6) Except as provided by law, a candidate committee or a
14 committee described in subsection (3) shall have 1 account in a
15 financial institution ~~in this state as an official depository for~~
16 ~~the purpose of depositing~~ **TO DEPOSIT** all contributions received by
17 the committee in the form of or which are converted to money,
18 checks, or other negotiable instruments and ~~for the purpose of~~
19 ~~making~~ **TO MAKE** all expenditures. The committee shall designate that
20 financial institution as its official depository. The establishment
21 of an account in a financial institution is not required until the
22 committee receives a contribution or makes an expenditure.

23 ~~Secondary~~ **CANDIDATE COMMITTEES SHALL ONLY USE SECONDARY**
24 ~~depositories shall be used for the sole purpose of depositing~~ **TO**
25 **DEPOSIT** contributions and promptly ~~transferring~~ **TRANSFER** the
26 deposits to the committee's official depository, **OR TO DEPOSIT THE**
27 **PROCEEDS OF A JOINT FUND-RAISER UNDER SECTION 44(5) AND TRANSFER**

1 EACH COMMITTEE'S SHARE OF ANY RECEIPTS FROM THE JOINT FUND-RAISER.
2 A COMMITTEE DESCRIBED IN SUBSECTION (3) SHALL ONLY USE SECONDARY
3 DEPOSITORIES FOR ANY OF THE FOLLOWING:

4 (A) TO DEPOSIT CONTRIBUTIONS AND PROMPTLY TRANSFER THE
5 DEPOSITS TO THE COMMITTEE'S OFFICIAL DEPOSITORY.

6 (B) TO DEPOSIT THE PROCEEDS OF A JOINT FUND-RAISER UNDER
7 SECTION 44(5) AND TRANSFER EACH COMMITTEE'S SHARE OF ANY RECEIPTS
8 FROM THE JOINT FUND-RAISER.

9 (C) TO DEPOSIT, DIVIDE, AND TRANSFER CONTRIBUTIONS THAT ARE
10 AGGREGATED WITH DUES OR OTHER PAYMENTS.

11 (7) Except as provided by law, a committee described in
12 subsection (4) shall have 1 account in a financial institution as
13 its official depository ~~for the purpose of depositing~~ **TO DEPOSIT**
14 all contributions received by the committee in the form of or which
15 are converted to money, checks, or other negotiable instruments and
16 ~~for the purpose of making~~ **TO MAKE** all expenditures. The committee
17 shall designate that financial institution as its official
18 depository. The establishment of an account in a financial
19 institution is not required until the committee receives a
20 contribution or makes an expenditure. ~~Secondary~~ **A COMMITTEE**
21 **DESCRIBED IN SUBSECTION (4) SHALL ONLY USE SECONDARY** depositories
22 ~~shall be used only for the purposes of depositing~~ **FOR ANY OF THE**
23 **FOLLOWING:**

24 (A) **TO DEPOSIT** contributions and promptly ~~transferring~~
25 **TRANSFER** the deposits to the committee's official depository. ~~or~~
26 ~~depositing, dividing, and transferring~~

27 (B) **TO DEPOSIT THE PROCEEDS OF A JOINT FUND-RAISER UNDER**

1 SECTION 44(5) AND TRANSFER EACH COMMITTEE'S SHARE OF ANY RECEIPTS
2 FROM THE JOINT FUND-RAISER.

3 (C) TO DEPOSIT, DIVIDE, AND TRANSFER contributions that are
4 aggregated with dues or other payments.

5 (8) A COMMITTEE SHALL NOT ACCEPT A contribution ~~shall not be~~
6 ~~accepted and~~ OR MAKE an expenditure ~~shall not be made by a~~ IF THAT
7 committee ~~that~~ does not have a treasurer. When the office of
8 treasurer in a candidate committee is vacant, the candidate ~~shall~~
9 ~~be~~ IS the treasurer until the candidate appoints a new treasurer.

10 (9) ~~An~~ A COMMITTEE SHALL NOT MAKE AN expenditure ~~shall not be~~
11 ~~made by a committee~~ without the authorization of the treasurer or
12 the treasurer's designee. The contributions received or
13 expenditures made by a candidate or an agent of a candidate are
14 considered received or made by the candidate committee.

15 (10) Contributions received by an individual acting in behalf
16 of a committee ~~shall~~ MUST be reported promptly to the committee's
17 treasurer not later than 5 days before the closing date of any
18 campaign statement required to be filed by the committee, and ~~shall~~
19 MUST be reported to the committee treasurer immediately if the
20 contribution is received less than 5 days before the closing date.

21 (11) A contribution is considered received by a committee when
22 it is received by the committee treasurer or a designated agent of
23 the committee treasurer although the contribution may not be
24 deposited in the official depository by the reporting deadline.

25 (12) Contributions received by a committee ~~shall~~ MUST not be
26 commingled with other funds of an agent of the committee or of any
27 other person. Contributions are not considered to be commingled if

1 that contribution is either of the following:

2 (a) A contribution received by a person for transmission to a
3 separate segregated fund as described in section 55(7).

4 (b) A contribution made by 1 or more persons through a person
5 if all of the following are met:

6 (i) The individual contribution or aggregated contribution is
7 accompanied by or logically associated with all information
8 required under section 26 for each individual contributor.

9 (ii) The person making the contribution is the original source
10 of the contribution.

11 (iii) The contribution is not obtained through use of coercion
12 or physical force, as a condition of employment or membership, or
13 by using or threatening to use job discrimination or financial
14 reprisals.

15 (iv) Only the person making the contribution exercises any
16 control over the making of, or the amount or recipient of, the
17 contribution.

18 (v) The contribution is not otherwise prohibited by this act.

19 (13) A person that violates this section is subject to a civil
20 fine of not more than \$1,000.00.

21 Sec. 24. (1) A committee shall file a statement of
22 organization with the filing officials designated in section 36 to
23 receive the committee's campaign statements. A committee shall file
24 a statement of organization within 10 days after the committee is
25 formed. A filing official shall maintain a statement of
26 organization filed by a committee until 5 years after the official
27 date of the committee's dissolution. A person who fails to file a

1 statement of organization required by this subsection shall pay a
2 late filing fee of \$10.00 for each business day the statement
3 remains not filed in violation of this subsection. The late filing
4 fee must not exceed \$300.00. A person who violates this subsection
5 by failing to file for more than 30 days after a statement of
6 organization is required to be filed is guilty of a misdemeanor
7 punishable by a fine of not more than \$1,000.00.

8 (2) The statement of organization required to be filed under
9 subsection (1) must include the following information:

10 (a) The name, street address, and if available, the electronic
11 mail address and telephone number of the committee, and the
12 electronic mail address of the candidate. If a committee is a
13 candidate committee, the committee name must include the first and
14 last name of the candidate. A committee address may be the home
15 address of the candidate or treasurer of the committee.

16 (b) The name, street address, and if available, the electronic
17 mail address and telephone number of the treasurer or other
18 individual designated as responsible for the committee's record
19 keeping, report preparation, or report filing.

20 (c) The name and address of the financial institution in which
21 the official committee depository is or is intended to be located,
22 and the name and address of each financial institution in which a
23 secondary depository is or is intended to be located.

24 (d) The full name of the office being sought by, including
25 district number or jurisdiction, and the county residence of each
26 candidate supported or opposed by the committee.

27 (e) A brief statement identifying the substance of each ballot

1 question supported or opposed by the committee. If the ballot
2 question supported or opposed by the committee is a local ballot
3 question, the committee shall identify the county in which the
4 greatest number of registered voters eligible to vote on the ballot
5 question reside.

6 (f) Identification of the committee as a candidate committee,
7 political party committee, independent committee, independent
8 expenditure committee, political committee, or ballot question
9 committee if it is identifiable as such a committee.

10 (3) An independent committee or political committee shall
11 include in the name of the committee the name of the person or
12 persons that sponsor the committee, if any, or with whom the
13 committee is affiliated. A person, other than an individual or a
14 committee, sponsors or is affiliated with an independent committee
15 or political committee if that person establishes, directs,
16 controls, or financially supports the administration of the
17 committee. For the purposes of this subsection, a person does not
18 financially support the administration of a committee by merely
19 making a contribution to the committee.

20 (4) If any of the information required in a statement of
21 organization is changed, the committee shall file an amendment when
22 the next campaign statement is required to be filed.

23 (5) When filing a statement of organization, a committee,
24 other than an independent committee, a political committee, or a
25 political party committee, may indicate in a written statement
26 signed by the treasurer of the committee that the committee does
27 not expect for each election to receive an amount in excess of

1 \$1,000.00 or expend an amount in excess of \$1,000.00. The treasurer
2 of a committee of an incumbent judge or **SUPREME COURT** justice is
3 considered to have made the statement required under this
4 subsection following appointment or election of that judge or
5 justice and is not required to file a written statement under this
6 subsection indicating that the committee does not expect for each
7 election to receive or expend an amount in excess of \$1,000.00.

8 (6) When filing a statement of organization, an independent
9 committee, **AN INDEPENDENT EXPENDITURE COMMITTEE**, a political
10 committee, or a political party committee may indicate in a written
11 statement signed by the treasurer of the committee that the
12 committee does not expect in a calendar year to receive or expend
13 an amount in excess of \$1,000.00.

14 (7) Upon the dissolution of a committee, the committee shall
15 file a statement indicating dissolution with the filing officials
16 with whom the committee's statement of organization was filed.
17 Dissolution of a committee must be accomplished pursuant to rules
18 promulgated by the secretary of state under the administrative
19 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

20 (8) A candidate committee that files a written statement under
21 subsection (5) or that is considered to have made a statement under
22 subsection (5) is not required to file a dissolution statement
23 under subsection (7) if the committee failed to receive or expend
24 an amount in excess of \$1,000.00 and 1 of the following applies:

25 (a) The candidate was defeated in an election and has no
26 outstanding campaign debts or assets.

27 (b) The candidate vacates an elective office and has no

1 outstanding campaign debts or assets.

2 (9) A political committee organized for the purpose of making
3 independent expenditures formed before ~~the effective date of the~~
4 ~~amendatory act that added this subsection~~ **SEPTEMBER 20, 2017** is
5 considered an independent expenditure committee. The secretary of
6 state may amend the statement of organization for any committee
7 affected by this subsection.

8 Sec. 44. (1) A person shall not make a contribution to another
9 person with the agreement or arrangement that the person receiving
10 the contribution will then transfer that contribution to a
11 particular candidate committee.

12 (2) Except as otherwise provided in this section and sections
13 21a, 45, and 71, a candidate committee shall not make an
14 expenditure or other disbursement except to further the nomination
15 or election of the candidate for which it is formed. ~~A-EXCEPT AS~~
16 **OTHERWISE PROVIDED IN SECTION 45(2)(F), A** candidate committee shall
17 not make a contribution to or an independent expenditure on behalf
18 of another candidate committee. This subsection does not prohibit
19 the purchase of tickets to another candidate committee's fund-
20 raising event that does not exceed \$100.00 per candidate committee
21 in any calendar year.

22 (3) **A CANDIDATE COMMITTEE SHALL NOT MAKE A CONTRIBUTION,**
23 **EXPENDITURE, OR ANY OTHER DISBURSEMENT USING MONEY RECEIVED UNDER**
24 **SECTION 45(2)(F) FOR ANY PURPOSE OTHER THAN REPAYMENT OF DEBTS AND**
25 **OBLIGATIONS OF THE CANDIDATE COMMITTEE EXISTING AT THE TIME THE**
26 **CONTRIBUTION IS RECEIVED FROM THE TERMINATING CANDIDATE COMMITTEE.**

27 (4) ~~(3)~~An individual, other than a committee treasurer or the

1 individual designated as responsible for the record keeping, report
 2 preparation, or report filing for a committee, who obtains
 3 possession of a committee's contribution ~~for the purpose of~~
 4 ~~delivering~~ **TO DELIVER** the contribution to another committee shall
 5 deliver the contribution to that committee, that committee's
 6 treasurer, or that committee's agent, or return the contribution to
 7 the payor, not later than 10 business days after obtaining
 8 possession of the contribution.

9 (5) ~~(4)~~—Two or more persons, other than individuals, may hold
 10 a joint fund-raiser if the receipts and expenses of the fund-raiser
 11 are shared proportionately.

12 (6) ~~(5)~~—A person who knowingly violates this section is guilty
 13 of a misdemeanor punishable by imprisonment for not more than 90
 14 days or a fine of not more than \$1,000.00, or both.

15 Sec. 45. (1) A ~~EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION~~
 16 (2) (F), A person may transfer any unexpended ~~funds~~ **MONEY** from 1
 17 candidate committee to another candidate committee of that person
 18 **ONLY** if the contribution limits prescribed in section 52 or 69 for
 19 the candidate committee receiving the ~~funds~~ **MONEY** are equal to or
 20 greater than the contribution limits for the candidate committee
 21 transferring the ~~funds~~ **MONEY** and if the candidate committees are
 22 simultaneously held by the same person. The ~~funds~~ **MONEY** being
 23 transferred ~~shall~~ **IS** not ~~be~~ considered a qualifying contribution
 24 regardless of the amount of the individual contribution being
 25 transferred.

26 (2) Upon termination of a candidate committee, unexpended
 27 ~~funds~~ **MONEY** in the candidate committee that are not eligible for

1 transfer to another candidate committee of the person under
2 subsection (1) ~~shall~~**MUST** be disbursed as follows:

3 (a) Given to a political party committee.

4 (b) Given to a tax exempt charitable organization, as long as
5 the candidate does not become an officer or director of or receive
6 compensation, either directly or indirectly, from that
7 organization.

8 (c) Returned to the contributors of the ~~funds~~**MONEY** upon
9 termination of the campaign committee.

10 (d) If the person was a candidate for the office of state
11 representative, given to a house political party caucus committee.

12 (e) If the person was a candidate for the office of state
13 senator, given to a senate political party caucus committee.

14 **(F) IF THE PERSON WAS FORMERLY A CANDIDATE FOR ANOTHER STATE**
15 **ELECTIVE OFFICE, HAS NOT AGAIN BECOME A CANDIDATE FOR THAT OTHER**
16 **STATE ELECTIVE OFFICE, AND THE PERSON'S CANDIDATE COMMITTEE FOR**
17 **THAT OTHER STATE ELECTIVE OFFICE HAS NOT BEEN TERMINATED, GIVEN TO**
18 **THAT CANDIDATE COMMITTEE FOR THE SOLE PURPOSE OF, AND IN AN AMOUNT**
19 **NOT TO EXCEED WHAT IS NECESSARY FOR, REPAYING ANY OUTSTANDING DEBTS**
20 **AND OBLIGATIONS OF THAT COMMITTEE.**

21 **(G) ~~(f)~~—Given to an independent committee OR A POLITICAL**
22 **COMMITTEE.**

23 **(H) ~~(g)~~—Given to a ballot question committee OR AN INDEPENDENT**
24 **EXPENDITURE COMMITTEE.**

25 **(3) IF THE UNEXPENDED MONEY OF A TERMINATING CANDIDATE**
26 **COMMITTEE IS GIVEN TO ANOTHER CANDIDATE COMMITTEE OF THAT PERSON**
27 **UNDER SUBSECTION (2) (F), AND THAT PERSON LATER BECOMES A CANDIDATE**

1 FOR THE SAME STATE ELECTIVE OFFICE FOR WHICH THE CANDIDATE
2 COMMITTEE THAT RECEIVED THE UNEXPENDED MONEY WAS FORMED, THE
3 SECRETARY OF STATE MAY ASSESS A CIVIL FINE AGAINST THAT COMMITTEE,
4 OR ANY NEW COMMITTEE FORMED BY THAT CANDIDATE FOR THE SAME ELECTIVE
5 OFFICE IF THE ORIGINAL COMMITTEE HAS BEEN TERMINATED, IN AN AMOUNT
6 NOT TO EXCEED THE AMOUNT OF THE UNEXPENDED MONEY RECEIVED BY THE
7 COMMITTEE.

8 (4) IN ADDITION TO ANY OTHER PENALTIES UNDER THIS SECTION, A
9 PERSON WHO KNOWINGLY VIOLATES THIS SECTION IS GUILTY OF A
10 MISDEMEANOR PUNISHABLE BY THE FOLLOWING:

11 (A) IF THE PERSON IS AN INDIVIDUAL, BY IMPRISONMENT FOR NOT
12 MORE THAN 90 DAYS OR A FINE OF NOT MORE THAN \$1,000.00, OR BOTH.

13 (B) IF THE PERSON IS NOT AN INDIVIDUAL, BY A FINE OF NOT MORE
14 THAN \$10,000.00.

15 Sec. 51. (1) A person, other than a committee, that makes an
16 independent expenditure, advocating the election or defeat of a
17 candidate or the qualification, passage, or defeat of a ballot
18 question, in an amount of \$100.01 or more in a calendar year shall
19 file a report of the independent expenditure, within 10 days after
20 making that independent expenditure, with the clerk of the county
21 of residence of that person. If the independent expenditure
22 advocates the election or defeat of a candidate for state elective
23 office **OR FOR JUDICIAL OFFICE**, or **FOR** the qualification, passage,
24 or defeat of a statewide ballot question, or if the person making
25 the independent expenditure is not a resident of this state, the
26 person shall file the report with the secretary of state in lieu of
27 filing with a clerk of a county. The report required under this

1 section must be made on an independent expenditure report form
2 provided by the secretary of state, include the date of the
3 expenditure, a brief description of the nature of the expenditure,
4 the amount, the name and address of the person to whom it was paid,
5 the name and address of the person filing the report, together with
6 the name, address, occupation, employer, and principal place of
7 business of each person that contributed \$100.01 or more to the
8 expenditure, and identify the candidate or ballot question for or
9 against which the independent expenditure was made. The filing
10 official receiving the report shall forward copies, as required, to
11 the appropriate filing officers as described in section 36.

12 (2) If a person fails to file a report as required under this
13 section, that person shall pay a late filing fee. If the person has
14 made independent expenditures totaling less than \$10,000.00, the
15 late filing fee is \$25.00 for each business day the report remains
16 unfiled, but not to exceed \$1,000.00. If the person has made
17 independent expenditures totaling \$10,000.00 or more, the late
18 filing fee is \$50.00 for each business day the report remains
19 unfiled, but not to exceed \$5,000.00. A person that violates this
20 subsection by failing to file a report required under this section
21 for more than 30 days after the report is required to be filed is
22 guilty of a misdemeanor punishable by imprisonment for not more
23 than 90 days or a fine of not more than \$1,000.00, or both.

24 Sec. 52. (1) Except as provided in subsection (5) or (11) and
25 subject to section 46 and subsection (8), a person other than an
26 independent committee or a political party committee shall not make
27 contributions to a candidate committee of a candidate for elective

1 office that, with respect to an election cycle, are more than the
2 following:

3 (a) \$6,800.00 for a candidate for state elective office other
4 than the office of state legislator, or for a candidate for local
5 elective office if the district from which he or she is seeking
6 office has a population of more than 250,000.

7 (b) \$2,000.00 for a candidate for state senator, or for a
8 candidate for local elective office if the district from which he
9 or she is seeking office has a population of more than 85,000 but
10 250,000 or less.

11 (c) \$1,000.00 for a candidate for state representative, or for
12 a candidate for local elective office if the district from which he
13 or she is seeking office has a population of 85,000 or less.

14 (2) Except as otherwise provided in this subsection and
15 subsection (12), an independent committee shall not make
16 contributions to a candidate committee of a candidate for elective
17 office that, in the aggregate for that election cycle, are more
18 than 10 times the amount permitted a person other than an
19 independent committee or political party committee in subsection
20 (1). A house political party caucus committee or a senate political
21 party caucus committee is not limited under this subsection in the
22 amount of contributions made to the candidate committee of a
23 candidate for the office of state legislator, except as follows:

24 (a) A house political party caucus committee or a senate
25 political party caucus committee shall not pay a debt incurred by a
26 candidate if that debt was incurred while the candidate was seeking
27 nomination at a primary election and the candidate was opposed at

1 that primary.

2 (b) A house political party caucus committee or a senate
3 political party caucus committee shall not make a contribution to
4 or make an expenditure on behalf of a candidate if that candidate
5 is seeking nomination at a primary election and the candidate is
6 opposed at that primary.

7 (3) A political party committee other than a state central
8 committee shall not make contributions to the candidate committee
9 of a candidate for elective office that are more than 10 times the
10 amount permitted a person other than an independent committee or
11 political party committee in subsection (1).

12 (4) A state central committee of a political party shall not
13 make contributions to the candidate committee of a candidate for
14 state elective office other than a candidate for the legislature
15 that are more than 20 times the amount permitted a person other
16 than an independent committee or political party committee in
17 subsection (1). A state central committee of a political party
18 shall not make contributions to the candidate committee of a
19 candidate for state senator, state representative, or local
20 elective office that are more than 10 times the amount permitted a
21 person other than an independent committee or political party
22 committee in subsection (1).

23 (5) A contribution from a member of a candidate's immediate
24 family to the candidate committee of that candidate, **OR A TRANSFER**
25 **OF UNEXPENDED CANDIDATE COMMITTEE FUNDS UNDER SECTION 45(2)(F)**, is
26 exempt from the limitations of subsection (1).

27 (6) Consistent with the provisions of this section, a

1 contribution designated in writing for a particular election cycle
2 is considered made for that election cycle. A contribution made
3 after the close of a particular election cycle and designated in
4 writing for that election cycle shall be made only to the extent
5 that the contribution does not exceed the candidate committee's net
6 outstanding debts and obligations from the election cycle so
7 designated. If a contribution is not designated in writing for a
8 particular election cycle, all of the following apply to that
9 contribution:

10 (a) The contribution is considered made for the election cycle
11 that corresponds to the date of the written instrument.

12 (b) The contribution limits for the current election cycle
13 apply to that contribution.

14 (c) A candidate committee may use that contribution to pay
15 outstanding debts and obligations from a previous election cycle
16 regardless of whether the contribution, when aggregated with any
17 contributions made in that previous election cycle, would exceed
18 the contribution limits for that previous election cycle.

19 (7) A candidate committee, a candidate, or a treasurer or
20 agent of a candidate committee shall not accept a contribution with
21 respect to an election cycle that exceeds the limitations in
22 subsection (1), (2), (3), (4), (11), or (12).

23 (8) The contribution limits in subsection (1) for a candidate
24 for local elective office are effective on the effective date of
25 the amendatory act that provides for those contribution limits,
26 however, only contributions received by that candidate on and after
27 that date shall be used to determine if the contribution limit has

1 been reached.

2 (9) A person who knowingly violates this section is guilty of
3 a misdemeanor punishable, if the person is an individual, by a fine
4 of not more than \$1,000.00 or imprisonment for not more than 90
5 days, or both, or, if the person is not an individual, by a fine of
6 not more than \$10,000.00.

7 (10) For purposes of the limitations provided in subsections
8 (1) and (2), all contributions made by political committees or
9 independent committees established by any corporation, joint stock
10 company, domestic dependent sovereign, or labor organization,
11 including any parent, subsidiary, branch, division, department, or
12 local unit thereof, ~~shall be~~ **ARE** considered to have been made by a
13 single independent committee. By way of illustration and not
14 limitation, all of the following apply as a result of the
15 application of this requirement:

16 (a) All of the political committees and independent committees
17 established by a for profit corporation or joint stock company, by
18 a subsidiary of the for profit corporation or joint stock company,
19 or by any combination thereof, are treated as a single independent
20 committee.

21 (b) All of the political committees and independent committees
22 established by a single national or international labor
23 organization, by a labor organization of that national or
24 international labor organization, by a local labor organization of
25 that national or international labor organization, or by any other
26 subordinate organization of that national or international labor
27 organization, or by any combination thereof, are treated as a

1 single independent committee.

2 (c) All of the political committees and independent committees
3 established by an organization of national or international unions,
4 by a state central body of that organization, by a local central
5 body of that organization, or by any combination thereof, are
6 treated as a single independent committee.

7 (d) All of the political committees and independent committees
8 established by a nonprofit corporation, by a related state entity
9 of that nonprofit corporation, by a related local entity of that
10 nonprofit corporation, or by any combination thereof, are treated
11 as a single independent committee.

12 (11) The limitation on a political committee's contributions
13 under subsection (1) does not apply to contributions that are part
14 of 1 or more bundled contributions delivered to the candidate
15 committee of a candidate for statewide elective office and that are
16 attributed to the political committee as prescribed in section 31.
17 A political committee shall not make contributions to a candidate
18 committee of a candidate for statewide elective office that are
19 part of 1 or more bundled contributions delivered to that candidate
20 committee, that are attributed to the political committee as
21 prescribed in section 31, and that, in the aggregate for that
22 election cycle, are more than the amount permitted a person other
23 than an independent committee or political party committee in
24 subsection (1).

25 (12) The limitation on an independent committee's
26 contributions under subsection (2) does not apply to contributions
27 that are part of 1 or more bundled contributions delivered to the

1 candidate committee of a candidate for statewide elective office
2 and that are attributed to the independent committee as prescribed
3 in section 31. An independent committee shall not make
4 contributions to a candidate committee of a candidate for statewide
5 elective office that are part of 1 or more bundled contributions
6 delivered to that candidate committee, that are attributed to the
7 independent committee as prescribed in section 31, and that, in the
8 aggregate for that election cycle, are more than 10 times the
9 amount permitted a person other than an independent committee or
10 political party committee in subsection (1).

11 Sec. 55. (1) A connected organization may make an expenditure
12 for the establishment or administration of, and solicitation,
13 collection, or transfer of contributions to, a separate segregated
14 fund to be used for political purposes. A separate segregated fund
15 established by a connected organization under this section ~~shall~~
16 **MUST** be organized as a political committee or an independent
17 committee, and, in addition to any other disbursements not
18 restricted or prohibited by law, shall only make contributions to,
19 and expenditures on behalf of, candidate committees, ballot
20 question committees, political party committees, political
21 committees, independent expenditure committees, independent
22 committees, and other separate segregated funds.

23 (2) Contributions for a separate segregated fund established
24 by a corporation, organized on a for profit basis, or a joint stock
25 company under this section may be solicited from any of the
26 following persons or their spouses:

27 (a) Stockholders of the corporation or company.

1 (b) Officers and directors of the corporation or company.

2 (c) Employees of the corporation or company who have policy
3 making, managerial, professional, supervisory, or administrative
4 nonclerical responsibilities.

5 (3) Contributions for a separate segregated fund established
6 under this section by a corporation organized on a nonprofit basis
7 may be solicited from any of the following persons or their
8 spouses:

9 (a) Members of the corporation who are individuals.

10 (b) Stockholders or members of members of the corporation.

11 (c) Officers or directors of members of the corporation.

12 (d) Employees of the members of the corporation who have
13 policy making, managerial, professional, supervisory, or
14 administrative nonclerical responsibilities.

15 (e) Employees of the corporation who have policy making,
16 managerial, professional, supervisory, or administrative
17 nonclerical responsibilities.

18 (4) Contributions for a separate segregated fund established
19 under this section by a labor organization may be solicited from
20 any of the following persons or their spouses:

21 (a) Members of the labor organization who are individuals.

22 (b) Officers or directors of the labor organization.

23 (c) Employees of the labor organization who have policy
24 making, managerial, professional, supervisory, or administrative
25 nonclerical responsibilities.

26 (5) Contributions for a separate segregated fund established
27 under this section by a domestic dependent sovereign may be

1 solicited from an individual who is a member of any domestic
2 dependent sovereign.

3 (6) Contributions must not be obtained for a separate
4 segregated fund established under this section by use of coercion
5 or physical force, by making a contribution a condition of
6 employment or membership, or by using or threatening to use job
7 discrimination or financial reprisals. A connected organization
8 shall not solicit or obtain contributions for a separate segregated
9 fund established under this section from an individual described in
10 subsection (2), (3), (4), or (5) on an automatic or passive basis
11 including but not limited to a payroll deduction plan or reverse
12 checkoff method. A connected organization may solicit or obtain
13 contributions for a separate segregated fund established under this
14 section from an individual described in subsection (2), (3), (4),
15 or (5) on an automatic basis, including but not limited to a
16 payroll deduction plan, only if the individual who is contributing
17 to the fund affirmatively consents to the contribution. **A CONNECTED**
18 **ORGANIZATION MAY TRANSFER ANY SUCH CONTRIBUTIONS THAT IT COLLECTS,**
19 **INDIVIDUALLY OR AGGREGATED, TO THE SEPARATE SEGREGATED FUND**
20 **ELECTRONICALLY OR BY WRITTEN INSTRUMENT. ANY TRANSFER MUST BE**
21 **ACCOMPANIED BY OR LOGICALLY ASSOCIATED WITH A RECORD OR ELECTRONIC**
22 **RECORD SETTING FORTH ALL INFORMATION REQUIRED UNDER SECTION 26 FOR**
23 **EACH INDIVIDUAL CONTRIBUTOR WHOSE CONTRIBUTION IS TRANSFERRED.**

24 (7) A contribution by an individual to a separate segregated
25 fund that is aggregated with a dues or other payment to the
26 connected organization may be collected by or made payable first to
27 the connected organization for subsequent transfer to the separate

1 segregated fund if all of the following occur:

2 (a) The individual making the contribution does either of the
3 following:

4 (i) Specifically indicates in a record or electronic record
5 that the amount collected, or a specified portion of the total
6 amount if remitted as part of a dues or other payment to the
7 connected organization, is a contribution to the separate
8 segregated fund.

9 (ii) Fails to return a record or electronic record described
10 in subparagraph (i), but remits payment to the connected
11 organization in response to a specifically requested amount that
12 includes a solicited contribution, the solicitation for a
13 contribution was clearly distinguishable from any dues or other
14 fees requested as part of the total, and the connected organization
15 maintains a record or electronic record of the solicitation that
16 includes the amount of the solicited contribution and the amount of
17 any dues or other fees charged in conjunction with the solicitation
18 for each contributor.

19 (b) The connected organization transfers the entire specified
20 amount of any designated contribution, individually or aggregated
21 with other contributions, to the separate segregated fund
22 electronically or by written instrument. Any transfer of designated
23 contributions must be accompanied by or logically associated with a
24 record or electronic record setting forth all information required
25 under section 26 for each individual contributor whose contribution
26 is transferred.

27 (c) The connected organization accounts for any contributions

1 under this subsection in a manner that documents all of the
2 following:

3 (i) The identity of the individual contributor.

4 (ii) The date, amount, and method of receipt for each
5 individual contribution.

6 (iii) The date, amount, and method of all transfers to the
7 separate segregated fund.

8 (d) The connected organization and the separate segregated
9 fund adopt a written policy governing the handling, accounting, and
10 transfer of any contribution under this subsection.

11 (e) In connection with an investigation or hearing under
12 section 15 regarding any contributions under this subsection, the
13 connected organization voluntarily agrees to make available to the
14 secretary of state any records described in subdivisions (a) to (d)
15 and provides those records at the request of the secretary of
16 state.

17 (8) Except as otherwise provided in subsection (10), a person
18 who knowingly violates this section is guilty of a felony
19 punishable, if the person is an individual, by a fine of not more
20 than \$5,000.00 or imprisonment for not more than 3 years, or both,
21 or, if the person is not an individual, by a fine of not more than
22 \$10,000.00.

23 (9) If a connected organization that obtains contributions for
24 a separate segregated fund from individuals described in subsection
25 (2), (3), (4), or (5) pays to 1 or more of those individuals a
26 bonus or other remuneration for the purpose of reimbursing those
27 contributions, then that connected organization is subject to a

1 civil fine of not more than 2 times the total contributions
2 obtained from all individuals for the separate segregated fund
3 during that calendar year.

4 (10) If a violation of this section results solely from the
5 failure of a connected organization to transfer 1 or more
6 contributions, that connected organization is not guilty of a
7 felony as described in subsection (8), but shall notify the
8 contributor of the failure to transfer the contribution and refund
9 the full amount of the contribution to the contributor if
10 requested. The penalties described in subsection (8) apply to any
11 other violation of this section, including use or diversion of any
12 contributions by a connected organization before those
13 contributions are transferred to the separate segregated fund under
14 subsection (7).

15 (11) As used in this section:

16 (a) "Connected organization" means either of the following:

17 (i) A corporation organized on a for-profit or nonprofit
18 basis, a joint stock company, a domestic dependent sovereign, or a
19 labor organization formed under the laws of this or another state
20 or foreign country.

21 (ii) A member of any entity under subparagraph (i) that is not
22 an individual and that does not maintain its own separate
23 segregated fund, unless its separate segregated fund and the
24 separate segregated fund of the entity of which it is a member are
25 treated as a single independent committee as provided in section
26 52(10).

27 (b) "Record" and "electronic record" mean those terms as

1 defined in section 2 of the uniform electronic transactions act,
2 2000 PA 305, MCL 450.832.

3 (c) "Written instrument" means a money order, or a check,
4 cashier's check, or other negotiable instrument, as those terms are
5 defined in section 3104 of the uniform commercial code, 1962 PA
6 174, MCL 440.3104, in the name of the connected organization and
7 payable to the separate segregated fund.