

HOUSE BILL No. 5276

November 28, 2017, Introduced by Reps. Zemke, Wittenberg, Rabhi, LaGrand, Peterson, Pagan, Dianda, Chirkun, Sowerby, Sabo, Geiss, Cochran, Elder, Lasinski, Hertel, Robinson, Garrett, Yanez, Green, Byrd, Phelps, Howrylak, Greimel, Scott, Jones and Hammoud and referred to the Committee on Elections and Ethics.

A bill to amend 1976 PA 388, entitled
"Michigan campaign finance act,"
by amending sections 4, 46, 52, 52a, and 69 (MCL 169.204, 169.246, 169.252, 169.252a, and 169.269), section 4 as amended by 2017 PA 119, sections 46, 52a, and 69 as amended by 2013 PA 252, and section 52 as amended by 2015 PA 269.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) "Contribution" means a payment, gift,
2 subscription, assessment, expenditure, contract, payment for
3 services, dues, advance, forbearance, loan, or donation of money or
4 anything of ascertainable monetary value, or a transfer of anything
5 of ascertainable monetary value to a person, made for the purpose
6 of influencing the nomination or election of a candidate, for the

1 qualification, passage, or defeat of a ballot question, or for the
2 qualification of a new political party.

3 (2) Contribution includes the full purchase price of tickets
4 or payment of an attendance fee for events such as dinners,
5 luncheons, rallies, testimonials, and other fund-raising events; an
6 individual's own money or property other than the individual's
7 homestead used on behalf of that individual's candidacy; the
8 granting of discounts or rebates not available to the general
9 public; or the granting of discounts or rebates by broadcast media
10 and newspapers not extended on an equal basis to all candidates for
11 the same office; and the endorsing or guaranteeing of a loan for
12 the amount the endorser or guarantor is liable. Except for the
13 purposes of section 57, contribution does not include a
14 contribution to a federal candidate or a federal committee.

15 (3) Contribution does not include any of the following:

16 (a) Volunteer personal services provided without compensation,
17 or payments of costs incurred of less than \$500.00 in a calendar
18 year by an individual for personal travel expenses if the costs are
19 voluntarily incurred without any understanding or agreement that
20 the costs shall be, directly or indirectly, repaid.

21 (b) Food and beverages, not to exceed ~~\$1,000.00~~ **\$100.00** in
22 value during a calendar year, that are donated by an individual and
23 for which reimbursement is not given.

24 (c) An offer or tender of a contribution if expressly and
25 unconditionally rejected, returned, or refunded in whole or in part
26 within 30 business days after receipt.

27 (d) A contribution or expenditure for the establishment or

1 administration of, or solicitation, collection, or transfer of
2 contributions to, a separate segregated fund if that contribution
3 or expenditure was made by a connected organization of that
4 separate segregated fund as authorized under section 55.

5 (e) An independent expenditure.

6 Sec. 46. (1) At the beginning of every odd numbered year, the
7 secretary of state shall recommend adjustments to and which ~~shall~~
8 **MUST** be approved by the legislature of the dollar value floor for
9 reporting of the name, address, occupation, and employer, or
10 principal place of business of persons who make contributions
11 pursuant to this act, on the basis of the ~~consumer price index~~
12 **CONSUMER PRICE INDEX** and the number of registered voters in the
13 state.

14 ~~—— (2) Beginning January 1, 2019 and every 4 years thereafter,~~
15 ~~the secretary of state shall adjust the dollar value contribution~~
16 ~~limits provided in sections 52, 52a, and 69(1). The secretary of~~
17 ~~state shall adjust the limits in sections 52, 52a, and 69(1) by~~
18 ~~comparing the percentage increase or decrease in the consumer price~~
19 ~~index for the preceding August by the corresponding consumer price~~
20 ~~index 4 years earlier. The secretary of state shall multiply that~~
21 ~~percentage change by the amounts in sections 52, 52a, and 69(1).~~
22 ~~The secretary of state shall round up each dollar value adjustment~~
23 ~~made under this subsection to the nearest \$25.00. The secretary of~~
24 ~~state shall announce the adjustments made under this subsection by~~
25 ~~December 15 of each year.~~

26 (2) ~~(3)~~ As used in this section, ~~"consumer price index"~~
27 **"CONSUMER PRICE INDEX"** means the most comprehensive index of

1 consumer prices available for the Detroit area from the ~~bureau of~~
2 ~~labor statistics~~ **BUREAU OF LABOR STATISTICS** of the United States
3 ~~department of labor~~. **DEPARTMENT OF LABOR.**

4 Sec. 52. (1) Except as provided in subsection (5) or (11) and
5 subject to ~~section 46 and~~ subsection (8), a person other than an
6 independent committee or a political party committee shall not make
7 contributions to a candidate committee of a candidate for elective
8 office that, with respect to an election cycle, are more than the
9 following:

10 (a) ~~\$6,800.00~~ **\$1.00** for a candidate for state elective office
11 other than the office of state legislator, or for a candidate for
12 local elective office if the district from which he or she is
13 seeking office has a population of more than 250,000.

14 (b) ~~\$2,000.00~~ **\$1.00** for a candidate for state senator, or for
15 a candidate for local elective office if the district from which he
16 or she is seeking office has a population of more than 85,000 but
17 250,000 or less.

18 (c) ~~\$1,000.00~~ **\$1.00** for a candidate for state representative,
19 or for a candidate for local elective office if the district from
20 which he or she is seeking office has a population of 85,000 or
21 less.

22 (2) Except as otherwise provided in this subsection and
23 subsection (12), an independent committee shall not make
24 contributions to a candidate committee of a candidate for elective
25 office that, in the aggregate for that election cycle, are more
26 than 10 times the amount permitted a person other than an
27 independent committee or political party committee in subsection

1 (1). A house political party caucus committee or a senate political
2 party caucus committee is not limited under this subsection in the
3 amount of contributions made to the candidate committee of a
4 candidate for the office of state legislator, except as follows:

5 (a) A house political party caucus committee or a senate
6 political party caucus committee shall not pay a debt incurred by a
7 candidate if that debt was incurred while the candidate was seeking
8 nomination at a primary election and the candidate was opposed at
9 that primary.

10 (b) A house political party caucus committee or a senate
11 political party caucus committee shall not make a contribution to
12 or make an expenditure on behalf of a candidate if that candidate
13 is seeking nomination at a primary election and the candidate is
14 opposed at that primary.

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

20 (4) A state central committee of a political party shall not
21 make contributions to the candidate committee of a candidate for
22 state elective office other than a candidate for the legislature
23 that are more than 20 times the amount permitted a person other
24 than an independent committee or political party committee in
25 subsection (1). A state central committee of a political party
26 shall not make contributions to the candidate committee of a
27 candidate for state senator, state representative, or local

1 elective office that are more than 10 times the amount permitted a
2 person other than an independent committee or political party
3 committee in subsection (1).

4 (5) A contribution from a member of a candidate's immediate
5 family to the candidate committee of that candidate is exempt from
6 the limitations of subsection (1).

7 (6) Consistent with the provisions of this section, a
8 contribution designated in writing for a particular election cycle
9 is considered made for that election cycle. A contribution made
10 after the close of a particular election cycle and designated in
11 writing for that election cycle ~~shall~~**MUST** be made only to the
12 extent that the contribution does not exceed the candidate
13 committee's net outstanding debts and obligations from the election
14 cycle so designated. If a contribution is not designated in writing
15 for a particular election cycle, all of the following apply to that
16 contribution:

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

19 (b) The contribution limits for the current election cycle
20 apply to that contribution.

21 (c) A candidate committee may use that contribution to pay
22 outstanding debts and obligations from a previous election cycle
23 regardless of whether the contribution, when aggregated with any
24 contributions made in that previous election cycle, would exceed
25 the contribution limits for that previous election cycle.

26 (7) A candidate committee, a candidate, or a treasurer or
27 agent of a candidate committee shall not accept a contribution with

1 respect to an election cycle that exceeds the limitations in
2 subsection (1), (2), (3), (4), (11), or (12).

3 (8) The contribution limits in subsection (1) for a candidate
4 for local elective office are effective on the effective date of
5 the amendatory act that provides for those contribution limits,
6 however, only contributions received by that candidate on and after
7 that date shall be used to determine if the contribution limit has
8 been reached.

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

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

23 (a) All of the political committees and independent committees
24 established by a for profit corporation or joint stock company, by
25 a subsidiary of the for profit corporation or joint stock company,
26 or by any combination thereof, are treated as a single independent
27 committee.

1 (b) All of the political committees and independent committees
2 established by a single national or international labor
3 organization, by a labor organization of that national or
4 international labor organization, by a local labor organization of
5 that national or international labor organization, or by any other
6 subordinate organization of that national or international labor
7 organization, or by any combination thereof, are treated as a
8 single independent committee.

9 (c) All of the political committees and independent committees
10 established by an organization of national or international unions,
11 by a state central body of that organization, by a local central
12 body of that organization, or by any combination thereof, are
13 treated as a single independent committee.

14 (d) All of the political committees and independent committees
15 established by a nonprofit corporation, by a related state entity
16 of that nonprofit corporation, by a related local entity of that
17 nonprofit corporation, or by any combination thereof, are treated
18 as a single independent committee.

19 (11) The limitation on a political committee's contributions
20 under subsection (1) does not apply to contributions that are part
21 of 1 or more bundled contributions delivered to the candidate
22 committee of a candidate for statewide elective office and that are
23 attributed to the political committee as prescribed in section 31.
24 A political committee shall not make contributions to a candidate
25 committee of a candidate for statewide elective office that are
26 part of 1 or more bundled contributions delivered to that candidate
27 committee, that are attributed to the political committee as

1 prescribed in section 31, and that, in the aggregate for that
2 election cycle, are more than the amount permitted a person other
3 than an independent committee or political party committee in
4 subsection (1).

5 (12) The limitation on an independent committee's
6 contributions under subsection (2) does not apply to contributions
7 that are part of 1 or more bundled contributions delivered to the
8 candidate committee of a candidate for statewide elective office
9 and that are attributed to the independent committee as prescribed
10 in section 31. An independent committee shall not make
11 contributions to a candidate committee of a candidate for statewide
12 elective office that are part of 1 or more bundled contributions
13 delivered to that candidate committee, that are attributed to the
14 independent committee as prescribed in section 31, and that, in the
15 aggregate for that election cycle, are more than 10 times the
16 amount permitted a person other than an independent committee or
17 political party committee in subsection (1).

18 Sec. 52a. (1) ~~Subject to section 46, a~~ **A** person shall not make
19 contributions to a house political party caucus committee or a
20 senate political party caucus committee that exceed ~~\$40,000.00~~
21 **\$1.00** in a calendar year. A house political party caucus committee
22 or a senate political party caucus committee or a treasurer or
23 agent of the committee shall not accept a contribution with respect
24 to a 2-year election cycle that exceeds the limitation in this
25 section.

26 (2) A person who knowingly violates this section is guilty of
27 a misdemeanor punishable, if the person is an individual, by a fine

1 of not more than \$1,000.00 or imprisonment for not more than 90
2 days, or both, or, if the person is not an individual, by a fine of
3 not more than \$10,000.00.

4 Sec. 69. (1) Except as provided in subsection (6) or (10), ~~and~~
5 ~~subject to section 46,~~ a person other than an independent committee
6 or a political party committee shall not make contributions to a
7 candidate committee of a candidate that are more than ~~\$6,800.00~~
8 **\$1.00** in value for an election cycle.

9 (2) Except as provided in subsection (11), an independent
10 committee shall not make contributions to a candidate committee
11 that for an election cycle are more than 10 times the amount
12 permitted a person other than an independent committee or political
13 party committee in subsection (1).

14 (3) A political party committee that is a state central
15 committee shall not make contributions to a candidate committee
16 that for an election cycle are more than \$750,000.00.

17 (4) A political party committee that is a congressional
18 district or county committee shall not make contributions to a
19 candidate committee that for an election cycle are more than
20 \$30,000.00.

21 (5) A candidate committee, a candidate, or a treasurer or
22 agent shall not accept a contribution with respect to an election
23 cycle that exceeds a limitation in subsections (1) to (4), or (10).

24 (6) As used in this subsection, "immediate family" means a
25 spouse, parent, brother, sister, son, or daughter. A candidate and
26 members of that candidate's immediate family may not contribute in
27 total to that person's candidate committee an amount that is more

1 than \$50,000.00 in value for an election cycle.

2 (7) Sections 5(3) and 52(6) apply to determining when an
3 election cycle begins and ends and to which election cycle a
4 particular contribution is attributed.

5 (8) The candidate committee of a candidate for governor that
6 does not apply for funds from the state campaign fund and that
7 accepts from the candidate and the candidate's immediate family
8 contributions that total for an election cycle more than
9 \$340,000.00 shall notify the secretary of state in writing within
10 48 hours after receipt of this amount. Within 2 business days after
11 receipt of this notice, the secretary of state shall send notice to
12 all candidates who are either seeking the same nomination, in the
13 case of a primary election, or election to that same office, in the
14 case of a general election, informing those candidate committees of
15 all of the following:

16 (a) That the expenditure limits provided in section 67 are
17 waived for the remainder of that election for those notified
18 candidate committees that receive funds from the state campaign
19 fund under this act.

20 (b) That the expenditure limits of section 67 are not waived
21 for the purpose of determining the amount of public funds available
22 to a candidate under section 64 or 65.

23 (9) A person who knowingly violates this section is guilty of
24 a misdemeanor punishable, if the person is an individual, by a fine
25 of not more than \$1,000.00 or imprisonment for not more than 90
26 days, or both, or, if the person is not an individual, by a fine of
27 not more than \$10,000.00.

1 (10) The limitation on a political committee's contributions
2 under subsection (1) does not apply to contributions that are part
3 of 1 or more bundled contributions delivered to the candidate
4 committee of a candidate for statewide elective office and that are
5 attributed to the political committee as prescribed in section 31.
6 A political committee shall not make contributions to a candidate
7 committee of a candidate for statewide elective office that are
8 part of 1 or more bundled contributions delivered to that candidate
9 committee, that are attributed to the political committee as
10 prescribed in section 31, and that, in the aggregate for that
11 election cycle, are more than the amount permitted a person other
12 than an independent committee or political party committee in
13 subsection (1).

14 (11) The limitation on an independent committee's
15 contributions under subsection (2) does not apply to contributions
16 that are part of 1 or more bundled contributions delivered to the
17 candidate committee of a candidate for statewide elective office
18 and that are attributed to the independent committee as prescribed
19 in section 31. An independent committee shall not make
20 contributions to a candidate committee of a candidate for statewide
21 elective office that are part of 1 or more bundled contributions
22 delivered to that candidate committee, that are attributed to the
23 independent committee as prescribed in section 31, and that, in the
24 aggregate for that election cycle, are more than 10 times the
25 amount permitted a person other than an independent committee or
26 political party committee in subsection (1).