

HOUSE BILL NO. 4367

February 25, 2021, Introduced by Reps. Hope, Garza, O'Neal, Steckloff, Sabo, Puri, Young, Cavanagh, Hood, Sowerby, Brixie, Aiyash, Clemente, Tyrone Carter, Brabec, Breen, Pohutsky and Stone and referred to the Committee on Elections and Ethics.

A bill to amend 1976 PA 388, entitled
"Michigan campaign finance act,"
by amending sections 3 and 26 (MCL 169.203 and 169.226), section 3
as amended by 2017 PA 119 and section 26 as amended by 2019 PA 93.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. (1) "Candidate" means an individual who meets 1 or
2 more of the following criteria:
3 (a) Files a fee, an affidavit of incumbency, or a nominating
4 petition for an elective office.

1 (b) Is nominated as a candidate for elective office by a
2 political party caucus or convention and whose nomination is
3 certified to the appropriate filing official.

4 (c) Receives a contribution, makes an expenditure, or gives
5 consent for another person to receive a contribution or make an
6 expenditure with a view to bringing about the individual's
7 nomination or election to an elective office, whether or not the
8 specific elective office for which the individual will seek
9 nomination or election is known at the time the contribution is
10 received or the expenditure is made.

11 (d) Is an officeholder who is the subject of a recall vote.

12 (e) Holds an elective office, unless the officeholder is
13 constitutionally or legally barred from seeking reelection or fails
14 to file for reelection to that office by the applicable filing
15 deadline. An individual described in this subdivision is considered
16 to be a candidate for reelection to that same office for the
17 purposes of this act only.

18 For purposes of sections 61 to 71, "candidate" only means, in
19 a primary election, a candidate for the office of governor and, in
20 a general election, a candidate for the office of governor or
21 lieutenant governor. However, the candidates for the office of
22 governor and lieutenant governor of the same political party in a
23 general election are considered as 1 candidate.

24 (2) "Candidate committee" means the committee designated in a
25 candidate's filed statement of organization as that individual's
26 candidate committee. A candidate committee must be under the
27 control and direction of the candidate named in the same statement
28 of organization. Notwithstanding subsection (4), an individual
29 shall form a candidate committee under section 21 if the individual

1 becomes a candidate under subsection (1).

2 (3) "Closing date" means the date through which a campaign
3 statement is required to be complete.

4 (4) "Committee" means a person that receives contributions or
5 makes expenditures for the purpose of influencing or attempting to
6 influence the action of the voters for or against the nomination or
7 election of a candidate, the qualification, passage, or defeat of a
8 ballot question, or the qualification of a new political party, if
9 contributions received total \$500.00 or more in a calendar year or
10 expenditures made total \$500.00 or more in a calendar year.

11 **Committee includes a political organization recognized by the**
12 **Internal Revenue Service under 26 USC 527 that has an officer,**
13 **director, board member, or trustee who is a resident of this state.**

14 Except as restricted or prohibited by this act or other state or
15 federal law, a committee may also make other lawful disbursements.

16 An individual, other than a candidate, does not constitute a
17 committee. A person, other than a committee registered under this
18 act, making an expenditure to a ballot question committee or an
19 independent expenditure committee, shall not, for that reason, be
20 considered a committee or be required to file a report for the
21 purposes of this act unless the person solicits or receives
22 contributions for the purpose of making an expenditure to that
23 ballot question committee or independent expenditure committee.

24 Sec. 26. (1) A campaign statement of a committee, other than a
25 political party committee, required by this act must contain all of
26 the following information:

27 (a) The filing committee's name, address, and telephone
28 number, and the full name, residential and business addresses,
29 electronic mail address, and telephone numbers of the committee

1 treasurer or other individual designated as responsible for the
2 committee's record keeping, report preparation, or report filing.

3 (b) Under the heading "receipts", the total amount of
4 contributions received during the period covered by the campaign
5 statement; under the heading "expenditures", the total amount of
6 expenditures made during the period covered by the campaign
7 statement; and the cumulative amount of those totals. Forgiveness
8 of a loan must not be included in the totals. Payment of a loan by
9 a third party must be recorded and reported as an in-kind
10 contribution by the third party. In-kind contributions or
11 expenditures must be listed at fair market value and reported as
12 both contributions and expenditures. A contribution or expenditure
13 that is by other than completed and accepted payment, gift, or
14 other transfer, that is clearly not legally enforceable, and that
15 is expressly withdrawn or rejected and returned before a campaign
16 statement closing date need not be included in the campaign
17 statement and if included may, in a later or amended statement, be
18 shown as a deduction, but the committee shall keep adequate records
19 of each instance.

20 (c) The balance of cash on hand at the beginning and the end
21 of the period covered by the campaign statement.

22 (d) The following information regarding each fund-raising
23 event must be included in the report:

24 (i) The type of event, date held, address and name, if any, of
25 the place where the activity was held, and approximate number of
26 individuals participating or in attendance.

27 (ii) The total amount of all contributions.

28 (iii) The gross receipts of the fund-raising event.

29 (iv) The expenditures incident to the event.

1 (e) The full name of each individual from whom contributions
2 are received during the period covered by the campaign statement,
3 together with the individual's street address, the amount
4 contributed, the date on which each contribution was received, and
5 the cumulative amount contributed by that individual. The
6 occupation, employer, and principal place of business must be
7 stated if the individual's cumulative contributions are more than
8 \$100.00. For contributions of \$5.00 or less by an individual to a
9 political committee or independent committee, the secretary of
10 state shall accept for filing any written communication from the
11 political committee or independent committee that contains the
12 information otherwise required under this subsection. Any written
13 communication under this subdivision does not need to contain an
14 original signature.

15 (f) The cumulative amount contributed and the name and address
16 of each individual, except those individuals reported under
17 subdivision (e), who contributed to the committee. The occupation,
18 employer, and principal place of business must be stated for each
19 individual who contributed more than \$100.00.

20 (g) The name and street address of each person, other than an
21 individual, from whom contributions are received during the period
22 covered by the campaign statement, together with an itemization of
23 the amounts contributed, the date on which each contribution was
24 received, and the cumulative amount contributed by that person.

25 (h) The name, address, and amount given by an individual who
26 contributed to the total amount contributed by a person who is
27 other than a committee or an individual. The occupation, employer,
28 and principal place of business must be stated if the individual
29 contributed more than \$100.00 of the total amount contributed by a

1 person who is other than a committee or an individual.

2 (i) The cumulative total of expenditures and other
3 disbursements totaling \$50.00 or less to any person made during the
4 period covered by the campaign statement except for expenditures
5 made to or on behalf of another committee, candidate, or ballot
6 question.

7 (j) The full name and street address of each person to whom
8 expenditures or other disbursements totaling more than \$50.00 were
9 made, together with the amount of each separate expenditure or
10 disbursement to each person during the period covered by the
11 campaign statement; the purpose of the expenditure or disbursement;
12 the full name and street address of the person providing the
13 consideration for which any expenditure or disbursement was made if
14 different from the payee; the itemization regardless of amount of
15 each expenditure made to or on behalf of another committee,
16 candidate, or ballot question; and the cumulative amount of
17 expenditures for or against that candidate or ballot question for
18 an election cycle. An expenditure made in support of more than 1
19 candidate or ballot question, or both, must be apportioned
20 reasonably among the candidates or ballot questions, or both.

21 **(k) For a candidate committee of a candidate who controls or**
22 **directs a political organization recognized by the Internal Revenue**
23 **Service under 26 USC 527, all donors, contributions, and**
24 **expenditures of that political organization. A candidate controls**
25 **or directs a political organization if any director, officer, or**
26 **board member of the political organization is employed by or serves**
27 **as an agent to the candidate, as determined by the totality of the**
28 **circumstances.**

29 (2) A candidate committee or ballot question committee shall

1 report all cumulative amounts required by this section on a per
2 election cycle basis. Except as provided in subsection (1)(j), an
3 independent committee, independent expenditure committee, or
4 political committee shall report all cumulative amounts required by
5 this section on a calendar year basis.

6 (3) A campaign statement of a committee, in addition to the
7 other information required by this section, must include an
8 itemized list of all expenditures during the reporting period for
9 election day busing of electors to the polls, get-out-the-vote
10 activities, slate cards, challengers, poll watchers, and poll
11 workers.

12 (4) For a reporting period in which a contribution is received
13 that is to be part of a bundled contribution or a reporting period
14 in which a bundled contribution is delivered to the candidate
15 committee of a candidate for statewide elective office, a bundling
16 committee shall report to the secretary of state, on a form
17 provided by the secretary of state, all of the following
18 information, as applicable, about each contribution received or
19 delivered as part of a bundled contribution, and about each bundled
20 contribution delivered, in the reporting period:

21 (a) The amount of each contribution, the date it was received
22 by the bundling committee, and the candidate for statewide elective
23 office whom the contributor designated as the intended recipient.

24 (b) Each contributor's name and address and, for each
25 contribution exceeding \$100.00, the contributor's occupation,
26 employer, and principal place of business.

27 (c) The date each contribution is delivered to the candidate's
28 statewide elective office candidate committee.

29 (d) The total amount of bundled contributions delivered to

1 that candidate committee during the reporting period and during the
2 election cycle.

3 (5) With its delivery of a bundled contribution to the
4 candidate committee of a candidate for statewide elective office, a
5 bundling committee shall deliver a report to that candidate
6 committee, on a form provided by the secretary of state, that
7 includes all of the following information, as applicable, about
8 each contribution delivered as part of the bundled contribution,
9 and about all bundled contributions delivered to that candidate
10 committee in the election cycle:

11 (a) The amount of each contribution, the date it was received
12 by the bundling committee, and the statewide elective office
13 candidate the contributor designated as the intended recipient.

14 (b) Each contributor's name and address and, for each
15 contribution exceeding \$100.00, the contributor's occupation,
16 employer, and principal place of business.

17 (c) The total amount of bundled contributions delivered to
18 that candidate committee during the reporting period and during the
19 election cycle.

20 (6) For a reporting period in which a bundled contribution is
21 received, a candidate committee of a candidate for statewide
22 elective office shall report to the secretary of state, on a form
23 provided by the secretary of state, all of the following
24 information, as applicable, about each contribution delivered as
25 part of a bundled contribution received in the reporting period and
26 about all bundled contributions received by that candidate
27 committee:

28 (a) The amount of each contribution, the date it was received
29 by the candidate committee, and the name of the bundling committee

1 that delivered the contribution.

2 (b) Each contributor's name and address and, for each
3 contribution exceeding \$100.00, the contributor's occupation,
4 employer, and principal place of business.

5 (c) The total amount of bundled contributions received by that
6 candidate committee during the reporting period and during the
7 election cycle.

8 (7) For a reporting period in which a connected organization
9 of a separate segregated fund makes a payment for a prize or 1 or
10 more items authorized under section 55(8), the separate segregated
11 fund shall report all of the following, as applicable:

12 (a) The amount of any payment of costs for a prize, the value
13 of the prize, the amount raised by the prize, and the amount, if
14 any, reimbursed to the connected organization by the separate
15 segregated fund for the prize.

16 (b) The amount per item of any payment of costs for items to
17 be sold or offered in return for a contribution as part of
18 fundraising activities for the separate segregated fund, the amount
19 per item that each item is offered at or offered for sale at, the
20 value of each item, the aggregate amount paid for those items, and
21 the amount, if any, reimbursed to the connected organization by the
22 separate segregated fund for any items. If 1 or more of the same
23 items are sold or offered in return for a contribution, a report by
24 item type satisfies the reporting requirement under this
25 subdivision.

26 (8) As used in subsection (7), "value" means the regular
27 purchase price offered by the vendor from whom an item is
28 purchased, less any customary discount offered based on the number
29 of items purchased in the same transaction.