

# HOUSE BILL No. 5538

December 13, 2001, Introduced by Rep. Kolb and referred to the Committee on Redistricting and Elections.

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 3, 8, 45, and 61 (MCL 169.203, 169.208, 169.245, and 169.261), section 3 as amended by 1989 PA 95, sections 8 and 45 as amended by 1996 PA 590, and section 61 as amended by 1993 PA 262; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3. (1) "Candidate" means an individual WHO MEETS 1 OF  
2 THE FOLLOWING CRITERIA:

3       (a) ~~who~~ HE OR SHE files a fee, affidavit of incumbency, or  
4 nominating petition for an elective office. ~~→~~

5       (b) ~~whose nomination~~ HE OR SHE IS NOMINATED as a candidate  
6 for elective office by a political party caucus or convention AND

1 THE NOMINATION is certified to the appropriate filing official.

2 ~~→~~

3 (c) ~~who~~ HE OR SHE receives a contribution, makes an expen-  
4 diture, or gives consent for another person to receive a contri-  
5 bution or make an expenditure with a view to bringing about the  
6 individual's nomination or election to an elective office,  
7 whether or not the specific elective office for which the indi-  
8 vidual will seek nomination or election is known at the time the  
9 contribution is received or the expenditure is made. ~~→ or~~

10 (d) ~~who~~ HE OR SHE is an officeholder who is the subject of  
11 a recall vote. ~~Unless~~

12 (E) HE OR SHE HOLDS AN ELECTIVE OFFICE, UNLESS the office-  
13 holder is constitutionally or legally barred from seeking reelec-  
14 tion or fails to file for reelection to that office by the appli-  
15 cable filing deadline. ~~, an elected officeholder shall be~~ AN  
16 INDIVIDUAL DESCRIBED IN THIS SUBDIVISION IS considered to be a  
17 candidate for reelection to that same office for the purposes of  
18 this act only.

19 ~~For purposes of sections 61 to 71, "candidate" only means,~~  
20 ~~in a primary election, a candidate for the office of governor~~  
21 ~~and, in a general election, a candidate for the office of gover-~~  
22 ~~nor or lieutenant governor. However, the candidates for the~~  
23 ~~office of governor and lieutenant governor of the same political~~  
24 ~~party in a general election shall be considered as 1 candidate.~~

25 (2) "Candidate committee" means the committee designated in  
26 a candidate's filed statement of organization as that  
27 individual's candidate committee. A candidate committee shall be

1 under the control and direction of the candidate named in the  
2 same statement of organization. Notwithstanding subsection (4),  
3 an individual shall form a candidate committee pursuant to sec-  
4 tion 21 when the individual becomes a candidate under subsection  
5 (1).

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

8 (4) "Committee" means a person who receives contributions or  
9 makes expenditures for the purpose of influencing or attempting  
10 to influence the action of the voters for or against the nomina-  
11 tion or election of a candidate, or the qualification, passage,  
12 or defeat of a ballot question, if contributions received total  
13 \$500.00 or more in a calendar year or expenditures made total  
14 \$500.00 or more in a calendar year. An individual, other than a  
15 candidate, does not constitute a committee. A person, other than  
16 a committee registered under this act, ~~making~~ WHO MAKES an  
17 expenditure to a ballot question committee, ~~shall~~ for that  
18 reason, IS not ~~be~~ considered a committee for the purposes of  
19 this act unless the person solicits or receives contributions for  
20 the purpose of making an expenditure to that ballot question  
21 committee.

22 Sec. 8. (1) "House political party caucus committee" means  
23 an independent committee established by a political party caucus  
24 of the state house of representatives under section 24a.

25 (2) "Immediate family" means any child residing in a  
26 candidate's household, the candidate's spouse, or any individual

1 claimed by that candidate or that candidate's spouse as a  
2 dependent for federal income tax purposes.

3 (3) "Independent committee" means a committee, other than a  
4 political party committee, that before contributing to a candi-  
5 date committee of a candidate for elective office under section  
6 52(2) ~~or 69(2)~~ files a statement of organization as an indepen-  
7 dent committee at least 6 months before an election for which it  
8 expects to accept contributions or make expenditures in support  
9 of or in opposition to a candidate for nomination to or election  
10 to an elective office; and receives contributions from at least  
11 25 persons and makes expenditures not to exceed the limitations  
12 of section 52(1) in support of or in opposition to 3 or more can-  
13 didates for nomination to or election to an elective office in  
14 the same calendar year.

15 Sec. 45. (1) A person may transfer any unexpended funds  
16 from 1 candidate committee to another candidate committee of that  
17 person if the contribution limits prescribed in section 52 ~~or~~  
18 69 for the candidate committee receiving the funds are equal to  
19 or greater than the contribution limits for the candidate commit-  
20 tee transferring the funds and if the candidate committees are  
21 simultaneously held by the same person. The funds being trans-  
22 ferred shall not be considered a qualifying contribution regard-  
23 less of the amount of the individual contribution being  
24 transferred.

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

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

3 (a) Given to a political party committee.

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

8 (c) Returned to the contributors of the funds upon termina-  
9 tion 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  
12 committee.

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

15 (f) Given to an independent committee.

16 (g) Given to a ballot question committee.

17 Sec. 61. (1) The state campaign fund is ~~hereby~~ created.  
18 The state treasurer shall administer the state campaign fund pur-  
19 suant to this act.

20 (2) An individual whose tax liability under the income tax  
21 act of 1967, ~~Act No. 281 of the Public Acts of 1967, as amended,~~  
22 ~~being sections 206.1 to 206.532 of the Michigan Compiled Laws~~  
23 1967 PA 281, MCL 206.1 TO 206.532, for a taxable year is \$3.00 or  
24 more may designate that \$3.00 be credited to the state campaign  
25 fund. In the case of a joint return of husband and wife having  
26 an income tax liability of \$6.00 or more, each spouse may  
27 designate that \$3.00 be credited to the state campaign fund.

1 (3) The tax designation authorized in this section shall be  
2 clearly and unambiguously printed on the first page of the state  
3 individual income tax return.

4 (4) An amount equal to the cumulative amounts designated  
5 under subsection (2) each year shall be appropriated annually  
6 from the general fund of the state to the state campaign fund to  
7 be available beginning January 1 and continuing through December  
8 31 of each year in which a governor is elected. The amounts  
9 appropriated under this section shall not revert to the general  
10 fund but shall remain available to the state campaign fund for  
11 distribution without fiscal year limitation except that any  
12 amounts remaining in the state campaign fund in excess of  
13 \$10,000,000.00 on December 31 immediately following a gubernato-  
14 rial general election shall revert to the general fund.

15 (5) Before the distribution of ~~funds~~ MONEY under this  
16 ~~act~~ SECTION to ~~qualifying primary election candidates~~  
17 ELIGIBLE EDUCATIONAL INSTITUTIONS, the state treasurer shall set  
18 aside sufficient ~~funds~~ MONEY from the state campaign fund to  
19 fully implement the formula for distributing ~~funds to qualifying~~  
20 ~~general election candidates. If insufficient funds exist in the~~  
21 ~~state campaign fund to provide full funding to eligible primary~~  
22 ~~election candidates, the campaign funds shall be distributed to~~  
23 ~~those candidates on a pro rata basis.~~ MONEY TO ELIGIBLE EDUCA-  
24 TIONAL INSTITUTIONS. THE DISTRIBUTION FORMULA SHALL PROVIDE FOR  
25 EQUITABLE ACCESS TO THE AVAILABLE MONEY BY ALL OF THE ELIGIBLE  
26 EDUCATIONAL INSTITUTIONS.

1           (6) THE MONEY ACCUMULATED UNDER THIS SECTION SHALL BE  
2 DISTRIBUTED TO ELIGIBLE EDUCATIONAL INSTITUTIONS. THE MONEY  
3 SHALL BE USED BY THE EDUCATIONAL INSTITUTION FOR THE SOLE PURPOSE  
4 OF SPONSORING AND BROADCASTING FORUMS AND DEBATES OF GUBERNATO-  
5 RIAL CANDIDATES.

6           (7) TO RECEIVE MONEY PROVIDED UNDER THIS SECTION, AN ELIGI-  
7 BLE EDUCATIONAL INSTITUTION SHALL COMPLETE AN APPLICATION FORM  
8 PRESCRIBED BY THE STATE TREASURER. THE FORM SHALL INCLUDE A  
9 DESCRIPTION OF THE FORUM OR DEBATE TO BE HELD AND THE TYPE OF  
10 BROADCAST. IF NO FORUM OR DEBATE IS HELD AFTER AN ELIGIBLE EDU-  
11 CATIONAL INSTITUTION RECEIVES MONEY TO SPONSOR A FORUM OR A  
12 DEBATE, THE MONEY SHALL BE RETURNED TO THE STATE TREASURER NOT  
13 LATER THAN 5 BUSINESS DAYS AFTER THE GUBERNATORIAL ELECTION.

14           (8) AS USED IN THIS SECTION, "ELIGIBLE EDUCATIONAL  
15 INSTITUTION" MEANS A PUBLIC ELEMENTARY SCHOOL, MIDDLE SCHOOL,  
16 JUNIOR HIGH SCHOOL, HIGH SCHOOL, JUNIOR COLLEGE, COMMUNITY COL-  
17 LEGE, COLLEGE, OR UNIVERSITY IN THIS STATE.

18           Enacting section 1. Sections 62 to 71 of the Michigan cam-  
19 paign finance act, 1976 PA 388, MCL 169.262 to 169.271, are  
20 repealed.