

HOUSE BILL No. 6495

September 14, 2006, Introduced by Rep. Pastor and referred to the Committee on House Oversight, Elections, and Ethics.

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 4, 42, 54, and 57 (MCL 169.204, 169.242, 169.254, and 169.257), section 4 as amended by 1989 PA 95, sections 42 and 57 as amended by 2001 PA 250, and section 54 as amended by 1995 PA 264.

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

1 of influencing the nomination or election of a candidate, or for
2 the qualification, passage, or defeat of a ballot question.

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.

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

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

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

22 (c) An offer or tender of a contribution if expressly and
23 unconditionally rejected, returned, or refunded in whole or in part
24 ~~within 30~~ **NOT LATER THAN 10** business days after ~~receipt~~
25 **RECEIVING A NOTICE FROM THE SECRETARY OF STATE THAT THE**
26 **CONTRIBUTION IS PROHIBITED UNDER THIS ACT.**

27 Sec. 42. (1) A person who accepts a contribution, other than

1 by written instrument, on behalf of another and acts as the
2 intermediary or agent of the person from whom the contribution was
3 accepted shall disclose to the recipient of the contribution the
4 intermediary's own name and address and the name and address of the
5 actual source of the contribution. **IF THE RECIPIENT OF THE**
6 **CONTRIBUTION KNOWS THAT THE PERSON MAKING THE CONTRIBUTION IS**
7 **ACTING AS AN INTERMEDIARY, THE PERSON SHALL NOT ACCEPT THE**
8 **CONTRIBUTION UNLESS IT IS ACCOMPANIED BY THE REQUIRED DISCLOSURE.**

9 (2) A contribution from a person whose treasurer does not
10 reside in, whose principal office is not located in, or whose funds
11 are not kept in this state, shall not be **MADE OR** accepted by a
12 person for purposes of supporting or opposing candidates for
13 elective office or the qualification, passage, or defeat of a
14 ballot question unless accompanied by a statement certified as true
15 and correct by an officer of the contributing person setting forth
16 the full name and address along with the amount contributed, of
17 each person who contributed to the total amount of the
18 contribution. The occupation, employer, and principal place of
19 business shall be listed for each person who contributed more than
20 \$100.00 to the total amount of the contribution. The certified
21 statement shall also state that the contribution was not made from
22 an account containing funds prohibited by section 54. This
23 subsection does not apply if the contributing person is registered
24 as a committee under section 24.

25 (3) A person shall not receive a contribution from a person
26 other than a committee, **AND A PERSON OTHER THAN A COMMITTEE SHALL**
27 **NOT MAKE A CONTRIBUTION,** unless, for purposes of the recipient

1 person's record keeping and reporting requirements, the
2 contribution is accompanied by the name and address of each person
3 who contributed to the total amount of the contribution and the
4 name, address, occupation, employer, and principal place of
5 business of each person who contributed more than \$100.00 to the
6 total amount of the contribution.

7 (4) A contribution from a person whose treasurer does not
8 reside in, whose principal office is not located in, or whose money
9 is not kept in this state shall not be **MADE OR** accepted by a person
10 for purposes of supporting or opposing candidates for elective
11 office if the contributing person has received contributions on an
12 automatic basis, including, but not limited to, a payroll deduction
13 plan, unless the contribution is accompanied by a statement,
14 certified as true and correct by an officer of the contributing
15 person, setting forth that all contributions received on an
16 automatic basis are in full compliance with section 55.

17 (5) A person who knowingly violates this section is guilty of
18 a misdemeanor punishable, if the person is an individual, by a fine
19 of not more than \$1,000.00 or imprisonment for not more than 90
20 days, or both, or, if the person is other than an individual, by a
21 fine of not more than \$10,000.00.

22 Sec. 54. (1) Except with respect to the exceptions and
23 conditions in subsections (2) and (3) and section 55, and to loans
24 made in the ordinary course of business, a corporation, joint stock
25 company, domestic dependent sovereign, or labor organization shall
26 not make a contribution or expenditure or provide volunteer
27 personal services that are excluded from the definition of a

1 contribution ~~pursuant to~~ **UNDER** section 4(3)(a).

2 (2) An officer, director, stockholder, attorney, agent, or any
3 other person acting for a labor organization, a domestic dependent
4 sovereign, or a corporation or joint stock company, whether
5 incorporated under the laws of this or any other state or foreign
6 country, except corporations formed for political purposes, shall
7 not make a contribution or expenditure or provide volunteer
8 personal services that are excluded from the definition of a
9 contribution ~~pursuant to~~ **UNDER** section 4(3)(a).

10 (3) A corporation, joint stock company, domestic dependent
11 sovereign, or labor organization may make a contribution to a
12 ballot question committee subject to this act. A corporation, joint
13 stock company, domestic dependent sovereign, or labor organization
14 may make an independent expenditure in any amount for the
15 qualification, passage, or defeat of a ballot question. A
16 corporation, joint stock company, domestic dependent sovereign, or
17 labor organization that makes an independent expenditure under this
18 subsection is considered a ballot question committee for the
19 purposes of this act.

20 **(4) A PERSON SHALL NOT ACCEPT A CONTRIBUTION THAT IS**
21 **PROHIBITED BY THIS SECTION.**

22 (5) ~~(4)~~ A person who knowingly violates this section is
23 guilty of a felony punishable, if the person is an individual, by a
24 fine of not more than \$5,000.00 or imprisonment for not more than 3
25 years, or both, or, if the person is not an individual, by a fine
26 of not more than \$10,000.00.

27 Sec. 57. (1) A public body or an individual acting for a

1 public body shall not use or authorize the use of funds, personnel,
2 office space, computer hardware or software, property, stationery,
3 postage, vehicles, equipment, supplies, or other public resources
4 to make a contribution or expenditure or provide volunteer personal
5 services that are excluded from the definition of contribution
6 under section 4(3)(a). This subsection does not apply to any of the
7 following:

8 (a) The expression of views by an elected or appointed public
9 official who has policy making responsibilities.

10 (b) The production or dissemination of factual information
11 concerning issues relevant to the function of the public body.

12 (c) The production or dissemination of debates, interviews,
13 commentary, or information by a broadcasting station, newspaper,
14 magazine, or other periodical or publication in the regular course
15 of broadcasting or publication.

16 (d) The use of a public facility owned or leased by, or on
17 behalf of, a public body if any candidate or committee has an equal
18 opportunity to use the public facility.

19 (e) The use of a public facility owned or leased by, or on
20 behalf of, a public body if that facility is primarily used as a
21 family dwelling and is not used to conduct a fund-raising event.

22 (f) An elected or appointed public official or an employee of
23 a public body who, when not acting for a public body but ~~is~~ on
24 his or her own personal time, is expressing his or her own personal
25 views, is expending his or her own personal funds, or is providing
26 his or her own personal volunteer services.

27 **(2) A PERSON SHALL NOT ACCEPT A CONTRIBUTION THAT IS**

1 **PROHIBITED UNDER THIS SECTION.**

2 (3) ~~(2)~~ A person who knowingly violates this section is
3 guilty of a misdemeanor punishable, if the person is an individual,
4 by a fine of not more than \$1,000.00 or imprisonment for not more
5 than 1 year, or both, or if the person is not an individual, by 1
6 of the following, whichever is greater:

7 (a) A fine of not more than \$20,000.00.

8 (b) A fine equal to the amount of the improper contribution or
9 expenditure.