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BILL ANALYSIS



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Senate Bill 824 (Substitute S-2 as reported)
Sponsor: Senator Dave Robertson
Committee: Local Government and Elections

CONTENT

The bill would amend the Michigan Campaign Finance Act to do the following:

- Require the Secretary of State (SOS) to refer a complaint regarding a violation involving the SOS to the Attorney General.
- Require the SOS to post on the SOS's internet website certain documents regarding individual violation complaints, as well as conciliation agreements.
- Require, rather than allow, the SOS to refer a complaint to the Attorney General or commence a hearing if he or she were unable to resolve the matter using informal means.
- Triple the civil fine imposed for an improper contribution or expenditure.
- Require the Attorney General to determine whether to proceed with enforcement of a criminal penalty within 60 days after the matter was referred to him or her.
- Revise the late filing fee for a failure to report a late contribution.
- Revise the definition of "late contribution".
- Require a committee, other than a candidate committee, to report only those late contributions made after the committee filed its preelection campaign statement, effective January 1, 2010.
- Require the State or a county to reimburse or waive any late filing fee imposed between January 1, 2010, and the bill's effective date.
- Require a ballot question committee to file campaign statements in addition to the preelection and postelection statements.
- Revise the civil fine imposed for knowingly filing an incomplete or inaccurate statement or report.
- Require a committee regarding a nonstatewide ballot question or the recall of a local officeholder to file a required campaign statement with the SOS only.
- Make an exception to requirements regarding printed campaign materials for a separate segregated fund soliciting contributions.
- Allow a separate segregated fund to make contributions to and expenditures on behalf of other separate segregated funds.

The Act requires a person who fails to report a late contribution as required to pay a late filing fee as follows:

- \$25 for each business day the report remains unfiled.
- An additional \$25 for each business day after the first three business days the report remains unfiled.
- An additional \$50 for each business day after the first 10 business days the report remains unfiled.

The total fee may not exceed \$2,000. Under the bill, it could not exceed the lesser of \$2,000 or the total amount of the contributions omitted from the late contribution reports.

Currently, "late contribution" means a contribution of at least \$200 received after the closing date of the last campaign statement required to be filed before an election. Beginning on the bill's effective date, the term would mean contributions from the same contributor with a cumulative total of at least \$500 for a candidate committee, and \$2,500 for any other committee, received after the closing date of the last campaign statement required to be filed before an election.

Under the Act, a person who knowingly files an incomplete or inaccurate statement or report is subject to a civil fine of up to \$1,000. Under the bill, the maximum fine would be \$1,000 or the amount of the undisclosed contribution.

MCL 169.204 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The requirement for the payment of a civil fine equal to triple the amount of an improper contribution would result in additional revenue the State's General Fund. The amount of additional revenue is indeterminate and dependent on the number of infractions. There could be additional costs to the State or counties associated with the requirement to reimburse entities for late filing fees that were paid between January 1, 2010, and the bill's effective date. Based on FY 2010-11 data, the State would have to refund an estimated \$117,000 in late filing fees. An estimated \$176,000 in late filing fees remains assessed but uncollected. If collected, this revenue would be refunded to entities according to the proposed provision. Fees collected by the State would be refunded from the State's General Fund. The amount of additional costs at the local level is unknown and dependent on the number of late fees that ultimately would be reversed.

The remaining provisions of the bill would have no fiscal impact on State or local government.

Date Completed: 2-6-12

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.