

# HOUSE BILL NO. 4446

April 10, 2019, Introduced by Rep. Calley and referred to the Committee on Elections and Ethics.

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 5, 9, 12, 21, 24, 34, 41, 51, 54, and 55 (MCL 169.205, 169.209, 169.212, 169.221, 169.224, 169.234, 169.241, 169.251, 169.254, and 169.255), sections 5 and 41 as amended by 1999 PA 237, sections 9, 24, 51, 54, and 55 as amended by 2017 PA 119, section 12 as amended by 2001 PA 250, section 21 as amended by 2015 PA 269, and section 34 as amended by 2012 PA 277.

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



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1           Sec. 5. (1) "Domestic dependent sovereign" means an Indian  
2 tribe that has been acknowledged, recognized, restored, or  
3 reaffirmed as an Indian tribe by the secretary of the interior  
4 pursuant to ~~chapter 576, 48 Stat. 984, 25 U.S.C. 461 to 463, 464 to~~  
5 ~~465, 466 to 470, 471 to 472, 473, 474 to 475, 476 to 478, and 479,~~  
6 **25 USC 5101 to 5144**, commonly referred to as the Indian  
7 reorganization act, or has otherwise been acknowledged by the  
8 United States government as an Indian tribe.

9           (2) "Election" means a primary, general, special, or millage  
10 election held in this state or a convention or caucus of a  
11 political party held in this state to nominate a candidate.  
12 Election includes a recall vote.

13           (3) "Election cycle" means 1 of the following:

14           (a) For a general election, the period beginning the day  
15 following the last general election in which the office appeared on  
16 the ballot and ending on the day of the general election in which  
17 the office next appears on the ballot.

18           (b) For a special election, the period beginning the day a  
19 special general election is called or the date the office becomes  
20 vacant, whichever is earlier, and ending on the day of the special  
21 general election.

22           (4) "Elective office" means a public office filled by an  
23 election. ~~A person~~ **An individual** who is appointed to fill a vacancy  
24 in a public office that is ordinarily elective holds an elective  
25 office. Elective office does not include the office of precinct  
26 delegate. Except for the purposes of sections 47, 54, and 55,  
27 elective office does not include a school board member in a school  
28 district that has a pupil membership of 2,400 or less enrolled on  
29 the most recent pupil membership count day. However, elective



1 office includes a school board member in a school district that has  
 2 a pupil membership of 2,400 or less, if a candidate committee of a  
 3 candidate for the office of school board member in that school  
 4 district receives an amount in excess of \$1,000.00 or expends an  
 5 amount in excess of \$1,000.00. Elective office does not include a  
 6 federal office except for the purposes of section 57.

7 Sec. 9. (1) "Incidental expense" means an expenditure that is  
 8 an ordinary and necessary expense, paid or incurred in carrying out  
 9 the business of an elective office. Incidental expense includes,  
 10 but is not limited to, any of the following:

11 (a) A disbursement necessary to assist, serve, or communicate  
 12 with a constituent.

13 (b) A disbursement for equipment, furnishings, or supplies for  
 14 the office of the public official.

15 (c) A disbursement for a district office if the district  
 16 office is not used for campaign-related activity.

17 (d) A disbursement for the public official or his or her  
 18 staff, or both, to attend a conference, meeting, reception, or  
 19 other similar event.

20 (e) A disbursement to maintain a publicly owned residence or a  
 21 temporary residence at the seat of government.

22 (f) An unreimbursed disbursement for travel, lodging, meals,  
 23 or other expenses incurred by the public official, a member of the  
 24 public official's immediate family, or a member of the public  
 25 official's staff in carrying out the business of the elective  
 26 office.

27 (g) A donation to a tax-exempt charitable organization,  
 28 including, **but not limited to**, the purchase of tickets to  
 29 charitable or civic events, **as long as the candidate is not an**



1 **officer or director of or does not receive compensation, either**  
2 **directly or indirectly, from that organization.**

3 (h) A disbursement to a ballot question committee.

4 (i) A purchase of tickets for use by that public official and  
5 members of his or her immediate family and staff to a fund-raising  
6 event sponsored by a candidate committee, independent committee,  
7 political party committee, or a political committee that does not  
8 exceed \$100.00 per committee in any calendar year.

9 (j) A disbursement for an educational course or seminar that  
10 maintains or improves skills employed by the public official in  
11 carrying out the business of the elective office.

12 (k) A purchase of advertisements in testimonials, program  
13 books, souvenir books, or other publications if the advertisement  
14 does not support or oppose the nomination or election of a  
15 candidate.

16 (l) A disbursement for consultation, research, polling, and  
17 photographic services not related to a campaign.

18 (m) A fee paid to a fraternal, veteran, or other service  
19 organization.

20 (n) A payment of a tax liability incurred as a result of  
21 authorized transactions by the candidate committee of the public  
22 official.

23 (o) A fee for accounting, professional, or administrative  
24 services for the candidate committee of the public official.

25 (p) A debt or obligation incurred by the candidate committee  
26 of a public official for a disbursement authorized by subdivisions  
27 (a) to (o), if the debt or obligation was reported in the candidate  
28 committee report filed for the year in which the debt or obligation  
29 arose.



1 (2) "Independent expenditure" means an expenditure by a person  
2 if the expenditure is not made in cooperation, consultation, or  
3 concert with, or at the request or suggestion of, a ballot question  
4 committee or a candidate, a candidate committee or its agents, or a  
5 political party committee or its agents, and if the expenditure is  
6 not a contribution to a committee.

7 (3) "Independent expenditure committee" means a committee  
8 formed under section 24b for the purpose of making independent  
9 expenditures ~~pursuant to~~ **under** this act.

10 (4) "In-kind contribution or expenditure" means a contribution  
11 or expenditure other than money.

12 (5) "Loan" means a transfer of money, property, or anything of  
13 ascertainable monetary value in exchange for an obligation,  
14 conditional or not, to repay in whole or in part.

15 (6) "Local ballot question" means a ballot question of a local  
16 unit of government to be voted upon in that local unit of  
17 government.

18 (7) "Local elective office" means an elective office at the  
19 local unit of government level. Local elective office also includes  
20 judge of the court of appeals, judge of the circuit court, judge of  
21 the district court, judge of the probate court, and judge of a  
22 municipal court.

23 (8) "Local unit of government" means a district, authority,  
24 county, city, village, township, board, school district,  
25 intermediate school district, or community college district.

26 Sec. 12. (1) "Qualifying contribution" means a contribution of  
27 money made by a written instrument, **credit card, or debit card** by  
28 an individual to the candidate committee of a candidate for the  
29 office of governor that is \$100.00 or less and made after April 1



1 of the year preceding a year in which a governor is to be elected.  
 2 Not more than \$100.00 of an individual's total aggregate  
 3 contribution may be used as a qualifying contribution in a calendar  
 4 year. Qualifying contribution does not include a subscription,  
 5 loan, advance, deposit of money, in-kind contribution or  
 6 expenditure, or anything else of value except as prescribed in this  
 7 act. Qualifying contribution does not include a contribution by an  
 8 individual who resides outside of this state. For purposes of this  
 9 subsection, an individual is considered to reside in this state if  
 10 he or she is considered a resident of this state under the Michigan  
 11 election law, 1954 PA 116, MCL 168.1 to 168.992.

12 (2) "Senate political party caucus committee" means an  
 13 independent committee established by a political party caucus of  
 14 the state senate under section 24a.

15 (3) "State elective office" means a statewide elective office  
 16 or the office of state legislator.

17 (4) "Statewide elective office" means the office of governor,  
 18 lieutenant governor, secretary of state, or attorney general,  
 19 justice of the supreme court, member of the state board of  
 20 education, regent of the ~~university~~**University** of Michigan, member  
 21 of the board of trustees of Michigan ~~state university~~, **State**  
 22 **University**, or member of the board of governors of Wayne ~~state~~  
 23 ~~university~~**.State University.**

24 Sec. 21. (1) A candidate, within 10 days after becoming a  
 25 candidate, shall form a candidate committee. ~~A person~~**An individual**  
 26 who is a candidate for more than 1 office shall form a candidate  
 27 committee for each office for which the ~~person~~**individual** is a  
 28 candidate, if at least 1 of the offices is a state elective office.  
 29 A candidate shall not form more than 1 candidate committee for each



1 office for which the ~~person~~**individual** is a candidate.

2 (2) A candidate committee ~~shall~~**must** have a treasurer who is a  
3 qualified elector of this state. A candidate may appoint himself or  
4 herself as the candidate committee treasurer.

5 (3) A committee other than a candidate committee ~~shall~~**must**  
6 have a treasurer who is a qualified elector of this state if the  
7 committee conducts business through an office or other facility  
8 located in this state.

9 (4) If a committee is not required to have as its treasurer an  
10 individual who is a qualified elector of this state, the committee  
11 may have as its treasurer an individual who is a resident of  
12 another state. A committee with a nonresident treasurer shall file,  
13 with its statement of organization, an irrevocable written  
14 stipulation, signed by the treasurer, agreeing that legal process  
15 affecting the committee, served on the secretary of state or an  
16 agent designated by the secretary of state, has the same effect as  
17 if personally served on the committee. This appointment remains in  
18 force as long as any liability of the committee remains outstanding  
19 within this state.

20 (5) If the secretary of state or designated agent of the  
21 secretary of state is served with legal process ~~pursuant to~~**under**  
22 subsection (4), the secretary of state shall promptly notify the  
23 committee's treasurer by certified mail at the last known address  
24 of the committee shown on the committee's statement of  
25 organization.

26 (6) Except as provided by law, a candidate committee or a  
27 committee described in subsection (3) shall have 1 account in a  
28 financial institution ~~in this state~~ as an official depository ~~for~~  
29 ~~the purpose of depositing~~ **to deposit** all contributions received by



1 the committee in the form of or which are converted to money,  
2 checks, or other negotiable instruments and ~~for the purpose of~~  
3 ~~making to make~~ all expenditures. The committee shall designate that  
4 financial institution as its official depository. The establishment  
5 of an account in a financial institution is not required until the  
6 committee receives a contribution or makes an expenditure.

7 ~~Secondary Candidate committees shall only use secondary~~  
8 ~~depositories shall be used for the sole purpose of depositing to~~  
9 ~~deposit~~ contributions and promptly ~~transferring transfer~~ the  
10 deposits to the committee's official depository, ~~or to deposit the~~  
11 ~~proceeds of a joint fund-raiser under section 44(4) and transfer~~  
12 ~~each committee's share of any receipts from the joint fund-raiser.~~  
13 ~~A committee described in subsection (3) shall only use secondary~~  
14 ~~depositories for any of the following:~~

15 (a) To deposit contributions and promptly transfer the  
16 deposits to the committee's official depository.

17 (b) To deposit the proceeds of a joint fund-raiser under  
18 section 44(4) and transfer each committee's share of any receipts  
19 from the joint fund-raiser.

20 (c) To deposit, divide, and transfer contributions that are  
21 aggregated with dues or other payments.

22 (7) Except as provided by law, a committee described in  
23 subsection (4) shall have 1 account in a financial institution as  
24 its official depository ~~for the purpose of depositing to deposit~~  
25 all contributions received by the committee in the form of or which  
26 are converted to money, checks, or other negotiable instruments and  
27 ~~for the purpose of making to make~~ all expenditures. The committee  
28 shall designate that financial institution as its official  
29 depository. The establishment of an account in a financial





1 institution is not required until the committee receives a  
 2 contribution or makes an expenditure. ~~Secondary A committee~~  
 3 **described in subsection (4) shall only use secondary** depositories  
 4 ~~shall be used only for the purposes of depositing for any of the~~  
 5 **following:**

6 (a) **To deposit** contributions and promptly ~~transferring~~  
 7 **transfer** the deposits to the committee's official depository.  ~~or~~  
 8 ~~depositing, dividing, and transferring~~

9 (b) **To deposit the proceeds of a joint fund-raiser under**  
 10 **section 44(4) and transfer each committee's share of any receipts**  
 11 **from the joint fund-raiser.**

12 (c) **To deposit, divide, and transfer** contributions that are  
 13 aggregated with dues or other payments.

14 (8) A **committee shall not accept a** contribution ~~shall not be~~  
 15 ~~accepted and or make~~ an expenditure ~~shall not be made by a~~ **if that**  
 16 committee ~~that~~ does not have a treasurer. When the office of  
 17 treasurer in a candidate committee is vacant, the candidate ~~shall~~  
 18 ~~be~~ **is** the treasurer until the candidate appoints a new treasurer.

19 (9) ~~An A committee shall not make an~~ expenditure ~~shall not be~~  
 20 ~~made by a committee~~ without the authorization of the treasurer or  
 21 the treasurer's designee. The contributions received or  
 22 expenditures made by a candidate or an agent of a candidate are  
 23 considered received or made by the candidate committee.

24 (10) Contributions received by an individual acting in behalf  
 25 of a committee ~~shall~~ **must** be reported promptly to the committee's  
 26 treasurer not later than 5 days before the closing date of any  
 27 campaign statement required to be filed by the committee, and ~~shall~~  
 28 **must** be reported to the committee treasurer immediately if the  
 29 contribution is received less than 5 days before the closing date.



1 (11) A contribution is considered received by a committee when  
2 it is received by the committee treasurer or a designated agent of  
3 the committee treasurer although the contribution may not be  
4 deposited in the official depository by the reporting deadline.

5 (12) Contributions received by a committee ~~shall~~**must** not be  
6 commingled with other funds of an agent of the committee or of any  
7 other person. Contributions are not considered to be commingled if  
8 that contribution is either of the following:

9 (a) A contribution received by a person for transmission to a  
10 separate segregated fund as described in section 55(7).

11 (b) A contribution made by 1 or more persons through a person  
12 if all of the following are met:

13 (i) The individual contribution or aggregated contribution is  
14 accompanied by or logically associated with all information  
15 required under section 26 for each individual contributor.

16 (ii) The person making the contribution is the original source  
17 of the contribution.

18 (iii) The contribution is not obtained through use of coercion  
19 or physical force, as a condition of employment or membership, or  
20 by using or threatening to use job discrimination or financial  
21 reprisals.

22 (iv) Only the person making the contribution exercises any  
23 control over the making of, or the amount or recipient of, the  
24 contribution.

25 (v) The contribution is not otherwise prohibited by this act.

26 (13) A person that violates this section is subject to a civil  
27 fine of not more than \$1,000.00.

28 Sec. 24. (1) A committee shall file a statement of  
29 organization with the filing officials designated in section 36 to



1 receive the committee's campaign statements. A committee shall file  
2 a statement of organization within 10 days after the committee is  
3 formed. A filing official shall maintain a statement of  
4 organization filed by a committee until 5 years after the official  
5 date of the committee's dissolution. A person who fails to file a  
6 statement of organization required by this subsection shall pay a  
7 late filing fee of \$10.00 for each business day the statement  
8 remains not filed in violation of this subsection. The late filing  
9 fee must not exceed \$300.00. A person who violates this subsection  
10 by failing to file for more than 30 days after a statement of  
11 organization is required to be filed is guilty of a misdemeanor  
12 punishable by a fine of not more than \$1,000.00.

13 (2) The statement of organization required to be filed under  
14 subsection (1) must include the following information:

15 (a) The name, street address, and if available, the electronic  
16 mail address and telephone number of the committee, and the  
17 electronic mail address of the candidate. If a committee is a  
18 candidate committee, the committee name must include the first and  
19 last name of the candidate. A committee address may be the home  
20 address of the candidate or treasurer of the committee.

21 (b) The name, street address, and if available, the electronic  
22 mail address and telephone number of the treasurer or other  
23 individual designated as responsible for the committee's record  
24 keeping, report preparation, or report filing.

25 (c) The name and address of the financial institution in which  
26 the official committee depository is or is intended to be located,  
27 and the name and address of each financial institution in which a  
28 secondary depository is or is intended to be located.

29 (d) The full name of the office being sought by, including



1 district number or jurisdiction, and the county residence of each  
2 candidate supported or opposed by the committee.

3 (e) A brief statement identifying the substance of each ballot  
4 question supported or opposed by the committee. If the ballot  
5 question supported or opposed by the committee is a local ballot  
6 question, the committee shall identify the county in which the  
7 greatest number of registered voters eligible to vote on the ballot  
8 question reside.

9 (f) Identification of the committee as a candidate committee,  
10 political party committee, independent committee, independent  
11 expenditure committee, political committee, or ballot question  
12 committee if it is identifiable as such a committee.

13 (3) An independent committee or political committee shall  
14 include in the name of the committee the name of the person or  
15 persons that sponsor the committee, if any, or with whom the  
16 committee is affiliated. A person, other than an individual or a  
17 committee, sponsors or is affiliated with an independent committee  
18 or political committee if that person establishes, directs,  
19 controls, or financially supports the administration of the  
20 committee. For the purposes of this subsection, a person does not  
21 financially support the administration of a committee by merely  
22 making a contribution to the committee.

23 (4) If any of the information required in a statement of  
24 organization is changed, the committee shall file an amendment when  
25 the next campaign statement is required to be filed.

26 (5) When filing a statement of organization, a committee,  
27 other than an independent committee, a political committee, or a  
28 political party committee, may indicate in a written statement  
29 signed by the treasurer of the committee that the committee does



1 not expect for each election to receive an amount in excess of  
 2 \$1,000.00 or expend an amount in excess of \$1,000.00. The treasurer  
 3 of a committee of an incumbent judge or **supreme court** justice is  
 4 considered to have made the statement required under this  
 5 subsection following appointment or election of that judge or  
 6 justice and is not required to file a written statement under this  
 7 subsection indicating that the committee does not expect for each  
 8 election to receive or expend an amount in excess of \$1,000.00.

9 (6) When filing a statement of organization, an independent  
 10 committee, **an independent expenditure committee**, a political  
 11 committee, or a political party committee may indicate in a written  
 12 statement signed by the treasurer of the committee that the  
 13 committee does not expect in a calendar year to receive or expend  
 14 an amount in excess of \$1,000.00.

15 (7) Upon the dissolution of a committee, the committee shall  
 16 file a statement indicating dissolution with the filing officials  
 17 with whom the committee's statement of organization was filed.  
 18 Dissolution of a committee must be accomplished pursuant to rules  
 19 promulgated by the secretary of state under the administrative  
 20 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

21 (8) A candidate committee that files a written statement under  
 22 subsection (5) or that is considered to have made a statement under  
 23 subsection (5) is not required to file a dissolution statement  
 24 under subsection (7) if the committee failed to receive or expend  
 25 an amount in excess of \$1,000.00 and 1 of the following applies:

26 (a) The candidate was defeated in an election and has no  
 27 outstanding campaign debts or assets.

28 (b) The candidate vacates an elective office and has no  
 29 outstanding campaign debts or assets.



1 (9) A political committee organized for the purpose of making  
 2 independent expenditures formed before ~~the effective date of the~~  
 3 ~~amendatory act that added this subsection~~ **December 31, 2019** is  
 4 considered an independent expenditure committee. The secretary of  
 5 state may amend the statement of organization for any committee  
 6 affected by this subsection.

7 Sec. 34. (1) A ballot question committee shall file a campaign  
 8 statement as required by this act according to the following  
 9 schedule:

10 (a) A preelection campaign statement, the closing date of  
 11 which ~~shall be~~ **is** the sixteenth day before the election, ~~shall~~ **must**  
 12 not be filed later than the eleventh day before the election.

13 (b) A postelection campaign statement, the closing date of  
 14 which ~~shall be~~ **is** the twentieth day following the election, ~~shall~~  
 15 **must** not be filed later than the thirtieth day following an  
 16 election. If all liabilities of the committee are paid before the  
 17 closing date and additional contributions are not expected, the  
 18 campaign statement may be filed at any time after the election, but  
 19 not later than the thirtieth day following the election.

20 (c) Campaign statements not later than the following dates  
 21 every year:

22 ~~(i) February 15 with a closing date of February 10 of that~~  
 23 ~~year.~~

24 ~~(i)~~ ~~(ii)~~ April 25 with a closing date of April 20 of that year.

25 ~~(ii)~~ ~~(iii)~~ July 25 with a closing date of July 20 of that year.

26 (d) In every odd numbered year, a campaign statement not later  
 27 than October 25 with a closing date of October 20 of that year.

28 (2) A ballot question committee supporting or opposing a  
 29 statewide ballot question shall file a campaign statement, of which



1 the closing date ~~shall be~~ **is** the twenty-eighth day after the filing  
 2 of the petition form, not later than 35 days after the petition  
 3 form is filed under section 483a of the Michigan election law, 1954  
 4 PA 116, MCL 168.483a.

5 (3) If a ballot question committee supporting or opposing a  
 6 statewide ballot question fails to file a preelection statement  
 7 under this section, that committee or its treasurer shall pay a  
 8 late filing fee for each business day the statement remains not  
 9 filed in violation of this section, not to exceed \$1,000.00,  
 10 pursuant to the following schedule:

11 (a) First day--\$25.00.

12 (b) Second day--\$50.00.

13 (c) Third day--\$75.00.

14 (d) Fourth day and for each subsequent day that the statement  
 15 remains unfiled--\$100.00.

16 (4) If a treasurer or other individual designated as  
 17 responsible for the record keeping, report preparation, or report  
 18 filing of a ballot question committee supporting or opposing a  
 19 statewide ballot question fails to file a statement, other than a  
 20 preelection statement, under this section, that committee,  
 21 treasurer, or other designated individual shall pay a late filing  
 22 fee. If the committee has raised \$10,000.00 or less during the  
 23 previous 2 years, the late filing fee ~~shall be~~ **is** \$25.00 for each  
 24 business day the campaign statement remains unfiled, but not to  
 25 exceed \$1,000.00. If the committee has raised more than \$10,000.00  
 26 during the previous 2 years, the late filing fee ~~shall be~~ **is** \$50.00  
 27 for each business day the campaign statement remains unfiled, but  
 28 not to exceed \$2,000.00.

29 (5) If a treasurer or other individual designated as



1 responsible for the record keeping, report preparation, or report  
 2 filing of a ballot question committee supporting or opposing other  
 3 than a statewide ballot question fails to file a statement under  
 4 this section, that committee, treasurer, or other designated  
 5 individual shall pay a late filing fee. If the committee has raised  
 6 \$10,000.00 or less during the previous 2 years, the late filing fee  
 7 ~~shall be~~ **is** \$25.00 for each business day the campaign statement  
 8 remains unfiled, but not to exceed \$1,000.00. If the committee has  
 9 raised more than \$10,000.00 during the previous 2 years, the late  
 10 filing fee ~~shall be~~ **is** \$50.00 for each business day the campaign  
 11 statement remains unfiled, but not to exceed \$2,000.00.

12 (6) If a treasurer or other individual designated as  
 13 responsible for the record keeping, report preparation, or report  
 14 filing of a ballot question committee fails to file a statement as  
 15 required by subsection (1) or (2) for more than 7 days, that  
 16 treasurer or other designated individual is guilty of a  
 17 misdemeanor, punishable by a fine of not more than \$1,000.00, or  
 18 imprisonment for not more than 90 days, or both.

19 (7) If a treasurer or other individual designated as  
 20 responsible for the record keeping, report preparation, or report  
 21 filing of a ballot question committee knowingly files an incomplete  
 22 or inaccurate statement or report required by this section, that  
 23 treasurer or other designated individual is subject to a civil fine  
 24 of not more than \$1,000.00 or the amount of the undisclosed  
 25 contribution, whichever is greater.

26 Sec. 41. (1) A person shall not make or accept a single  
 27 contribution of more than \$20.00 in cash or make or accept a single  
 28 expenditure of more than \$50.00 in cash. Contributions of more than  
 29 \$20.00 and expenditures of more than \$50.00, other than an in-kind





1 contribution or expenditure, ~~shall~~**must** be made by written  
2 instrument, ~~containing the names of the payer and the payee.~~**credit**  
3 **card, or debit card.**

4 (2) A person shall not accept or expend an anonymous  
5 contribution. An anonymous contribution received by a person ~~shall~~  
6 **must** not be deposited but ~~shall~~**must** be given to a tax exempt  
7 charitable organization. The charitable organization receiving the  
8 contribution shall provide the person with a receipt. The receipt  
9 ~~shall~~**must** be retained by an appropriate committee pursuant to  
10 section 22.

11 (3) A contribution ~~shall~~**must** not be made, directly or  
12 indirectly, by any person in a name other than the name by which  
13 that person is identified for legal purposes.

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

19 Sec. 51. (1) A person, other than a committee, that makes an  
20 independent expenditure, advocating the election or defeat of a  
21 candidate or the qualification, passage, or defeat of a ballot  
22 question, in an amount of \$100.01 or more in a calendar year shall  
23 file a report of the independent expenditure, within 10 days after  
24 making that independent expenditure, with the clerk of the county  
25 of residence of that person. If the independent expenditure  
26 advocates the election or defeat of a candidate for state elective  
27 office **or for judicial office**, or **for** the qualification, passage,  
28 or defeat of a statewide ballot question, or if the person making  
29 the independent expenditure is not a resident of this state, the



1 person shall file the report with the secretary of state in lieu of  
2 filing with a clerk of a county. The report required under this  
3 section must be made on an independent expenditure report form  
4 provided by the secretary of state, include the date of the  
5 expenditure, a brief description of the nature of the expenditure,  
6 the amount, the name and address of the person to whom it was paid,  
7 the name and address of the person filing the report, together with  
8 the name, address, occupation, employer, and principal place of  
9 business of each person that contributed \$100.01 or more to the  
10 expenditure, and identify the candidate or ballot question for or  
11 against which the independent expenditure was made. The filing  
12 official receiving the report shall forward copies, as required, to  
13 the appropriate filing officers as described in section 36.

14 (2) If a person fails to file a report as required under this  
15 section, that person shall pay a late filing fee. If the person has  
16 made independent expenditures totaling less than \$10,000.00, the  
17 late filing fee is \$25.00 for each business day the report remains  
18 unfiled, but not to exceed \$1,000.00. If the person has made  
19 independent expenditures totaling \$10,000.00 or more, the late  
20 filing fee is \$50.00 for each business day the report remains  
21 unfiled, but not to exceed \$5,000.00. A person that violates this  
22 subsection by failing to file a report required under this section  
23 for more than 30 days after the report is required to be filed is  
24 guilty of a misdemeanor punishable by imprisonment for not more  
25 than 90 days or a fine of not more than \$1,000.00, or both.

26 Sec. 54. (1) Except as otherwise provided in this section and  
27 section 55, and except with respect to loans made in the ordinary  
28 course of business, a corporation, joint stock company, domestic  
29 dependent sovereign, or labor organization shall not make a



1 contribution or expenditure or provide volunteer personal services  
 2 that are excluded from the definition of a contribution under  
 3 section 4(3) (a).

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

12 (3) Except for expenditures made by a corporation in the  
 13 ordinary course of its business, an expenditure made by a  
 14 corporation to provide for the collection and transfer of  
 15 contributions to ~~another a separate segregated fund not established~~  
 16 ~~by that corporation, or to a separate segregated fund not connected~~  
 17 ~~to a nonprofit corporation of which the corporation is a member,~~  
 18 **for which it is not a connected organization as provided in section**  
 19 **55** constitutes an in-kind contribution by the corporation and is  
 20 prohibited under this section. Advanced payment or reimbursement to  
 21 a corporation by a **non-connected** separate segregated fund ~~not~~  
 22 ~~established by that corporation, or by a separate segregated fund~~  
 23 ~~not connected to a nonprofit corporation of which the corporation~~  
 24 ~~is a member,~~ does not cure a use of corporate resources otherwise  
 25 prohibited by this section.

26 (4) A corporation, joint stock company, domestic dependent  
 27 sovereign, or labor organization may make a contribution to a  
 28 ballot question committee or independent expenditure committee  
 29 subject to this act. A corporation, joint stock company, domestic



1 dependent sovereign, or labor organization may make an independent  
 2 expenditure in any amount advocating for the election or defeat of  
 3 a candidate, or the qualification, passage, or defeat of a ballot  
 4 question and does not for this reason become a committee, unless it  
 5 solicits or receives contributions in excess of \$500.00 for the  
 6 purpose of making the independent expenditure, but is subject to  
 7 the independent expenditure reporting requirements of section 51.

8 (5) A person who knowingly violates this section is guilty of  
 9 a felony punishable, if the person is an individual, by a fine of  
 10 not more than \$5,000.00 or imprisonment for not more than 3 years,  
 11 or both, or, if the person is not an individual, by a fine of not  
 12 more than \$10,000.00.

13 Sec. 55. (1) A connected organization may make an expenditure  
 14 for the establishment or administration of, and solicitation,  
 15 collection, or transfer of contributions to, a separate segregated  
 16 fund to be used for political purposes. A separate segregated fund  
 17 established by a connected organization under this section ~~shall~~  
 18 **must** be organized as a political committee or an independent  
 19 committee, and, in addition to any other disbursements not  
 20 restricted or prohibited by law, shall only make contributions to,  
 21 and expenditures on behalf of, candidate committees, ballot  
 22 question committees, political party committees, political  
 23 committees, independent expenditure committees, independent  
 24 committees, and other separate segregated funds.

25 (2) Contributions for a separate segregated fund established  
 26 by a corporation, organized on a for profit basis, or a joint stock  
 27 company under this section may be solicited from any of the  
 28 following persons or their spouses:

29 (a) Stockholders of the corporation or company.



1 (b) Officers and directors of the corporation or company.

2 (c) Employees of the corporation or company who have policy  
3 making, managerial, professional, supervisory, or administrative  
4 nonclerical responsibilities.

5 (3) Contributions for a separate segregated fund established  
6 under this section by a corporation organized on a nonprofit basis  
7 may be solicited from any of the following persons or their  
8 spouses:

9 (a) Members of the corporation who are individuals.

10 (b) Stockholders or members of members of the corporation.

11 (c) Officers or directors of members of the corporation.

12 (d) Employees of the members of the corporation who have  
13 policy making, managerial, professional, supervisory, or  
14 administrative nonclerical responsibilities.

15 (e) Employees of the corporation who have policy making,  
16 managerial, professional, supervisory, or administrative  
17 nonclerical responsibilities.

18 (4) Contributions for a separate segregated fund established  
19 under this section by a labor organization may be solicited from  
20 any of the following persons or their spouses:

21 (a) Members of the labor organization who are individuals.

22 (b) Officers or directors of the labor organization.

23 (c) Employees of the labor organization who have policy  
24 making, managerial, professional, supervisory, or administrative  
25 nonclerical responsibilities.

26 (5) Contributions for a separate segregated fund established  
27 under this section by a domestic dependent sovereign may be  
28 solicited from an individual who is a member of any domestic  
29 dependent sovereign.



1 (6) Contributions must not be obtained for a separate  
 2 segregated fund established under this section by use of coercion  
 3 or physical force, by making a contribution a condition of  
 4 employment or membership, or by using or threatening to use job  
 5 discrimination or financial reprisals. A connected organization  
 6 shall not solicit or obtain contributions for a separate segregated  
 7 fund established under this section from an individual described in  
 8 subsection (2), (3), (4), or (5) on an automatic or passive basis  
 9 including but not limited to a payroll deduction plan or reverse  
 10 checkoff method. A connected organization may solicit or obtain  
 11 contributions for a separate segregated fund established under this  
 12 section from an individual described in subsection (2), (3), (4),  
 13 or (5) on an automatic basis, including but not limited to a  
 14 payroll deduction plan, only if the individual who is contributing  
 15 to the fund affirmatively consents to the contribution. **Affirmative**  
 16 **consent expires upon revocation by the individual who provided the**  
 17 **affirmative consent.**

18 (7) A contribution by an individual to a separate segregated  
 19 fund ~~that is aggregated with a dues or other payment to the~~  
 20 ~~connected organization~~ may be collected by or made payable first to  
 21 ~~the~~ **a connected organization of the separate segregated fund**, for  
 22 subsequent transfer to the separate segregated fund if all of the  
 23 following occur:

24 (a) ~~The~~ **For contributions that are aggregated with dues or**  
 25 **other payments, the** individual making the contribution does either  
 26 of the following:

27 (i) Specifically indicates in a record or electronic record  
 28 that the amount collected, or a specified portion of the total  
 29 amount if remitted as part of a dues or other payment to the



1 connected organization, is a contribution to the separate  
2 segregated fund.

3 (ii) Fails to return a record or electronic record described in  
4 subparagraph (i), but remits payment to the connected organization  
5 in response to a specifically requested amount that includes a  
6 solicited contribution, the solicitation for a contribution was  
7 clearly distinguishable from any dues or other fees requested as  
8 part of the total, and the connected organization maintains a  
9 record or electronic record of the solicitation that includes the  
10 amount of the solicited contribution and the amount of any dues or  
11 other fees charged in conjunction with the solicitation for each  
12 contributor.

13 (b) The connected organization transfers the entire specified  
14 amount of any ~~designated~~ contribution, individually or aggregated  
15 with other contributions, **for deposit** to the separate segregated  
16 fund electronically or by written instrument. ~~Any transfer of~~  
17 ~~designated contributions must be accompanied by or logically~~  
18 ~~associated with a record or electronic record setting forth all~~  
19 ~~information required under section 26 for each individual~~  
20 ~~contributor whose contribution is transferred.~~

21 (c) The connected organization ~~accounts for any contributions~~  
22 ~~under this subsection in a manner that documents all of the~~  
23 ~~following:~~

24 ~~(i) The identity of the individual contributor.~~

25 ~~(ii) The date, amount, and method of receipt for each~~  
26 ~~individual contribution.~~

27 ~~(iii) The date, amount, and method of all transfers to the~~  
28 ~~separate segregated fund.~~ **reports all information required under**  
29 **section 26 for each individual contributor, and a transfer of**



1 contributions for deposit to the separate segregated fund by a  
 2 connected organization described in subsection (12) (a) (ii) must be  
 3 accompanied by or logically associated with a record or electronic  
 4 record that sets forth all required information for each individual  
 5 whose contribution is transferred.

6 (d) The connected organization and the separate segregated  
 7 fund ~~adopt~~ **have** a written policy governing the handling,  
 8 accounting, and transfer of any contribution under this subsection.

9 (e) In connection with an investigation or hearing under  
 10 section 15 regarding any contributions under this subsection, the  
 11 connected organization voluntarily agrees to make available to the  
 12 secretary of state any records described in subdivisions (a) to (d)  
 13 and provides those records at the request of the secretary of  
 14 state.

15 (8) In addition to any other expenditures or disbursements  
 16 allowed under subsection (1), a connected organization may pay  
 17 costs for a prize, fund-raising event, or 1 or more items to be  
 18 sold, as part of fund-raising activities for the separate  
 19 segregated fund. Any payment of costs by the connected organization  
 20 for a prize or fund-raising event, or per individual item to be  
 21 sold, must not be disproportionately valuable related to the amount  
 22 raised by that prize or fund-raising event, or the amount raised  
 23 per individual item sold. If the connected organization makes a  
 24 payment of costs under this subsection that is disproportionately  
 25 valuable, reimbursement of at least the impermissible portion by  
 26 the separate segregated fund to the connected organization, within  
 27 60 days of the payment or as directed by the secretary under  
 28 section 15, cures a violation of this subsection. A payment of  
 29 costs under this subsection is not disproportionately valuable if





1 it is equal to or less than 10% of the total amount raised by the  
 2 prize or fund-raising event, or if the payment of costs per item  
 3 sold is equal to or less than 10% of the amount raised per  
 4 individual item sold.

5 (9) ~~(8)~~—Except as otherwise provided in ~~subsection (10)~~,  
 6 subsections (8) and (11), a person who knowingly violates this  
 7 section is guilty of a felony punishable, if the person is an  
 8 individual, by a fine of not more than \$5,000.00 or imprisonment  
 9 for not more than 3 years, or both, or, if the person is not an  
 10 individual, by a fine of not more than \$10,000.00.

11 (10) ~~(9)~~—If a connected organization that obtains  
 12 contributions for a separate segregated fund from individuals  
 13 described in subsection (2), (3), (4), or (5) pays to 1 or more of  
 14 those individuals a bonus or other remuneration for the purpose of  
 15 reimbursing those contributions, then that connected organization  
 16 is subject to a civil fine of not more than 2 times the total  
 17 contributions obtained from all individuals for the separate  
 18 segregated fund during that calendar year.

19 (11) ~~(10)~~—If a violation of this section results solely from  
 20 the failure of a connected organization to transfer 1 or more  
 21 contributions, that connected organization is not guilty of a  
 22 felony as described in subsection ~~(8)~~, ~~(9)~~, but shall notify the  
 23 contributor of the failure to transfer the contribution and refund  
 24 the full amount of the contribution to the contributor if  
 25 requested. The penalties described in subsection ~~(8)~~ ~~(9)~~ apply to  
 26 any other violation of this section, including use or diversion of  
 27 any contributions by a connected organization before those  
 28 contributions are transferred to the separate segregated fund under  
 29 subsection (7).



1           (12) ~~(11)~~—As used in this section:

2           (a) "Connected organization" means either of the following:

3           (i) A corporation organized on a for-profit or nonprofit basis,  
4 a joint stock company, a domestic dependent sovereign, or a labor  
5 organization formed under the laws of this or another state or  
6 foreign country.

7           (ii) A member of any entity under subparagraph (i) that is not  
8 an individual and that does not maintain its own separate  
9 segregated fund, unless its separate segregated fund and the  
10 separate segregated fund of the entity of which it is a member are  
11 treated as a single independent committee as provided in section  
12 52(10).

13           (b) "Record" and "electronic record" mean those terms as  
14 defined in section 2 of the uniform electronic transactions act,  
15 2000 PA 305, MCL 450.832.

16           (c) "Written instrument" means a money order, or a check,  
17 cashier's check, or other negotiable instrument, as those terms are  
18 defined in section 3104 of the uniform commercial code, 1962 PA  
19 174, MCL 440.3104, in the name of the connected organization and  
20 payable to the separate segregated fund.

