

Act No. 244  
Public Acts of 2023  
Approved by the Governor  
November 29, 2023  
Filed with the Secretary of State  
November 30, 2023  
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**STATE OF MICHIGAN  
102ND LEGISLATURE  
REGULAR SESSION OF 2023**

Introduced by Reps. Tsernoglou, Rheingans, Neeley, Byrnes, Brixie, Churches, Brenda Carter, Hoskins, Grant, Scott, Morse, Dievendorf, Wilson, Hope, Mentzer, Price, O’Neal, Brabec, Stone, Steckloff, Skaggs, Andrews, Young, Tyrone Carter, Liberati, MacDonell, Snyder, Shannon, Puri, Glanville, Miller, Coleman, Aiyash and Whitsett

# ENROLLED HOUSE BILL No. 4234

AN ACT to amend 1976 PA 388, entitled “An act to regulate political activity; to regulate campaign financing; to restrict campaign contributions and expenditures; to require campaign statements and reports; to regulate anonymous contributions; to regulate campaign advertising and literature; to provide for segregated funds for political purposes; to provide for the use of public funds for political purposes; to create certain funds; to provide for reversion, retention, or refunding of unexpended balances in certain funds; to require other statements and reports; to regulate acceptance of certain gifts, payments, and reimbursements; to prescribe the powers and duties of certain state departments and state and local officials and employees; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and parts of acts,” by amending sections 4, 6, 11, 54, 55, and 57 (MCL 169.204, 169.206, 169.211, 169.254, 169.255, and 169.257), sections 4, 6, 54, and 55 as amended by 2019 PA 93, section 11 as amended by 2017 PA 119, and section 57 as amended by 2015 PA 269.

*The People of the State of Michigan enact:*

Sec. 4. (1) “Contribution” means a payment, gift, subscription, assessment, expenditure, contract, payment for services, dues, advance, forbearance, loan, or donation of money or anything of ascertainable monetary value, or a transfer of anything of ascertainable monetary value to a person, made for the purpose of influencing the nomination or election of a candidate, for the qualification, passage, or defeat of a ballot question, or for the qualification of a new political party.

(2) Contribution includes the full purchase price of tickets or payment of an attendance fee for events such as dinners, luncheons, rallies, testimonials, and other fund-raising events; an individual’s own money or property other than the individual’s homestead used on behalf of that individual’s candidacy; the granting of discounts or rebates not available to the general public; or the granting of discounts or rebates by broadcast media and newspapers not extended on an equal basis to all candidates for the same office; and the endorsing or guaranteeing of a loan for the amount the endorser or guarantor is liable. Except for the purposes of section 57, contribution does not include a contribution to a federal candidate or a federal committee.

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

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

(b) Food and beverages, not to exceed \$1,000.00 in value during a calendar year, that are donated by an individual and for which reimbursement is not given.

(c) An offer or tender of a contribution if expressly and unconditionally rejected, returned, or refunded in whole or in part within 30 business days after receipt.

(d) A contribution or expenditure for the establishment or administration of, or solicitation, collection, or transfer of contributions to, a separate segregated fund, including through a payroll deduction plan, or for mailing or shipping of an item or prize purchased under section 55(8).

(e) An independent expenditure.

Sec. 6. (1) "Expenditure" means a payment, donation, loan, or promise of payment of money or anything of ascertainable monetary value for goods, materials, services, or facilities in assistance of, or in opposition to, the nomination or election of a candidate, the qualification, passage, or defeat of a ballot question, or the qualification of a new political party. Expenditure includes, but is not limited to, any of the following:

(a) A contribution or a transfer of anything of ascertainable monetary value for purposes of influencing the nomination or election of a candidate, the qualification, passage, or defeat of a ballot question, or the qualification of a new political party.

(b) Except as provided in subsection (2)(f) or (g), an expenditure for voter registration or get-out-the-vote activities made by a person who sponsors or finances the activity or who is identified by name with the activity.

(c) Except as provided in subsection (2)(f) or (g), an expenditure made for poll watchers, challengers, distribution of election day literature, canvassing of voters to get out the vote, or transporting voters to the polls.

(2) Expenditure does not include any of the following:

(a) An expenditure for communication by a person with the person's paid members or shareholders and those individuals who can be solicited for contributions to a separate segregated fund under section 55.

(b) An expenditure for communication on a subject or issue if the communication does not support or oppose a ballot question or candidate by name or clear inference.

(c) An expenditure for the establishment or administration of, or solicitation, collection, or transfer of contributions to, a separate segregated fund, including through a payroll deduction plan, or for mailing or shipping of an item or prize purchased under section 55(8).

(d) An expenditure by a broadcasting station, newspaper, magazine, or other periodical or publication for a news story, commentary, or editorial in support of or opposition to a candidate for elective office or a ballot question in the regular course of publication or broadcasting.

(e) An offer or tender of an expenditure if expressly and unconditionally rejected or returned.

(f) An expenditure for nonpartisan voter registration or nonpartisan get-out-the-vote activities made by an organization that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501, or any successor statute.

(g) An expenditure for nonpartisan voter registration or nonpartisan get-out-the-vote activities performed under chapter XXIII of the Michigan election law, 1954 PA 116, MCL 168.491 to 168.523a, by the secretary of state and other registration officials who are identified by name with the activity.

(h) An expenditure by a state central committee of a political party or a person controlled by a state central committee of a political party for the construction, purchase, or renovation of 1 or more office facilities in Ingham County if the facility is not constructed, purchased, or renovated for the purpose of influencing the election of a candidate in a particular election. Items excluded from the definition of expenditure under this subdivision include expenditures approved in Federal Election Commission advisory opinions 1993-9, 2001-1, and 2001-12 as allowable expenditures under the federal election campaign act of 1971, 52 USC 30101 to 30146, and regulations promulgated under that act, regardless of whether those advisory opinions have been superseded.

(i) Except only for the purposes of section 57, an expenditure to or for a federal candidate or a federal committee.

(j) Except only for the purposes of section 47, an expenditure for a communication if the communication does not in express terms advocate the election or defeat of a clearly identified candidate so as to restrict the application of this act to communications containing express words of advocacy of election or defeat, such as "vote for", "elect", "support", "cast your ballot for", "Smith for governor", "vote against", "defeat", or "reject".

Sec. 11. (1) "Payroll deduction plan" means any system in which an employer, including, but not limited to, a public body, deducts any amount of money from the wages, earnings, or compensation of an employee.

(2) "Person" means a business, individual, proprietorship, limited liability company, firm, partnership, joint venture, syndicate, business trust, labor organization, company, corporation, association, committee, or any other organization or group of persons acting jointly.

(3) "Political committee" means a committee that is not a candidate committee, political party committee, house or senate political party caucus committee, independent committee, independent expenditure committee, or ballot question committee.

(4) "Political merchandise" means goods such as bumper stickers, pins, hats, beverages, literature, or other items sold by a person at a fund raiser or to the general public for publicity or for the purpose of raising funds to be used in supporting or opposing a candidate for nomination for or election to an elective office, in supporting or opposing the qualification, passage, or defeat of a ballot question, or in supporting or opposing the qualification of a new political party.

(5) "Political party" means a political party that has a right under law to have the names of its candidates listed on the ballot in a general election.

(6) "Political party committee" means a state central, district, or county committee of a political party or a party attempting to qualify as a new political party under section 685 of the Michigan election law, 1954 PA 116, MCL 168.685, that is a committee. Each state central committee shall designate the official party county and district committees. There must not be more than 1 officially designated political party committee per county and per congressional district.

(7) "Public body" means 1 or more of the following:

(a) A state agency, department, division, bureau, board, commission, council, authority, or other body in the executive branch of state government.

(b) The legislature or an agency, board, commission, or council in the legislative branch of state government.

(c) A county, city, township, village, intercounty, intercity, or regional governing body; a council, school district, special district, or municipal corporation; or a board, department, commission, or council or an agency of a board, department, commission, or council.

(d) Any other body that is created by state or local authority or is primarily funded by or through state or local authority, if the body exercises governmental or proprietary authority or performs a governmental or proprietary function.

Sec. 54. (1) Except as otherwise provided in this section and section 55, and except with respect to loans made in the ordinary course of business, a corporation, joint stock company, domestic dependent sovereign, or labor organization shall not make a contribution or expenditure or provide volunteer personal services that are excluded from the definition of a contribution under section 4(3)(a).

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

(3) A corporation, joint stock company, domestic dependent sovereign, or labor organization may make a contribution to a ballot question committee or independent expenditure committee subject to this act. A corporation, joint stock company, domestic dependent sovereign, or labor organization may make an independent expenditure in any amount advocating for the election or defeat of a candidate, or the qualification, passage, or defeat of a ballot question and does not for this reason become a committee, unless it solicits or receives contributions in excess of \$500.00 for the purpose of making the independent expenditure, but is subject to the independent expenditure reporting requirements under section 51.

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

Sec. 55. (1) A connected organization may make an expenditure for the establishment or administration of, and solicitation, collection, or transfer of contributions to, a separate segregated fund to be used for political purposes. A connected organization may also pay actual costs related to mailing or shipping of an item or prize purchased under subsection (8). A separate segregated fund established by a connected organization under this section must be organized as a political committee or an independent committee, and, in addition to any other disbursements not restricted or prohibited by law, must only make contributions to, and expenditures on behalf of, candidate committees, ballot question committees, political party committees, political committees, independent expenditure committees, independent committees, and other separate segregated funds.

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

(a) Stockholders of the corporation or company.

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

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

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

(a) Members of the corporation who are individuals.

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

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

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

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

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

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

(b) Officers or directors of the labor organization.

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

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

(6) Contributions must not be obtained for a separate segregated fund established under this section by use of coercion or physical force, by making a contribution a condition of employment or membership, or by using or threatening to use job discrimination or financial reprisals. A connected organization may solicit or obtain contributions for a separate segregated fund established under this section from an individual described in subsection (2), (3), (4), or (5) on an automatic basis, including, but not limited to, a payroll deduction plan, only if the individual who is contributing to the fund affirmatively consents to the contribution. Affirmative consent does not expire until revoked by the individual who provided the affirmative consent.

(7) A contribution by an individual to a separate segregated fund may be collected by or made payable first to a connected organization of the separate segregated fund, for subsequent transfer to the separate segregated fund if all of the following occur:

(a) For contributions that are aggregated with dues or other payments, the individual making the contribution does either of the following:

(i) Specifically indicates in a record or electronic record that the amount collected, or a specified portion of the total amount if remitted as part of a dues or other payment to the connected organization, is a contribution to the separate segregated fund.

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

(b) The connected organization transfers the entire specified amount of any contribution, individually or aggregated with other contributions, for deposit to the separate segregated fund electronically or by written instrument.

(c) The connected organization reports all information required under section 26 for each individual contributor, and a transfer of contributions for deposit to the separate segregated fund by a connected organization described in subsection (12)(a)(ii) must be accompanied by or logically associated with a record or electronic record that sets forth all required information for each individual whose contribution is transferred.

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

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

(8) In addition to any other expenditures or disbursements allowed under subsection (1), a connected organization may make an in-kind contribution to pay costs for a prize, or 1 or more items to be sold or offered in exchange for a contribution, as part of fundraising activities for the separate segregated fund. Any in-kind contribution for payment of costs by the connected organization for a prize or per individual item to be sold or offered in exchange for a contribution must not be disproportionately valuable related to the amount raised by that prize or the amount to be raised or contributed per individual item sold or offered. It is not a violation of this subsection if the connected organization makes an in-kind contribution for a payment of costs under this subsection that is disproportionately valuable and the separate segregated fund reimburses at least the impermissible portion to the connected organization within 60 days of the payment, or as directed by the secretary of state under section 15. An in-kind contribution for a payment of costs under this subsection is disproportionately valuable unless both of the following apply:

(a) The in-kind contribution is equal to or less than \$5.00 per prize or per individual item to be sold or offered in exchange for a contribution.

(b) The in-kind contribution is equal to or less than 10% of the total amount raised by the prize, or if the payment of costs per item sold or offered in exchange for a contribution is equal to or less than 10% of the amount to be raised per individual item sold or offered.

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

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

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

(12) As used in this section:

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

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

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

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

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

Sec. 57. (1) A public body or a person acting for a public body shall not use or authorize the use of funds, personnel, office space, computer hardware or software, property, stationery, postage, vehicles, equipment, supplies, or other public resources to make a contribution or expenditure or provide volunteer personal services that are excluded from the definition of contribution under section 4(3)(a). This subsection does not apply to any of the following:

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

(b) Subject to subsection (2), the production or dissemination of factual information concerning issues relevant to the function of the public body.

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

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

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

(f) An elected or appointed public official or an employee of a public body who, when not acting for a public body but is on the public official's or employee's personal time, is expressing the public official's or employee's personal views, is expending the public official's or employee's personal funds, or is providing the public official's or employee's personal volunteer services.

(g) If an individual who is contributing to a separate segregated fund affirmatively consents to the contribution, the use of public resources to establish and administer a payroll deduction plan to directly or indirectly collect a contribution to, or make an expenditure for, a committee. Affirmative consent does not expire until revoked by the individual who provides the affirmative consent.

(2) Except for an election official in the performance of the election official's duties under the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, a public body, or a person acting for a public body, shall not, during the period 60 days before an election in which a local ballot question appears on a ballot, use public funds or resources for a communication by means of radio, television, mass mailing, or prerecorded telephone message if that communication references a local ballot question and is targeted to the relevant electorate where the local ballot question appears on the ballot.

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

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

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



Clerk of the House of Representatives



Secretary of the Senate

Approved \_\_\_\_\_

\_\_\_\_\_  
Governor