

SFA

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 1040

Sponsor: Senator Phil Arthurs

Committee: Government Operations

Date Completed: 8-31-90

RECEIVED

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Mich. State Law

SUMMARY OF SENATE BILL 1040 as introduced 6-29-90:

The bill would amend the Michigan Campaign Finance Act to eliminate officeholder expense funds (OEFs); provide for the disbursement of money in existing OEFs; allow candidate committees to make expenditures for "incidental expenses"; and define "incidental expense".

The bill provides that, beginning on the effective date of the bill, an elected public official could not establish an OEF, and an elected official who had an existing OEF could not accept contributions to the fund on or after that date unless the contribution was necessary to pay a debt incurred by the officeholder before that date. Prior to January 1, 1991, unspent funds in an OEF would have to be either given to a tax-exempt charitable institution, or returned to the contributors of the OEF.

The bill would allow a candidate committee of a candidate who was elected to public office to make an expenditure for an incidental expense for the office to which the candidate was elected. The bill would define "incidental expense" as an expenditure that was directly and immediately related to and a result of maintaining public office. An incidental expense would include the disbursements authorized under R 169.62 of the Michigan Administrative Code, which lists the ways in which money in an OEF currently may be disbursed. The bill provides that an incidental expense would not include the purchase of tickets to another candidate's fund-raising event or a fund-raising event sponsored by an independent committee, political party committee, or political committee. A candidate committee that made an expenditure for an incidental expense would have to report the expenditure on its required campaign statements.

Under the Act, a gubernatorial candidate who receives money from the State Campaign Fund may only apply the money to a list of qualified campaign expenditures. The bill provides that a qualified campaign expenditure would not include an expenditure by a candidate committee for an incidental expense. Further, expenditures made by a candidate committee for incidental expenses would not be considered as expenditures for the purpose of the expenditure limitations the Act places on gubernatorial elections.

MCL 169.206 et al.

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

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Fiscal Analyst: F. Sanchez

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.

S.B. 1040 (8-31-90)