

Act No. 269
Public Acts of 2015
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STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2015

Introduced by Senator Kowall

ENROLLED SENATE BILL No. 571

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, 9, 10, 15, 21, 24, 33, 35, 47, 52, 54, 55, and 57 (MCL 169.204, 169.206, 169.209, 169.210, 169.215, 169.221, 169.224, 169.233, 169.235, 169.247, 169.252, 169.254, 169.255, and 169.257), sections 4, 6, 33, 47, 52, and 55 as amended by 2013 PA 252, section 9 as amended by 2012 PA 275, section 15 as amended by 2012 PA 277, section 21 as amended by 1989 PA 95, section 24 as amended by 1999 PA 237, section 35 as amended by 2012 PA 273, section 54 as amended by 1995 PA 264, and section 57 as amended by 2012 PA 31.

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 if that contribution or expenditure was made by the person that established the separate segregated fund as authorized under section 55, or was made by a person that is a member of a nonprofit corporation that established the separate segregated fund as authorized under section 55.

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.

(d) Except as provided in subsection (2)(c), the cost of establishing and administering a payroll deduction plan to collect and deliver a contribution to a committee.

(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 if that expenditure was made by the person that established the separate segregated fund as authorized under section 55, or made by a person who is a member of a nonprofit corporation that established the separate segregated fund as authorized under section 55.

(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 168.524, 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. 9. (1) “Incidental expense” means an expenditure that is an ordinary and necessary expense, paid or incurred in carrying out the business of an elective office. Incidental expense includes, but is not limited to, any of the following:

- (a) A disbursement necessary to assist, serve, or communicate with a constituent.
- (b) A disbursement for equipment, furnishings, or supplies for the office of the public official.
- (c) A disbursement for a district office if the district office is not used for campaign-related activity.
- (d) A disbursement for the public official or his or her staff, or both, to attend a conference, meeting, reception, or other similar event.
- (e) A disbursement to maintain a publicly owned residence or a temporary residence at the seat of government.
- (f) An unreimbursed disbursement for travel, lodging, meals, or other expenses incurred by the public official, a member of the public official’s immediate family, or a member of the public official’s staff in carrying out the business of the elective office.
- (g) A donation to a tax-exempt charitable organization, including the purchase of tickets to charitable or civic events.
- (h) A disbursement to a ballot question committee.
- (i) A purchase of tickets for use by that public official and members of his or her immediate family and staff to a fund-raising event sponsored by a candidate committee, independent committee, political party committee, or a political committee that does not exceed \$100.00 per committee in any calendar year.
- (j) A disbursement for an educational course or seminar that maintains or improves skills employed by the public official in carrying out the business of the elective office.
- (k) A purchase of advertisements in testimonials, program books, souvenir books, or other publications if the advertisement does not support or oppose the nomination or election of a candidate.
- (l) A disbursement for consultation, research, polling, and photographic services not related to a campaign.
- (m) A fee paid to a fraternal, veteran, or other service organization.
- (n) A payment of a tax liability incurred as a result of authorized transactions by the candidate committee of the public official.
- (o) A fee for accounting, professional, or administrative services for the candidate committee of the public official.
- (p) A debt or obligation incurred by the candidate committee of a public official for a disbursement authorized by subdivisions (a) to (o), if the debt or obligation was reported in the candidate committee report filed for the year in which the debt or obligation arose.

(2) “Independent expenditure” means an expenditure by a person if the expenditure is not made at the direction of, or under the control of, another person and if the expenditure is not a contribution to a committee.

(3) “In-kind contribution or expenditure” means a contribution or expenditure other than money.

(4) “Loan” means a transfer of money, property, or anything of ascertainable monetary value in exchange for an obligation, conditional or not, to repay in whole or in part.

(5) “Local ballot question” means a ballot question of a local unit of government to be voted upon in that local unit of government.

(6) “Local elective office” means an elective office at the local unit of government level. Local elective office also includes judge of the court of appeals, judge of the circuit court, judge of the district court, judge of the probate court, and judge of a municipal court.

(7) “Local unit of government” means a district, authority, county, city, village, township, board, school district, intermediate school district, or community college district.

Sec. 10. (1) “Major political party” means a political party qualified to have its name listed on the general election ballot whose candidate for governor received 25% or more of the popular vote cast in the preceding gubernatorial election. If only 1 political party received 25% or more of the popular vote cast for governor in the preceding gubernatorial election, then the political party with the second highest vote is considered a major political party.

(2) “Mass mailing” means mailing by United States mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30-day period.

(3) “Minor political party” means a political party qualified to have its name listed on the general election ballot but that does not qualify as a major political party.

(4) “Nominee” means an individual nominated to be a candidate.

Sec. 15. (1) The secretary of state shall do all of the following:

(a) Make available through his or her offices, and furnish to county clerks, appropriate forms, instructions, and manuals required by this act.

(b) Develop a filing, coding, and cross-indexing system for the filing of required reports and statements consistent with this act, and supervise the implementation of the filing systems by the clerks of the counties.

(c) Receive all statements and reports required by this act to be filed with the secretary of state.

(d) Prepare forms, instructions, and manuals required under this act.

(e) Promulgate rules and issue declaratory rulings to implement this act in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(f) Upon receipt of a written request and the required filing, waive payment of a late filing fee if the request for the waiver is based on good cause and accompanied by adequate documentation. One or more of the following reasons constitute good cause for a late filing fee waiver:

(i) The incapacitating physical illness, hospitalization, accident involvement, death, or incapacitation for medical reasons of a person required to file, a person whose participation is essential to the preparation of the statement or report, or a member of the immediate family of these persons.

(ii) Other unique, unintentional factors beyond the filer's control not stemming from a negligent act or nonaction so that a reasonably prudent person would excuse the filing on a temporary basis. These factors include the loss or unavailability of records due to a fire, flood, theft, or similar reason and difficulties related to the transmission of the filing to the filing official, such as exceptionally bad weather or strikes involving transportation systems.

(2) A declaratory ruling shall be issued under this section only if the person requesting the ruling has provided a reasonably complete statement of facts necessary for the ruling or if the person requesting the ruling has, with the permission of the secretary of state, supplied supplemental facts necessary for the ruling. A request for a declaratory ruling that is submitted to the secretary of state shall be made available for public inspection within 48 hours after its receipt. An interested person may submit written comments regarding the request to the secretary of state within 10 business days after the date the request is made available to the public. Within 45 business days after receiving a declaratory ruling request, the secretary of state shall make a proposed response available to the public. An interested person may submit written comments regarding the proposed response to the secretary of state within 5 business days after the date the proposal is made available to the public. Except as otherwise provided in this section, the secretary of state shall issue a declaratory ruling within 60 business days after a request for a declaratory ruling is received. If the secretary of state refuses to issue a declaratory ruling, the secretary of state shall notify the person making the request of the reasons for the refusal and shall issue an interpretative statement providing an informational response to the question presented within the same time limitation applicable to a declaratory ruling. A declaratory ruling or interpretative statement issued under this section shall not state a general rule of law, other than that which is stated in this act, until the general rule of law is promulgated by the secretary of state as a rule under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, or under judicial order.

(3) Under extenuating circumstances, the secretary of state may issue a notice extending for not more than 30 business days the period during which the secretary of state shall respond to a request for a declaratory ruling. The secretary of state shall not issue more than 1 notice of extension for a particular request. A person requesting a declaratory ruling may waive, in writing, the time limitations provided by this section.

(4) The secretary of state shall make available to the public an annual summary of the declaratory rulings and interpretative statements issued by the secretary of state.

(5) A person may file with the secretary of state a complaint that alleges a violation of this act. Within 5 business days after a complaint that meets the requirements of subsection (6) is filed, the secretary of state shall give notice to the person against whom the complaint is filed. The notice shall include a copy of the complaint. Within 15 business days after this notice is mailed, the person against whom the complaint was filed may submit a response to the secretary of state. The secretary of state may extend the period for submitting a response an additional 15 business days for good cause. The secretary of state shall provide a copy of a response received to the complainant. Within 10 business days after the response is mailed, the complainant may submit a rebuttal statement to the secretary of state. The secretary of state may extend the period for submitting a rebuttal statement an additional 10 business days for good cause. The secretary of state shall provide a copy of the rebuttal statement to the person against whom the complaint was filed.

(6) A complaint filed under subsection (5) shall satisfy all of the following requirements:

(a) Be signed by the complainant.

(b) State the name, address, and telephone number of the complainant.

(c) Include the complainant's certification that, to the best of the complainant's knowledge, information, and belief, formed after a reasonable inquiry under the circumstances, each factual contention of the complaint is supported by evidence. However, if, after a reasonable inquiry under the circumstances, the complainant is unable to certify that certain factual contentions are supported by evidence, the complainant may certify that, to the best of his or her

knowledge, information, or belief, there are grounds to conclude that those specifically identified factual contentions are likely to be supported by evidence after a reasonable opportunity for further inquiry.

(7) The secretary of state shall develop a form that satisfies the requirements of subsection (6) and may be used for the filing of complaints.

(8) A person who files a complaint with a false certificate under subsection (6)(c) is responsible for a civil violation of this act. A person may file a complaint under subsection (5) alleging that another person has filed a complaint with a false certificate under subsection (6)(c).

(9) The secretary of state shall investigate the allegations under the rules promulgated under this act. If the violation involves the secretary of state, the immediate family of the secretary of state, or a campaign or committee with which the secretary of state is connected, directly or indirectly, the secretary of state shall refer the matter to the attorney general to determine whether a violation of this act has occurred.

(10) No later than 45 business days after receipt of a rebuttal statement submitted under subsection (5), or if no response or rebuttal is received under subsection (5), the secretary of state shall post on the secretary of state's Internet website whether or not there may be reason to believe that a violation of this act has occurred. When the secretary of state determines whether there may be reason to believe that a violation of this act occurred or did not occur or determines to terminate its proceedings, the secretary of state shall, within 30 days of that determination, post on the secretary of state's Internet website any complaint, response, or rebuttal statement received under subsection (5) regarding that violation or alleged violation and any correspondence that is dispositive of that violation or alleged violation between the secretary of state and the complainant or the person against whom the complaint was filed. If the secretary of state determines that there may be reason to believe that a violation of this act occurred, the secretary of state shall endeavor to correct the violation or prevent a further violation by using informal methods such as a conference, conciliation, or persuasion, and may enter into a conciliation agreement with the person involved. Unless violated, a conciliation agreement is a complete bar to any further civil or criminal action with respect to matters covered in the conciliation agreement. The secretary of state shall, within 30 days after a conciliation agreement is signed, post that agreement on the secretary of state's Internet website. If, after 90 business days, the secretary of state is unable to correct or prevent further violation by these informal methods, the secretary of state shall do either of the following:

(a) Refer the matter to the attorney general for the enforcement of any criminal penalty provided by this act.

(b) Commence a hearing as provided in subsection (11) for enforcement of any civil violation.

(11) The secretary of state may commence a hearing to determine whether a civil violation of this act has occurred. The hearing shall be conducted in accordance with the procedures set forth in chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.287. If after a hearing the secretary of state determines that a violation of this act has occurred, the secretary of state may issue an order requiring the person to pay a civil fine not more than triple the amount of the improper contribution or expenditure plus not more than \$1,000.00 for each violation.

(12) A final decision and order issued by the secretary of state is subject to judicial review as provided by chapter 6 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.301 to 24.306. The secretary of state shall deposit a civil fine imposed under this section in the general fund. The secretary of state may bring an action in circuit court to recover the amount of a civil fine.

(13) When a report or statement is filed under this act, the secretary of state shall review the report or statement and may investigate an apparent violation of this act under the rules promulgated under this act. If the secretary of state determines that there may be reason to believe a violation of this act has occurred and the procedures prescribed in subsection (10) have been complied with, the secretary of state may refer the matter to the attorney general for the enforcement of a criminal penalty provided by this act, or commence a hearing under subsection (11) to determine whether a civil violation of this act has occurred.

(14) No later than 60 business days after a matter is referred to the attorney general for enforcement of a criminal penalty, the attorney general shall determine whether to proceed with enforcement of that penalty.

(15) Unless otherwise specified in this act, a person who violates a provision of this act is subject to a civil fine of not more than \$1,000.00 for each violation. A civil fine is in addition to, but not limited by, a criminal penalty prescribed by this act.

(16) In addition to any other sanction provided for by this act, the secretary of state may require a person who files a complaint with a false certificate under subsection (6)(c) to do either or both of the following:

(a) Pay to the secretary of state some or all of the expenses incurred by the secretary of state as a direct result of the filing of the complaint.

(b) Pay to the person against whom the complaint was filed some or all of the expenses, including, but not limited to, reasonable attorney fees incurred by that person in proceedings under this act as a direct result of the filing of the complaint.

(17) Except as otherwise provided in section 57, there is no private right of action, either in law or in equity, under this act. Except as otherwise provided in section 57, the remedies provided in this act are the exclusive means by which

this act may be enforced and by which any harm resulting from a violation of this act may be redressed. The criminal penalties provided by this act may only be enforced by the attorney general and only upon referral by the secretary of state as provided under subsection (10) or (13).

(18) The secretary of state may waive the filing of a campaign statement required under section 33, 34, or 35 if the closing date of the particular campaign statement falls on the same or a later date as the closing date of the next campaign statement filed by the same person, or if the period that would be otherwise covered by the next campaign statement filed by the same person is 10 days or less.

(19) The clerk of each county shall do all of the following:

(a) Make available through the county clerk's office the appropriate forms, instructions, and manuals required by this act.

(b) Under the supervision of the secretary of state, implement the filing, coding, and cross-indexing system prescribed for the filing of reports and statements required to be filed with the county clerk's office.

(c) Receive all statements and reports required by this act to be filed with the county clerk's office.

(d) Upon written request, waive the payment of a late filing fee if the request for a waiver is based on good cause as prescribed in subsection (1)(f).

Sec. 21. (1) A candidate, within 10 days after becoming a candidate, shall form a candidate committee. A person who is a candidate for more than 1 office shall form a candidate committee for each office for which the person is a candidate, if at least 1 of the offices is a state elective office. A candidate shall not form more than 1 candidate committee for each office for which the person is a candidate.

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

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

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

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

(6) Except as provided by law, a candidate committee or a committee described in subsection (3) shall have 1 account in a financial institution in this state as an official depository for the purpose of depositing all contributions received by the committee in the form of or which are converted to money, checks, or other negotiable instruments and for the purpose of making all expenditures. The committee shall designate that financial institution as its official depository. The establishment of an account in a financial institution is not required until the committee receives a contribution or makes an expenditure. Secondary depositories shall be used for the sole purpose of depositing contributions and promptly transferring the deposits to the committee's official depository.

(7) Except as provided by law, a committee described in subsection (4) shall have 1 account in a financial institution as its official depository for the purpose of depositing all contributions received by the committee in the form of or which are converted to money, checks, or other negotiable instruments and for the purpose of making all expenditures. The committee shall designate that financial institution as its official depository. The establishment of an account in a financial institution is not required until the committee receives a contribution or makes an expenditure. Secondary depositories shall be used only for the purposes of depositing contributions and promptly transferring the deposits to the committee's official depository, or depositing, dividing, and transferring contributions that are aggregated with dues or other payments.

(8) A contribution shall not be accepted and an expenditure shall not be made by a committee that does not have a treasurer. When the office of treasurer in a candidate committee is vacant, the candidate shall be the treasurer until the candidate appoints a new treasurer.

(9) An expenditure shall not be made by a committee without the authorization of the treasurer or the treasurer's designee. The contributions received or expenditures made by a candidate or an agent of a candidate are considered received or made by the candidate committee.

(10) Contributions received by an individual acting in behalf of a committee shall be reported promptly to the committee's treasurer not later than 5 days before the closing date of any campaign statement required to be filed by

the committee, and shall be reported to the committee treasurer immediately if the contribution is received less than 5 days before the closing date.

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

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

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

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

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

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

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

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

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

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

Sec. 24. (1) A committee shall file a statement of organization with the filing officials designated in section 36 to receive the committee's campaign statements. A committee shall file a statement of organization within 10 days after the committee is formed. A filing official shall maintain a statement of organization filed by a committee until 5 years after the official date of the committee's dissolution. A person who fails to file a statement of organization required by this subsection shall pay a late filing fee of \$10.00 for each business day the statement remains not filed in violation of this subsection. The late filing fee shall not exceed \$300.00. A person who violates this subsection by failing to file for more than 30 days after a statement of organization is required to be filed is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00.

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

(a) The name, street address, and if available, the electronic mail address and telephone number of the committee, and the electronic mail address of the candidate. If a committee is a candidate committee, the committee name shall include the first and last name of the candidate. A committee address may be the home address of the candidate or treasurer of the committee.

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

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

(d) The full name of the office being sought by, including district number or jurisdiction, and the county residence of each candidate supported or opposed by the committee.

(e) A brief statement identifying the substance of each ballot question supported or opposed by the committee. If the ballot question supported or opposed by the committee is not statewide, the committee shall identify the county in which the greatest number of registered voters eligible to vote on the ballot question reside.

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

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

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

(5) When filing a statement of organization, a committee, other than an independent committee, a political committee, or a political party committee, may indicate in a written statement signed by the treasurer of the committee that the committee does not expect for each election to receive an amount in excess of \$1,000.00 or expend an amount in excess

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

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

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

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

- (a) The candidate was defeated in an election and has no outstanding campaign debts or assets.
- (b) The candidate vacates an elective office and has no outstanding campaign debts or assets.

Sec. 33. (1) A committee, other than an independent committee or a political committee required to file with the secretary of state, supporting or opposing a candidate shall file complete campaign statements as required by this act and the rules promulgated under this act. The campaign statements shall be filed according to the following schedule:

(a) A preelection campaign statement shall be filed not later than the eleventh day before an election. The closing date for a campaign statement filed under this subdivision shall be the sixteenth day before the election.

(b) A postelection campaign statement shall be filed not later than the thirtieth day following the election. The closing date for a campaign statement filed under this subdivision shall be the twentieth day following the election. A committee supporting a candidate who loses the primary election shall file closing campaign statements in accordance with this section. If all liabilities of that candidate or committee are paid before the closing date and additional contributions are not expected, the campaign statement may be filed at any time after the election, but not later than the thirtieth day following the election.

(c) For candidate committees only, in a year in which there is no election for the candidate the candidate committee is supporting or opposing:

- (i) Not later than July 25 with a closing date of July 20 of that year.
- (ii) Not later than October 25 with a closing date of October 20 of that year.

(2) For the purposes of subsection (1):

(a) A candidate committee shall file a preelection campaign statement and a postelection campaign statement for each election in which the candidate seeks nomination or election, except if an individual becomes a candidate after the closing date for the preelection campaign statement only the postelection campaign statement is required for that election.

(b) A committee other than a candidate committee shall file a campaign statement for each period during which expenditures are made for the purpose of influencing the nomination or election of a candidate or for the qualification, passage, or defeat of a ballot question.

(3) An independent committee or a political committee other than a house political party caucus committee or senate political party caucus committee required to file with the secretary of state shall file campaign statements as required by this act according to the following schedule:

- (a) Not later than April 25 of each year with a closing date of April 20 of that year.
- (b) Not later than July 25 of each year with a closing date of July 20 of that year.
- (c) Not later than October 25 of each year with a closing date of October 20 of that year.

(4) A house political party caucus committee or a senate political party caucus committee required to file with the secretary of state or a political party committee for a party attempting to qualify as a new political party under section 685 of the Michigan election law, 1954 PA 116, MCL 168.685, shall file campaign statements as required by this act according to the following schedule:

- (a) Not later than January 31 of each year with a closing date of December 31 of the immediately preceding year.
- (b) Not later than April 25 of each year with a closing date of April 20 of that year.
- (c) Not later than July 25 of each year with a closing date of July 20 of that year.
- (d) Not later than October 25 of each year with a closing date of October 20 of that year.

(e) For the period beginning on the fourteenth day immediately preceding a primary or special primary election and ending on the day immediately following the primary or special primary election, not later than 4 p.m. each business day with a closing date of the immediately preceding day, only for a contribution received or expenditure made that exceeds \$1,000.00 per day.

(f) For the period beginning on the fourteenth day immediately preceding a general or special election and ending on the day immediately following the general or special election, not later than 4 p.m. each business day with a closing date of the immediately preceding day, only for a contribution received or expenditure made that exceeds \$1,000.00 per day.

(5) Notwithstanding subsection (3) or (4) or section 51, if an independent expenditure is made within 45 days before a special election by an independent committee or a political committee required to file a campaign statement with the secretary of state, a report of the expenditure shall be filed by the committee with the secretary of state within 48 hours after the expenditure. The report shall be made on a form provided by the secretary of state and must include the date of the independent expenditure, the amount of the expenditure, a brief description of the nature of the expenditure, and the name and address of the person to whom the expenditure was paid. The brief description of the expenditure must include either the name of the candidate and the office sought by the candidate or the name of the ballot question and state whether the expenditure supports or opposes the candidate or ballot question. This subsection does not apply if the committee is required to report the independent expenditure in a campaign statement that is required to be filed before the date of the election for which the expenditure was made.

(6) A candidate committee or a committee other than a candidate committee that files a written statement under section 24(5) or (6) or that is automatically considered to have made a statement under section 24(5) is not required to file a campaign statement under subsection (1), (3), or (4) unless it received or expended an amount in excess of \$1,000.00. If the committee receives or expends an amount in excess of \$1,000.00 during a period covered by a filing, the committee is then subject to the campaign filing requirements under this act.

(7) A committee, candidate, treasurer, or other individual designated as responsible for the committee's record keeping, report preparation, or report filing who fails to file a statement as required by this section shall pay a late filing fee. If the committee has raised \$10,000.00 or less during the previous 2 years, the late filing fee shall be \$25.00 for each business day the statement remains unfiled, but not to exceed \$500.00. If the committee has raised more than \$10,000.00 during the previous 2 years, the late filing fee shall not exceed \$1,000.00, determined as follows:

- (a) Twenty-five dollars for each business day the report remains unfiled.
- (b) An additional \$25.00 for each business day after the first 3 business days the report remains unfiled.
- (c) An additional \$50.00 for each business day after the first 10 business days the report remains unfiled.

(8) If a candidate, treasurer, or other individual designated as responsible for the committee's record keeping, report preparation, or report filing fails to file 2 statements required by this section or section 35 and both of the statements remain unfiled for more than 30 days, that candidate, treasurer, or other designated individual is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 or imprisonment for not more than 90 days, or both.

(9) If a candidate is found guilty of a violation of this section, the circuit court for that county, on application by the attorney general or the prosecuting attorney of that county, may prohibit that candidate from assuming the duties of a public office or from receiving compensation from public funds, or both.

(10) If a candidate, treasurer, or other individual designated as responsible for a committee's record keeping, report preparation, or report filing knowingly files an incomplete or inaccurate statement or report required by this section, that individual is subject to a civil fine of not more than \$1,000.00.

(11) If a candidate, treasurer, or other individual designated as responsible for a committee's record keeping, report preparation, or report filing knowingly omits or underreports individual contributions or individual expenditures required to be disclosed by this act, that individual is subject to a civil fine of not more than \$1,000.00 or the amount of the contributions and expenditures omitted or underreported, whichever is greater.

(12) If a candidate committee's account has a balance of \$20,000.00 or more and a candidate, treasurer, or other individual designated as responsible for that committee's record keeping, report preparation, or report filing fails to file campaign statements required under this act for 2 consecutive years, that candidate, treasurer, or other individual is guilty of a felony punishable by imprisonment for not more than 3 years or a fine of not more than \$5,000.00, or both. Any money in a candidate committee account described in this subsection is subject to seizure by, and forfeiture to, this state as provided in this section.

(13) Not more than 5 business days after seizure of money under subsection (12), the secretary of state shall deliver personally or by registered mail to the last known address of the candidate from whom the seizure was made an inventory statement of the money seized. The inventory statement shall also contain notice to the effect that unless demand for hearing as provided in this section is made within 10 business days, the money is forfeited to this state. Within 10 business days after the date of service of the notice, the candidate may by registered mail, facsimile transmission, or personal service file with the secretary of state a demand for a hearing before the secretary of state or

a person designated by the secretary of state for a determination as to whether the money was lawfully subject to seizure and forfeiture. The candidate is entitled to appear before the secretary of state or a person designated by the secretary of state, to be represented by counsel, and to present testimony and argument. Upon receipt of a request for hearing, the secretary of state or a person designated by the secretary of state shall hold the hearing within 15 business days. The hearing is not a contested case proceeding and is not subject to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. After the hearing, the secretary of state or a person designated by the secretary of state shall render a decision in writing within 10 business days of the hearing and, by order, shall either declare the money subject to seizure and forfeiture or declare the money returnable to the candidate. If, within 10 business days after the date of service of the inventory statement, the candidate does not file with the secretary of state a demand for a hearing before the secretary of state or a person designated by the secretary of state, the money seized is forfeited to this state by operation of law. If, after a hearing before the secretary of state or a person designated by the secretary of state, the secretary of state or a person designated by the secretary of state determines that the money is lawfully subject to seizure and forfeiture and the candidate does not appeal to the circuit court of the county in which the seizure was made within the time prescribed in this section, the money seized is forfeited to this state by operation of law. If a candidate is aggrieved by the decision of the secretary of state or a person designated by the secretary of state, that candidate may appeal to the circuit court of the county where the seizure was made to obtain a judicial determination of the lawfulness of the seizure and forfeiture. The action shall be commenced within 20 days after notice of a determination by the secretary of state or a person designated by the secretary of state is sent to the candidate. The court shall hear the action and determine the issues of fact and law involved in accordance with rules of practice and procedure as in other in rem proceedings.

Sec. 35. (1) In addition to any other requirements of this act for filing a campaign statement, a committee required to file with the secretary of state shall also file a campaign statement not later than January 31 of each year. The campaign statement shall have a closing date of December 31 of the previous year. The period covered by the campaign statement filed under this subsection begins the day after the closing date of the previous campaign statement. A campaign statement filed under this subsection is waived if a postelection campaign statement has been filed that has a filing deadline within 30 days of the closing date of the campaign statement required by this subsection.

(2) Subsection (1) does not apply to a candidate committee for an officeholder who is a judge or a supreme court justice, or who holds an elective office for which the salary is less than \$100.00 a month and who does not receive any contribution or make any expenditure during the time that would be otherwise covered in the statement.

(3) A committee, candidate, treasurer, or other individual designated as responsible for the record keeping, report preparation, or report filing for a candidate committee of a candidate for state elective office or a judicial office who fails to file a campaign statement under this section shall be assessed a late filing fee. If the committee has raised \$10,000.00 or less during the previous 2 years, the late filing fee shall be \$25.00 for each business day the campaign statement remains unfiled, but not to exceed \$500.00. If the committee has raised more than \$10,000.00 during the previous 2 years, the late filing fee shall be \$50.00 for each business day the campaign statement remains unfiled, but not to exceed \$1,000.00. The late filing fee assessed under this subsection shall be paid by the candidate, and the candidate shall not use committee funds to pay that fee. A committee, treasurer, or other individual designated as responsible for the record keeping, report preparation, or report filing for a committee other than a candidate committee of a candidate for state elective office or a judicial office who fails to file a campaign statement under this section shall pay a late filing fee of \$25.00 for each business day the campaign statement remains not filed in violation of this section. The late filing fee shall not exceed \$500.00.

(4) A committee filing a written statement under section 24(5) or (6) need not file a statement in accordance with subsection (1). If a committee receives or expends more than \$1,000.00 during a time period prescribed by section 24(5) or (6), the committee is then subject to the campaign filing requirements under this act and shall file a campaign statement for the period beginning the day after the closing date of the last postelection campaign statement or an annual campaign statement that is waived under subsection (1), whichever occurred earlier.

(5) If a candidate, treasurer, or other individual designated as responsible for the record keeping, report preparation, or report filing fails to file 2 statements required by this section or section 33 and both of the statements remain unfiled for more than 30 days, that candidate, treasurer, or other designated individual is guilty of a misdemeanor, punishable by a fine of not more than \$1,000.00, or imprisonment for not more than 90 days, or both.

(6) If a candidate, treasurer, or other individual designated as responsible for the record keeping, report preparation, or report filing for a committee required to file a campaign statement under subsection (1) knowingly files an incomplete or inaccurate statement or report required by this section, that individual is subject to a civil fine of not more than \$1,000.00.

Sec. 47. (1) Except as otherwise provided in this subsection and subject to subsections (3) and (4), a billboard, placard, poster, pamphlet, or other printed matter having reference to an election, a candidate, or a ballot question, shall bear upon it an identification that contains the name and address of the person paying for the matter. Except as otherwise provided in this subsection and subsection (5) and subject to subsections (3) and (4), if the printed matter

relating to a candidate is an independent expenditure that is not authorized in writing by the candidate committee of that candidate, in addition to the identification required under this subsection, the printed matter shall contain the following disclaimer: "Not authorized by any candidate committee". An individual other than a candidate is not subject to this subsection if the individual is acting independently and not acting as an agent for a candidate or any committee. This subsection does not apply to communications between a separate segregated fund established under section 55 and individuals who can be solicited for contributions to that separate segregated fund under section 55.

(2) A radio or television paid advertisement having reference to an election, a candidate, or a ballot question shall identify the sponsoring person as required by the Federal Communications Commission, bear an identification that contains the name of the person paying for the advertisement, and be in compliance with subsection (3) and, except as otherwise provided by subsection (5), with the following:

(a) If the radio or television paid advertisement relates to a candidate and is an independent expenditure, the advertisement shall contain the following disclaimer: "Not authorized by any candidate".

(b) If the radio or television paid advertisement relates to a candidate and is not an independent expenditure but is paid for by a person other than the candidate to which it is related, the advertisement shall contain the following disclaimer: "Authorized by".
(name of candidate or name of candidate committee)

(3) The size and placement of an identification or disclaimer required by this section shall be determined by rules promulgated by the secretary of state. The rules may exempt printed matter and certain other items such as campaign buttons or balloons, the size of which makes it unreasonable to add an identification or disclaimer, from the identification or disclaimer required by this section.

(4) Except for a communication described in subsection (5) and except for a candidate committee's printed matter or radio or television paid advertisements, each identification required by this section shall also indicate that the printed matter or radio or television paid advertisement is paid for "with regulated funds". Printed matter or a radio or television paid advertisement that is not subject to this act shall not bear the statement required by this subsection.

(5) A communication otherwise entirely exempted from this act under section 6(2)(j) is subject to both of the following:

(a) Must contain the identification required by subsection (1), (2), or (7) if that communication references a clearly identified candidate or ballot question within 60 days before a general election or 30 days before a primary election in which the candidate or ballot question appears on a ballot and is targeted to the relevant electorate where the candidate or ballot question appears on the ballot by means of radio, television, mass mailing, or prerecorded telephone message.

(b) Is not required to contain the disclaimer required by subsection (1) or (2).

(6) A person who knowingly violates this section is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00, or imprisonment for not more than 93 days, or both.

(7) A prerecorded telephone message that in express terms advocates the election or defeat of a clearly identified candidate, or the qualification, passage, or defeat of a ballot question, shall bear an identification that contains the name and telephone number, address, or other contact information of the person paying for the prerecorded telephone message, and shall be in compliance with subsection (4). A prerecorded telephone message subject to this subsection is not required to contain a disclaimer.

Sec. 52. (1) Except as provided in subsection (5) or (11) and subject to section 46 and subsection (8), a person other than an independent committee or a political party committee shall not make contributions to a candidate committee of a candidate for elective office that, with respect to an election cycle, are more than the following:

(a) \$6,800.00 for a candidate for state elective office other than the office of state legislator, or for a candidate for local elective office if the district from which he or she is seeking office has a population of more than 250,000.

(b) \$2,000.00 for a candidate for state senator, or for a candidate for local elective office if the district from which he or she is seeking office has a population of more than 85,000 but 250,000 or less.

(c) \$1,000.00 for a candidate for state representative, or for a candidate for local elective office if the district from which he or she is seeking office has a population of 85,000 or less.

(2) Except as otherwise provided in this subsection and subsection (12), an independent committee shall not make contributions to a candidate committee of a candidate for elective office that, in the aggregate for that election cycle, are more than 10 times the amount permitted a person other than an independent committee or political party committee in subsection (1). A house political party caucus committee or a senate political party caucus committee is not limited under this subsection in the amount of contributions made to the candidate committee of a candidate for the office of state legislator, except as follows:

(a) A house political party caucus committee or a senate political party caucus committee shall not pay a debt incurred by a candidate if that debt was incurred while the candidate was seeking nomination at a primary election and the candidate was opposed at that primary.

(b) A house political party caucus committee or a senate political party caucus committee shall not make a contribution to or make an expenditure on behalf of a candidate if that candidate is seeking nomination at a primary election and the candidate is opposed at that primary.

(3) A political party committee other than a state central committee shall not make contributions to the candidate committee of a candidate for elective office that are more than 10 times the amount permitted a person other than an independent committee or political party committee in subsection (1).

(4) A state central committee of a political party shall not make contributions to the candidate committee of a candidate for state elective office other than a candidate for the legislature that are more than 20 times the amount permitted a person other than an independent committee or political party committee in subsection (1). A state central committee of a political party shall not make contributions to the candidate committee of a candidate for state senator, state representative, or local elective office that are more than 10 times the amount permitted a person other than an independent committee or political party committee in subsection (1).

(5) A contribution from a member of a candidate's immediate family to the candidate committee of that candidate is exempt from the limitations of subsection (1).

(6) Consistent with the provisions of this section, a contribution designated in writing for a particular election cycle is considered made for that election cycle. A contribution made after the close of a particular election cycle and designated in writing for that election cycle shall be made only to the extent that the contribution does not exceed the candidate committee's net outstanding debts and obligations from the election cycle so designated. If a contribution is not designated in writing for a particular election cycle, all of the following apply to that contribution:

(a) The contribution is considered made for the election cycle that corresponds to the date of the written instrument.

(b) The contribution limits for the current election cycle apply to that contribution.

(c) A candidate committee may use that contribution to pay outstanding debts and obligations from a previous election cycle regardless of whether the contribution, when aggregated with any contributions made in that previous election cycle, would exceed the contribution limits for that previous election cycle.

(7) A candidate committee, a candidate, or a treasurer or agent of a candidate committee shall not accept a contribution with respect to an election cycle that exceeds the limitations in subsection (1), (2), (3), (4), (11), or (12).

(8) The contribution limits in subsection (1) for a candidate for local elective office are effective on the effective date of the amendatory act that provides for those contribution limits, however, only contributions received by that candidate on and after that date shall be used to determine if the contribution limit has been reached.

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

(10) For purposes of the limitations provided in subsections (1) and (2), all contributions made by political committees or independent committees established by any corporation, joint stock company, domestic dependent sovereign, or labor organization, including any parent, subsidiary, branch, division, department, or local unit thereof, shall be considered to have been made by a single independent committee. By way of illustration and not limitation, all of the following apply as a result of the application of this requirement:

(a) All of the political committees and independent committees established by a for profit corporation or joint stock company, by a subsidiary of the for profit corporation or joint stock company, or by any combination thereof, are treated as a single independent committee.

(b) All of the political committees and independent committees established by a single national or international labor organization, by a labor organization of that national or international labor organization, by a local labor organization of that national or international labor organization, or by any other subordinate organization of that national or international labor organization, or by any combination thereof, are treated as a single independent committee.

(c) All of the political committees and independent committees established by an organization of national or international unions, by a state central body of that organization, by a local central body of that organization, or by any combination thereof, are treated as a single independent committee.

(d) All of the political committees and independent committees established by a nonprofit corporation, by a related state entity of that nonprofit corporation, by a related local entity of that nonprofit corporation, or by any combination thereof, are treated as a single independent committee.

(11) The limitation on a political committee's contributions under subsection (1) does not apply to contributions that are part of 1 or more bundled contributions delivered to the candidate committee of a candidate for statewide elective office and that are attributed to the political committee as prescribed in section 31. A political committee shall not make contributions to a candidate committee of a candidate for statewide elective office that are part of 1 or more bundled contributions delivered to that candidate committee, that are attributed to the political committee as prescribed in section 31, and that, in the aggregate for that election cycle, are more than the amount permitted a person other than an independent committee or political party committee in subsection (1).

(12) The limitation on an independent committee's contributions under subsection (2) does not apply to contributions that are part of 1 or more bundled contributions delivered to the candidate committee of a candidate for statewide elective office and that are attributed to the independent committee as prescribed in section 31. An independent committee shall not make contributions to a candidate committee of a candidate for statewide elective office that are part of 1 or more bundled contributions delivered to that candidate committee, that are attributed to the independent committee as prescribed in section 31, and that, in the aggregate for that election cycle, are more than 10 times the amount permitted a person other than an independent committee or political party committee in subsection (1).

Sec. 54. (1) Except with respect to the exceptions and conditions in subsections (2) and (3) and section 55, and 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) Except for expenditures made by a corporation in the ordinary course of its business, an expenditure made by a corporation to provide for the collection and transfer of contributions to another separate segregated fund not established by that corporation, or to a separate segregated fund not connected to a nonprofit corporation of which the corporation is a member, constitutes an in-kind contribution by the corporation and is prohibited under this section. Advanced payment or reimbursement to a corporation by a separate segregated fund not established by that corporation, or by a separate segregated fund not connected to a nonprofit corporation of which the corporation is a member, does not cure a use of corporate resources otherwise prohibited by this section.

(4) A corporation, joint stock company, domestic dependent sovereign, or labor organization may make a contribution to a ballot question committee subject to this act. A corporation, joint stock company, domestic dependent sovereign, or labor organization may make an independent expenditure in any amount for the qualification, passage, or defeat of a ballot question. A corporation, joint stock company, domestic dependent sovereign, or labor organization that makes an independent expenditure under this subsection is considered a ballot question committee for the purposes of this act.

(5) A person who knowingly violates this section is guilty of a felony punishable, if the person is an individual, by a fine of not more than \$5,000.00 or imprisonment for not more than 3 years, 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 separate segregated fund established by a connected organization under this section is limited to making contributions to, and expenditures on behalf of, candidate committees, ballot question committees, political party committees, political 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 shall 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 shall not 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 or passive basis including but not limited to a payroll deduction plan or reverse checkoff method. 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.

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

(a) 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 designated contribution, individually or aggregated with other contributions, to the separate segregated fund electronically or by written instrument. Any transfer of designated contributions shall be accompanied by or logically associated with a record or electronic record setting forth all information required under section 26 for each individual contributor whose contribution is transferred.

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

(i) The identity of the individual contributor.

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

(iii) The date, amount, and method of all transfers to the separate segregated fund.

(d) The connected organization and the separate segregated fund adopt 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) Except as otherwise provided in subsection (10), a person who knowingly violates this section is guilty of a felony punishable, if the person is an individual, by a fine of not more than \$5,000.00 or imprisonment for not more than 3 years, or both, or, if the person is not an individual, by a fine of not more than \$10,000.00.

(9) If a corporation, joint stock company, domestic dependent sovereign, or labor 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 corporation, joint stock company, domestic dependent sovereign, or labor organization is subject to a civil fine equal to 2 times the total contributions obtained from all individuals for the separate segregated fund during that calendar year.

(10) 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 (8), 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 (8) apply to any other violation of this section, including use or diversion of any contributions by a connected organization for a purpose not described in subsection (7) before those contributions are transferred to the separate segregated fund.

(11) As used in this section:

(a) "Connected organization" means 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, or a member of any such entity that is not an individual.

(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). The prohibition under this subsection includes, but is not limited to, using or authorizing the use of public resources to establish or administer a payroll deduction plan to directly or indirectly collect or deliver a contribution to, or make an expenditure for, a committee. Advance payment or reimbursement to a public body does not cure a use of public resources otherwise prohibited by this subsection. 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 (3), 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 his or her own personal time, is expressing his or her own personal views, is expending his or her own personal funds, or is providing his or her own personal volunteer services.

(2) If the secretary of state has dismissed a complaint filed under section 15(5) alleging that a public body or person acting for a public body used or authorized the use of public resources to establish or administer a payroll deduction plan to collect or deliver a contribution to, or make an expenditure for, a committee in violation of this section, or if the secretary of state enters into a conciliation agreement under section 15(10) that does not prevent a public body or a person acting for a public body to use or authorize the use of public resources to establish or administer a payroll deduction plan to collect or deliver a contribution to, or make an expenditure for, a committee in violation of this section, the following apply:

(a) The complainant or any other person who resides, or has a place of business, in the jurisdiction where the use or authorization of the use of public resources occurred may bring a civil action against the public body or person acting for the public body to seek declaratory, injunctive, mandamus, or other equitable relief and to recover losses that a public body suffers from the violation of this section.

(b) If the complainant or any other person who resides, or has a place of business, in the jurisdiction where the use or authorization of the use of public resources occurred prevails in an action initiated under this subsection, a court shall award the complainant or any other person necessary expenses, costs, and reasonable attorney fees.

(c) Any amount awarded or equitable relief granted by a court under this subsection may be awarded or granted against the public body or an individual acting for the public body, or both, that violates this section, as determined by the court.

(d) A complainant or any other person who resides, or has a place of business, in the jurisdiction where the use or authorization of the use of public resources occurred may bring a civil action under this subsection in any county in which venue is proper. Process issued by a court in which an action is filed under this subsection may be served anywhere in this state.

(3) Except for an election official in the performance of his or her 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.

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

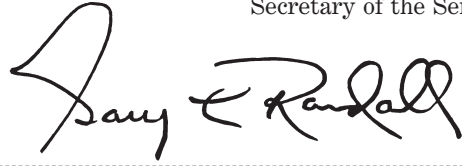
(a) A fine of not more than \$20,000.00.

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

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor