

HOUSE BILL No. 5355

December 4, 2003, Introduced by Rep. Ward and referred to the Committee on Government Operations.

A bill to amend 1976 PA 388, entitled
"Michigan campaign finance act,"
by amending sections 4, 26, and 55 (MCL 169.204, 169.226, and
169.255), section 4 as amended by 1989 PA 95, section 26 as
amended by 2001 PA 250, and section 55 as amended by 1995 PA
264.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) "Contribution" means a payment, gift,
2 subscription, assessment, expenditure, contract, payment for
3 services, dues, advance, forbearance, loan, or donation of money
4 or anything of ascertainable monetary value, or a transfer of
5 anything of ascertainable monetary value to a person, made for
6 the purpose of influencing the nomination or election of a
7 candidate, or for the qualification, passage, or defeat of a
8 ballot question.

1 (2) Contribution includes the full purchase price of tickets
2 or payment of an attendance fee for events such as dinners,
3 luncheons, rallies, testimonials, and other fund-raising events;
4 an individual's own money or property other than the individual's
5 homestead used on behalf of that individual's candidacy; the
6 granting of discounts or rebates not available to the general
7 public; ~~or~~ the granting of discounts or rebates by broadcast
8 media and newspapers not extended on an equal basis to all
9 candidates for the same office; and the endorsing or guaranteeing
10 of a loan for the amount the endorser or guarantor is liable.

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

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

18 (b) Food and beverages, not to exceed \$100.00 in value during
19 a calendar year, ~~which~~ **that** are donated by an individual and
20 for which reimbursement is not given.

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

24 (d) **A transaction that otherwise meets the definition of**
25 **contribution, the value of which is less than \$10.00, and which**
26 **is not made in connection with an activity controlled by the**
27 **Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101**

1 to 432.120, the Michigan gaming control and revenue act, the
2 Initiated Law of 1996, MCL 432.201 to 432.226, or the casino
3 interest registration act, 1997 PA 74, MCL 432.271 to 432.278.

4 Sec. 26. (1) A campaign statement of a committee, other
5 than a political party committee, required by this act shall
6 contain all of the following information:

7 (a) The filing committee's name, address, and telephone
8 number, and the full name, residential and business addresses,
9 and telephone numbers of the committee treasurer or other
10 individual designated as responsible for the committee's record
11 keeping, report preparation, or report filing.

12 (b) Under the heading "receipts", the total amount of
13 contributions **and the total amount of transactions excluded from**
14 **the definition of contribution under section 4(3)(d)** received
15 during the period covered by the campaign statement; under the
16 heading "expenditures", the total amount of expenditures made
17 during the period covered by the campaign statement; and the
18 cumulative amount of those totals. Forgiveness of a loan shall
19 not be included in the totals. Payment of a loan by a third
20 party shall be recorded and reported as an in-kind contribution
21 by the third party. In-kind contributions or expenditures shall
22 be listed at fair market value and shall be reported as both
23 contributions and expenditures. A contribution or expenditure
24 that is by other than completed and accepted payment, gift, or
25 other transfer, that is clearly not legally enforceable, and that
26 is expressly withdrawn or rejected and returned before a campaign
27 statement closing date need not be included in the campaign

1 statement and if included may, in a later or amended statement,
2 be shown as a deduction, but the committee shall keep adequate
3 records of each instance.

4 (c) The balance of cash on hand at the beginning and the end
5 of the period covered by the campaign statement.

6 (d) The following information regarding each fund-raising
7 event shall be included in the report:

8 (i) The type of event, date held, address and name, if any,
9 of the place where the activity was held, and approximate number
10 of individuals participating or in attendance.

11 (ii) The total amount of all contributions.

12 (iii) The gross receipts of the fund-raising event.

13 (iv) The expenditures incident to the event.

14 (e) The full name of each individual from whom contributions
15 are received during the period covered by the campaign statement,
16 together with the individual's street address, the amount
17 contributed, the date on which each contribution was received,
18 and the cumulative amount contributed by that individual. The
19 occupation, employer, and principal place of business shall be
20 stated if the individual's cumulative contributions are more than
21 \$100.00.

22 (f) The cumulative amount contributed and the name and
23 address of each individual, except those individuals reported
24 under subdivision (e), who contributed to the committee. The
25 occupation, employer, and principal place of business shall be
26 stated for each individual who contributed more than \$100.00.

27 (g) The name and street address of each person, other than an

1 individual, from whom contributions are received during the
2 period covered by the campaign statement, together with an
3 itemization of the amounts contributed, the date on which each
4 contribution was received, and the cumulative amount contributed
5 by that person.

6 (h) The name, address, and amount given by an individual who
7 contributed to the total amount contributed by a person who is
8 other than a committee or an individual. The occupation,
9 employer, and principal place of business shall be stated if the
10 individual contributed more than \$100.00 of the total amount
11 contributed by a person who is other than a committee or an
12 individual.

13 (i) The cumulative total of expenditures of \$50.00 or less
14 made during the period covered by the campaign statement except
15 for expenditures made to or on behalf of another committee,
16 candidate, or ballot question.

17 (j) The full name and street address of each person to whom
18 expenditures totaling more than \$50.00 were made, together with
19 the amount of each separate expenditure to each person during the
20 period covered by the campaign statement; the purpose of the
21 expenditure; the full name and street address of the person
22 providing the consideration for which any expenditure was made if
23 different from the payee; the itemization regardless of amount of
24 each expenditure made to or on behalf of another committee,
25 candidate, or ballot question; and the cumulative amount of
26 expenditures for or against that candidate or ballot question for
27 an election cycle. An expenditure made in support of more than 1

1 candidate or ballot question, or both, shall be apportioned
2 reasonably among the candidates or ballot questions, or both.

3 (2) A candidate committee or ballot question committee shall
4 report all cumulative amounts required by this section on a per
5 election cycle basis. Except for subsection (1)(j), an
6 independent committee or political committee shall report all
7 cumulative amounts required by this section on a calendar year
8 basis.

9 (3) A campaign statement of a committee, in addition to the
10 other information required by this section, shall include an
11 itemized list of all expenditures during the reporting period for
12 election day busing of electors to the polls, get-out-the-vote
13 activities, slate cards, challengers, poll watchers, and poll
14 workers.

15 (4) For a reporting period in which a contribution is
16 received that is to be part of a bundled contribution or a
17 reporting period in which a bundled contribution is delivered to
18 the candidate committee of a candidate for statewide elective
19 office, a bundling committee shall report to the secretary of
20 state, on a form provided by the secretary of state, all of the
21 following information, as applicable, about each contribution
22 received or delivered as part of a bundled contribution, and
23 about each bundled contribution delivered, in the reporting
24 period:

25 (a) The amount of each contribution, the date it was received
26 by the bundling committee, and the candidate for statewide
27 elective office whom the contributor designated as the intended

1 recipient.

2 (b) Each contributor's name and address and, for each
3 contribution exceeding \$100.00, the contributor's occupation,
4 employer, and principal place of business.

5 (c) The date each contribution is delivered to the
6 candidate's statewide elective office candidate committee.

7 (d) The total amount of bundled contributions delivered to
8 that candidate committee during the reporting period and during
9 the election cycle.

10 (5) With its delivery of a bundled contribution to the
11 candidate committee of a candidate for statewide elective office,
12 a bundling committee shall deliver a report to that candidate
13 committee, on a form provided by the secretary of state, that
14 includes all of the following information, as applicable, about
15 each contribution delivered as part of the bundled contribution,
16 and about all bundled contributions delivered to that candidate
17 committee in the election cycle:

18 (a) The amount of each contribution, the date it was received
19 by the bundling committee, and the statewide elective office
20 candidate the contributor designated as the intended recipient.

21 (b) Each contributor's name and address and, for each
22 contribution exceeding \$100.00, the contributor's occupation,
23 employer, and principal place of business.

24 (c) The total amount of bundled contributions delivered to
25 that candidate committee during the reporting period and during
26 the election cycle.

27 (6) For a reporting period in which a bundled contribution is

1 received, a candidate committee of a candidate for statewide
2 elective office shall report to the secretary of state, on a form
3 provided by the secretary of state, all of the following
4 information, as applicable, about each contribution delivered as
5 part of a bundled contribution received in the reporting period
6 and about all bundled contributions received by that candidate
7 committee:

8 (a) The amount of each contribution, the date it was received
9 by the candidate committee, and the name of the bundling
10 committee that delivered the contribution.

11 (b) Each contributor's name and address and, for each
12 contribution exceeding \$100.00, the contributor's occupation,
13 employer, and principal place of business.

14 (c) The total amount of bundled contributions received by
15 that candidate committee during the reporting period and during
16 the election cycle.

17 Sec. 55. (1) A corporation organized on a for profit or
18 nonprofit basis, a joint stock company, a domestic dependent
19 sovereign, or a labor organization formed under the laws of this
20 or another state or foreign country may make an expenditure for
21 the establishment and administration and solicitation of
22 contributions to a separate segregated fund to be used for
23 political purposes. A separate segregated fund established under
24 this section shall be limited to making contributions to, and
25 expenditures on behalf of, candidate committees, ballot question
26 committees, political party committees, political committees, and
27 independent committees.

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

5 (a) Stockholders of the corporation or company.

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

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

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

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

15 (b) Stockholders of members of the corporation.

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

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

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

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

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

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

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

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

8 (6) Contributions shall not be obtained for a separate
9 segregated fund established under this section by use of coercion
10 or physical force, by making a contribution a condition of
11 employment or membership, or by using or threatening to use job
12 discrimination or financial reprisals. A corporation organized
13 on a for profit or nonprofit basis, a joint stock company, a
14 domestic dependent sovereign, or a labor organization shall not
15 solicit or obtain contributions for a separate segregated fund
16 established under this section from an individual described in
17 subsection (2), (3), (4), or (5) on an automatic or passive basis
18 including but not limited to a payroll deduction plan or reverse
19 checkoff method. A corporation organized on a for profit or
20 nonprofit basis, a joint stock company, a domestic dependent
21 sovereign, or a labor organization may solicit or obtain
22 contributions for a separate segregated fund established under
23 this section from an individual described in subsection (2), (3),
24 (4), or (5) on an automatic basis, including but not limited to a
25 payroll deduction plan, only if the individual who is
26 contributing to the fund affirmatively consents to the
27 contribution at least once in every calendar year.

1 (7) A person who knowingly violates this section, **except for**
2 **a violation of subsection (10)**, is guilty of a felony punishable,
3 if the person is an individual, by a fine of not more than
4 \$5,000.00 or imprisonment for not more than 3 years, or both, or,
5 if the person is not an individual, by a fine of not more than
6 \$10,000.00.

7 (8) If a corporation, joint stock company, domestic dependent
8 sovereign, or labor organization that obtains contributions for a
9 separate segregated fund from individuals described in subsection
10 (2), (3), (4), or (5) pays to 1 or more of those individuals a
11 bonus or other remuneration for the purpose of reimbursing those
12 contributions, then that corporation, joint stock company,
13 domestic dependent sovereign, or labor organization is subject to
14 a civil fine equal to 2 times the total contributions obtained
15 from all individuals for the separate segregated fund during that
16 calendar year.

17 (9) A separate segregated fund shall file a statement with
18 the secretary of state, giving the total number of individuals
19 who qualify to be solicited for contributions to the separate
20 segregated fund under this section. A separate segregated fund
21 shall file a statement under this subsection on or before January
22 31, April 25, July 25, and October 25 of each year. A statement
23 under this subsection shall cover the period ending 5 days before
24 the final day to file the statement and beginning the day after
25 the ending day for the previous statement.

26 (10) A separate segregated fund shall not accept in a period
27 covered by a report under subsection (9) a total amount of

1 transactions as defined in section 4(3)(d) that exceeds \$10.00
2 times the number of individuals reported by the separate
3 segregated fund for that period. A person who knowingly violates
4 this subsection is guilty of a misdemeanor punishable by
5 imprisonment for not more than 90 days or a fine of not more than
6 \$1,000.00, or both.