

# HOUSE BILL NO. 5240

November 13, 2019, Introduced by Rep. Steven Johnson and referred to the Committee on Elections and Ethics.

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 26, 28, 29, 32, 42, 46, and 51 (MCL 169.226, 169.228, 169.229, 169.232, 169.242, 169.246, and 169.251), sections 26 and 51 as amended by 2017 PA 119, section 28 as amended by 1999 PA 237, sections 29 and 42 as amended by 2001 PA 250, section 32 as amended by 2012 PA 277, and section 46 as amended by 2013 PA 252.

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



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1           Sec. 26. (1) A campaign statement of a committee, other than a  
2 political party committee, required by this act must contain all of  
3 the following information:

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

9           (b) Under the heading "receipts", the total amount of  
10 contributions received during the period covered by the campaign  
11 statement; under the heading "expenditures", the total amount of  
12 expenditures made during the period covered by the campaign  
13 statement; and the cumulative amount of those totals. Forgiveness  
14 of a loan must not be included in the totals. Payment of a loan by  
15 a third party must be recorded and reported as an in-kind  
16 contribution by the third party. In-kind contributions or  
17 expenditures must be listed at fair market value and reported as  
18 both contributions and expenditures. A contribution or expenditure  
19 that is by other than completed and accepted payment, gift, or  
20 other transfer, that is clearly not legally enforceable, and that  
21 is expressly withdrawn or rejected and returned before a campaign  
22 statement closing date need not be included in the campaign  
23 statement and if included may, in a later or amended statement, be  
24 shown as a deduction, but the committee shall keep adequate records  
25 of each instance.

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

28           (d) The following information regarding each fund-raising  
29 event must be included in the report:



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

4 (ii) The total amount of all contributions.

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

6 (iv) The expenditures incident to the event.

7 (e) The full name of each individual from whom contributions  
 8 are received during the period covered by the campaign statement,  
 9 together with the individual's street address, the amount  
 10 contributed, the date on which each contribution was received, and  
 11 the cumulative amount contributed by that individual. ~~The~~  
 12 ~~occupation, employer, and principal place of business must be~~  
 13 ~~stated if the individual's cumulative contributions are more than~~  
 14 ~~\$100.00.~~ For contributions of \$5.00 or less by an individual to a  
 15 political committee or independent committee, the secretary of  
 16 state shall accept for filing any written communication from the  
 17 political committee or independent committee that contains the  
 18 information otherwise required under this subsection. Any written  
 19 communication under this subdivision does not need to contain an  
 20 original signature.

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

26 (g) The name and street address of each person, other than an  
 27 individual, from whom contributions are received during the period  
 28 covered by the campaign statement, together with an itemization of  
 29 the amounts contributed, the date on which each contribution was



1 received, and the cumulative amount contributed by that person.

2 (h) The name, address, and amount given by an individual who  
3 contributed to the total amount contributed by a person who is  
4 other than a committee or an individual. ~~The occupation, employer,~~  
5 ~~and principal place of business must be stated if the individual~~  
6 ~~contributed more than \$100.00 of the total amount contributed by a~~  
7 ~~person who is other than a committee or an individual.~~

8 (i) The cumulative total of expenditures and other  
9 disbursements totaling \$50.00 or less to any person made during the  
10 period covered by the campaign statement except for expenditures  
11 made to or on behalf of another committee, candidate, or ballot  
12 question.

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

27 (2) A candidate committee or ballot question committee shall  
28 report all cumulative amounts required by this section on a per  
29 election cycle basis. Except as provided in subsection (1)(j), an



1 independent committee, independent expenditure committee, or  
2 political committee shall report all cumulative amounts required by  
3 this section on a calendar year basis.

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

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

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

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

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

27 (d) The total amount of bundled contributions delivered to  
28 that candidate committee during the reporting period and during the  
29 election cycle.



1           (5) With its delivery of a bundled contribution to the  
2 candidate committee of a candidate for statewide elective office, a  
3 bundling committee shall deliver a report to that candidate  
4 committee, on a form provided by the secretary of state, that  
5 includes all of the following information, as applicable, about  
6 each contribution delivered as part of the bundled contribution,  
7 and about all bundled contributions delivered to that candidate  
8 committee in the election cycle:

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

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

15           (c) The total amount of bundled contributions delivered to  
16 that candidate committee during the reporting period and during the  
17 election cycle.

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

26           (a) The amount of each contribution, the date it was received  
27 by the candidate committee, and the name of the bundling committee  
28 that delivered the contribution.

29           (b) Each contributor's name and address. ~~and, for each~~



1 ~~contribution exceeding \$100.00, the contributor's occupation,~~  
2 ~~employer, and principal place of business.~~

3 (c) The total amount of bundled contributions received by that  
4 candidate committee during the reporting period and during the  
5 election cycle.

6 Sec. 28. (1) Interest received by a committee on an account  
7 consisting of ~~funds~~ **money** belonging to the committee ~~shall is~~ not  
8 ~~be considered~~ a contribution to the committee but the committee  
9 shall report its receipt on a campaign statement as interest. A  
10 committee shall report interest paid by the committee on a campaign  
11 statement as an expenditure.

12 (2) A committee shall report a loan with an outstanding  
13 balance made or received in a separate schedule attached to the  
14 campaign statement providing the date and amount of the loan, the  
15 date and amount of each payment, the amount of cumulative payments,  
16 the amount of the outstanding balance, and whether the loan  
17 payments were made by money, services, property, or other means.  
18 The committee shall provide the name and address of the lender and  
19 each person who is liable directly, indirectly, or contingently on  
20 each loan. ~~The committee shall provide the occupation and employer,~~  
21 ~~if any, of the lender and each person if the loan is for more than~~  
22 ~~\$100.00.~~ If a loan is paid off within a reporting period, this  
23 activity need not be reported on a separate schedule to the  
24 campaign statement. However, if a loan is forgiven, the committee  
25 shall detail that fact on a separate schedule to the campaign  
26 statement.

27 (3) Accompanying a campaign statement reporting the receipt of  
28 a contribution from a person whose treasurer does not reside in,  
29 whose principal office is not located in, or whose ~~funds are~~ **money**



1 **is** not kept in this state, ~~shall~~**must** be a statement certified as  
2 true and correct by an officer of the contributing person setting  
3 forth the full name, address, along with the amount contributed, of  
4 each person who contributed to the total amount of the  
5 contribution. ~~The occupation, employer, and principal place of~~  
6 ~~business shall be stated for each person who contributed more than~~  
7 ~~\$100.00.~~ This subsection does not apply if the contributing person  
8 is registered as a committee under section 24.

9       Sec. 29. (1) A campaign statement filed by a political party  
10 committee ~~shall~~**must** contain all of the following information:

11       (a) The full name and street address of each person from whom  
12 contributions are received in a calendar year, the amount, and the  
13 date or dates contributed; and, if the person is a committee, the  
14 name and address of the committee and the full name of the  
15 committee treasurer, together with the amount of the contribution  
16 and the date received. ~~The occupation, employer, and principal~~  
17 ~~place of business, if any, shall be listed for each person from~~  
18 ~~whom contributions totaling more than \$100.00 are received in a~~  
19 ~~calendar year.~~

20       (b) Accompanying a campaign statement reporting the receipt of  
21 a contribution from a committee or person whose treasurer does not  
22 reside in, whose principal office is not located in, or whose ~~funds~~  
23 ~~are~~**money is** not kept in this state, and whose committee has not  
24 filed a statement of organization as required in section 24, ~~shall~~  
25 **must** be a statement setting forth the full name and address of the  
26 treasurer of the committee.

27       (c) An itemized list of all expenditures, including in-kind  
28 contributions and expenditures and loans, made during the period  
29 covered by the campaign statement that were contributions to a





1 candidate committee of a candidate for elective office or a ballot  
2 question committee; or independent expenditures in support of the  
3 qualification, passage, or defeat of a ballot question or in  
4 support of the nomination or election of a candidate for elective  
5 office or the defeat of any of the candidate's opponents.

6 (d) The total expenditure by the committee for each candidate  
7 for elective office or ballot question in whose behalf an  
8 independent expenditure was made or a contribution was given for  
9 the election cycle.

10 (e) The filer's name, address, and telephone number, if  
11 available, if any, and the full name, address, and telephone  
12 number, if available, of the committee treasurer.

13 (2) The committee shall identify an expenditure listed under  
14 subsection (1)(c) as an independent expenditure or as a  
15 contribution to a candidate committee or a ballot question  
16 committee.

17 (3) The committee shall designate for a contribution to or on  
18 behalf of a candidate committee or ballot question committee listed  
19 under subsection (1)(c) the name and address of the committee, the  
20 name of the candidate and the office sought, if any, the amount  
21 contributed, and the date of contribution.

22 (4) The committee shall designate for an independent  
23 expenditure listed under subsection (1)(c) either the name of the  
24 candidate for whose benefit the expenditure was made and the office  
25 sought by the candidate, or a brief description of the ballot  
26 question for which the expenditure was made; the amount, date, and  
27 purpose of the expenditure; and the full name and address of the  
28 person to whom the expenditure was made.

29 (5) The committee shall apportion an expenditure listed that



1 was made in support of more than 1 candidate or ballot question, or  
2 both, reasonably among the candidates or ballot questions, or both.

3 (6) A campaign statement of a committee, in addition to the  
4 other information required by this section, ~~shall~~**must** include an  
5 itemized list of all expenditures during the reporting period for  
6 election day busing of electors to the polls, get-out-the-vote  
7 activities, slate cards, challengers, poll watchers, and poll  
8 workers.

9 Sec. 32. (1) A committee, candidate, treasurer, or other  
10 individual designated as responsible for the committee's record  
11 keeping, record preparation, or report filing shall report a late  
12 contribution by filing with the filing officer within 48 hours  
13 after its receipt the full name ~~,~~**and** street address ~~,~~~~occupation,~~  
14 ~~employer,~~ and principal place of business of the contributor.

15 (2) Filing of a report of a late contribution under subsection  
16 (1) may be by any written means of communication and need not  
17 contain an original signature.

18 (3) A late contribution ~~shall~~**must** be reported on subsequent  
19 campaign statements without regard to reports filed under  
20 subsection (1). If a campaign statement has not been filed, a late  
21 contribution may be reported, if practicable, in the campaign  
22 statement and need not, therefore, be reported in a subsequent  
23 campaign statement.

24 (4) A committee, candidate, treasurer, or other individual  
25 designated as responsible for the committee's record keeping,  
26 report preparation, or report filing who fails to report a late  
27 contribution as required by subsection (1) shall pay a late filing  
28 fee ~~,~~ that ~~shall~~**does** not exceed the lesser of the following:

29 (a) The total amount of the contributions omitted from the



1 late contribution reports.

2 (b) \$2,000.00 determined as follows:

3 (i) Twenty-five dollars for each business day the report  
4 remains unfiled.

5 (ii) An additional \$25.00 for each business day after the first  
6 3 business days the report remains unfiled.

7 (iii) An additional \$50.00 for each business day after the first  
8 10 business days the report remains unfiled.

9 (5) A committee, other than a candidate committee, is only  
10 required to file a report of a late contribution for an election  
11 during which the committee made expenditures for the purpose of  
12 influencing the nomination or election of a candidate or for the  
13 qualification, passage, or defeat of a ballot question after the  
14 closing date of the last campaign statement required to be filed  
15 before an election. This subsection is retroactive and takes effect  
16 January 1, 2010.

17 (6) This state by appropriation or a county shall reimburse or  
18 waive any late filing fee paid or assessed under subsection (4) or  
19 (5) between January 1, 2010 and ~~the effective date of the~~  
20 ~~amendatory act that added this subsection.~~ **July 3, 2012.** This  
21 subsection only applies to committees that have filed all other  
22 campaign statements required under this act in a timely manner.  
23 This subsection does not apply to candidate committees.

24 (7) As used in this section, for contributions made before ~~the~~  
25 ~~effective date of the amendatory act that added subsection (6),~~  
26 **July 3, 2012,** "late contribution" means a contribution of \$200.00  
27 or more received after the closing date of the last campaign  
28 statement required to be filed before an election. For  
29 contributions made on or after ~~the effective date of the amendatory~~



1 ~~act that added subsection (6), July 3, 2012,~~ late contribution  
 2 means, for a candidate committee, contributions from the same  
 3 contributor with a cumulative total of \$500.00 or more received  
 4 after the closing date of the last campaign statement required to  
 5 be filed before an election. For contributions made on or after ~~the~~  
 6 ~~effective date of the amendatory act that added subsection (6),~~  
 7 **July 3, 2012,** late contribution means, for a committee other than a  
 8 candidate committee, contributions from the same contributor with a  
 9 cumulative total of \$2,500.00 or more received after the closing  
 10 date of the last campaign statement required to be filed before an  
 11 election.

12       Sec. 42. (1) A person who accepts a contribution, other than  
 13 by written instrument, on behalf of another and acts as the  
 14 intermediary or agent of the person from whom the contribution was  
 15 accepted shall disclose to the recipient of the contribution the  
 16 intermediary's own name and address and the name and address of the  
 17 actual source of the contribution.

18       (2) A contribution from a person whose treasurer does not  
 19 reside in, whose principal office is not located in, or whose ~~funds~~  
 20 ~~are~~ **money is** not kept in this state, ~~shall~~ **must** not be accepted by  
 21 a person for purposes of supporting or opposing candidates for  
 22 elective office or the qualification, passage, or defeat of a  
 23 ballot question unless accompanied by a statement certified as true  
 24 and correct by an officer of the contributing person setting forth  
 25 the full name and address along with the amount contributed, of  
 26 each person who contributed to the total amount of the  
 27 contribution. ~~The occupation, employer, and principal place of~~  
 28 ~~business shall be listed for each person who contributed more than~~  
 29 ~~\$100.00 to the total amount of the contribution.~~ The certified



1 statement ~~shall~~**must** also state that the contribution was not made  
2 from an account containing ~~funds~~**money** prohibited by section 54.  
3 This subsection does not apply if the contributing person is  
4 registered as a committee under section 24.

5 (3) A person shall not receive a contribution from a person  
6 other than a committee unless, for purposes of the recipient  
7 person's record keeping and reporting requirements, the  
8 contribution is accompanied by the name and address of each person  
9 who contributed to the total amount of the contribution. ~~and the~~  
10 ~~name, address, occupation, employer, and principal place of~~  
11 ~~business of each person who contributed more than \$100.00 to the~~  
12 ~~total amount of the contribution.~~

13 (4) A contribution from a person whose treasurer does not  
14 reside in, whose principal office is not located in, or whose money  
15 is not kept in this state ~~shall~~**must** not be accepted by a person  
16 for purposes of supporting or opposing candidates for elective  
17 office if the contributing person has received contributions on an  
18 automatic basis, including, but not limited to, a payroll deduction  
19 plan, unless the contribution is accompanied by a statement,  
20 certified as true and correct by an officer of the contributing  
21 person, setting forth that all contributions received on an  
22 automatic basis are in full compliance with section 55.

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

28 Sec. 46. (1) At the beginning of every odd numbered year, the  
29 secretary of state shall recommend adjustments to and which shall

1 be approved by the legislature of the dollar value floor for  
 2 reporting of the name ~~and~~ address ~~occupation, and employer, or~~  
 3 ~~principal place of business~~ of persons who make contributions  
 4 pursuant to this act, on the basis of the ~~consumer price index~~  
 5 **Consumer Price Index** and the number of registered voters in the  
 6 state.

7 (2) Beginning January 1, 2019 and every 4 years thereafter,  
 8 the secretary of state shall adjust the dollar value contribution  
 9 limits provided in sections 52, 52a, and 69(1). The secretary of  
 10 state shall adjust the limits in sections 52, 52a, and 69(1) by  
 11 comparing the percentage increase or decrease in the ~~consumer price~~  
 12 ~~index~~ **Consumer Price Index** for the preceding August by the  
 13 corresponding ~~consumer price index~~ **Consumer Price Index** 4 years  
 14 earlier. The secretary of state shall multiply that percentage  
 15 change by the amounts in sections 52, 52a, and 69(1). The secretary  
 16 of state shall round up each dollar value adjustment made under  
 17 this subsection to the nearest \$25.00. The secretary of state shall  
 18 announce the adjustments made under this subsection by December 15  
 19 of each year.

20 (3) As used in this section, ~~"consumer price index"~~ **"Consumer**  
 21 **Price Index"** means the most comprehensive index of consumer prices  
 22 available for the Detroit area from the ~~bureau of labor statistics~~  
 23 **Bureau of Labor Statistics** of the United States ~~department of~~  
 24 ~~labor~~ **Department of Labor**.

25 Sec. 51. (1) A person, other than a committee, that makes an  
 26 independent expenditure, advocating the election or defeat of a  
 27 candidate or the qualification, passage, or defeat of a ballot  
 28 question, in an amount of \$100.01 or more in a calendar year shall  
 29 file a report of the independent expenditure, within 10 days after



1 making that independent expenditure, with the clerk of the county  
 2 of residence of that person. If the independent expenditure  
 3 advocates the election or defeat of a candidate for state elective  
 4 office or the qualification, passage, or defeat of a statewide  
 5 ballot question, or if the person making the independent  
 6 expenditure is not a resident of this state, the person shall file  
 7 the report with the secretary of state in lieu of filing with a  
 8 clerk of a county. The report required under this section must be  
 9 made on an independent expenditure report form provided by the  
 10 secretary of state, include the date of the expenditure, a brief  
 11 description of the nature of the expenditure, the amount, the name  
 12 and address of the person to whom it was paid, the name and address  
 13 of the person filing the report, together with the name ~~and~~  
 14 address ~~occupation, employer, and principal place of business~~ of  
 15 each person that contributed \$100.01 or more to the expenditure,  
 16 and identify the candidate or ballot question for or against which  
 17 the independent expenditure was made. The filing official receiving  
 18 the report shall forward copies, as required, to the appropriate  
 19 filing officers as described in section 36.

20 (2) If a person fails to file a report as required under this  
 21 section, that person shall pay a late filing fee. If the person has  
 22 made independent expenditures totaling less than \$10,000.00, the  
 23 late filing fee is \$25.00 for each business day the report remains  
 24 unfiled, but not to exceed \$1,000.00. If the person has made  
 25 independent expenditures totaling \$10,000.00 or more, the late  
 26 filing fee is \$50.00 for each business day the report remains  
 27 unfiled, but not to exceed \$5,000.00. A person that violates this  
 28 subsection by failing to file a report required under this section  
 29 for more than 30 days after the report is required to be filed is



- 1 guilty of a misdemeanor punishable by imprisonment for not more
- 2 than 90 days or a fine of not more than \$1,000.00, or both.

