

SENATE BILL No. 841

March 3, 2016, Introduced by Senators KNEZEK, SCHMIDT, BIEDA, O'BRIEN and HERTEL and referred to the Committee on Elections and Government Reform.

A bill to amend 1976 PA 388, entitled
"Michigan campaign finance act,"
by amending sections 24, 33, and 35 (MCL 169.224, 169.233, and
169.235), as amended by 2015 PA 269.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 24. (1) A committee shall file a statement of
2 organization with the filing officials designated in section 36 to
3 receive the committee's campaign statements. A committee shall file
4 a statement of organization within 10 days after the committee is
5 formed. A filing official shall maintain a statement of
6 organization filed by a committee until 5 years after the official
7 date of the committee's dissolution. A person who fails to file a
8 statement of organization required by this subsection shall pay a
9 late filing fee of \$10.00 for each business day the statement

1 remains not filed in violation of this subsection. The late filing
2 fee shall not exceed \$300.00. A person who violates this subsection
3 by failing to file for more than 30 days after a statement of
4 organization is required to be filed is guilty of a misdemeanor
5 punishable by a fine of not more than \$1,000.00.

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

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

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

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

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

25 (e) A brief statement identifying the substance of each ballot
26 question supported or opposed by the committee. If the ballot
27 question supported or opposed by the committee is not statewide,

1 the committee shall identify the county in which the greatest
2 number of registered voters eligible to vote on the ballot question
3 reside.

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

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

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

21 ~~—— (5) When filing a statement of organization, a committee,~~
22 ~~other than an independent committee, a political committee, or a~~
23 ~~political party committee, may indicate in a written statement~~
24 ~~signed by the treasurer of the committee that the committee does~~
25 ~~not expect for each election to receive an amount in excess of~~
26 ~~\$1,000.00 or expend an amount in excess of \$1,000.00. The treasurer~~
27 ~~of a committee of an incumbent judge or justice is considered to~~

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

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

11 (5) ~~(7)~~ Upon the dissolution of a committee, the committee
12 shall file a statement indicating dissolution with the filing
13 officials with whom the committee's statement of organization was
14 filed. Dissolution of a committee shall be accomplished pursuant to
15 rules promulgated by the secretary of state under the
16 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
17 24.328.

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

23 ~~—— (a) The candidate was defeated in an election and has no~~
24 ~~outstanding campaign debts or assets.~~

25 ~~—— (b) The candidate vacates an elective office and has no~~
26 ~~outstanding campaign debts or assets.~~

27 Sec. 33. (1) A committee, other than an independent committee

1 or a political committee required to file with the secretary of
2 state, supporting or opposing a candidate shall file complete
3 campaign statements as required by this act and the rules
4 promulgated under this act. The campaign statements shall be filed
5 according to the following schedule:

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

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

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

23 (i) Not later than July 25 with a closing date of July 20 of
24 that year.

25 (ii) Not later than October 25 with a closing date of October
26 20 of that year.

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

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

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

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

17 (a) Not later than April 25 of each year with a closing date
18 of April 20 of that year.

19 (b) Not later than July 25 of each year with a closing date of
20 July 20 of that year.

21 (c) Not later than October 25 of each year with a closing date
22 of October 20 of that year.

23 (4) A house political party caucus committee or a senate
24 political party caucus committee required to file with the
25 secretary of state or a political party committee for a party
26 attempting to qualify as a new political party under section 685 of
27 the Michigan election law, 1954 PA 116, MCL 168.685, shall file

1 campaign statements as required by this act according to the
2 following schedule:

3 (a) Not later than January 31 of each year with a closing date
4 of December 31 of the immediately preceding year.

5 (b) Not later than April 25 of each year with a closing date
6 of April 20 of that year.

7 (c) Not later than July 25 of each year with a closing date of
8 July 20 of that year.

9 (d) Not later than October 25 of each year with a closing date
10 of October 20 of that year.

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

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

23 (5) Notwithstanding subsection (3) or (4) or section 51, if an
24 independent expenditure is made within 45 days before a special
25 election by an independent committee or a political committee
26 required to file a campaign statement with the secretary of state,
27 a report of the expenditure shall be filed by the committee with

1 the secretary of state within 48 hours after the expenditure. The
2 report shall be made on a form provided by the secretary of state
3 and must include the date of the independent expenditure, the
4 amount of the expenditure, a brief description of the nature of the
5 expenditure, and the name and address of the person to whom the
6 expenditure was paid. The brief description of the expenditure must
7 include either the name of the candidate and the office sought by
8 the candidate or the name of the ballot question and state whether
9 the expenditure supports or opposes the candidate or ballot
10 question. This subsection does not apply if the committee is
11 required to report the independent expenditure in a campaign
12 statement that is required to be filed before the date of the
13 election for which the expenditure was made.

14 ~~—— (6) A candidate committee or a committee other than a~~
15 ~~candidate committee that files a written statement under section~~
16 ~~24(5) or (6) or that is automatically considered to have made a~~
17 ~~statement under section 24(5) is not required to file a campaign~~
18 ~~statement under subsection (1), (3), or (4) unless it received or~~
19 ~~expended an amount in excess of \$1,000.00. If the committee~~
20 ~~receives or expends an amount in excess of \$1,000.00 during a~~
21 ~~period covered by a filing, the committee is then subject to the~~
22 ~~campaign filing requirements under this act.~~

23 (6) ~~(7)~~ A committee, candidate, treasurer, or other individual
24 designated as responsible for the committee's record keeping,
25 report preparation, or report filing who fails to file a statement
26 as required by this section shall pay a late filing fee. If the
27 committee has raised \$10,000.00 or less during the previous 2

1 years, the late filing fee shall be \$25.00 for each business day
2 the statement remains unfiled, but not to exceed \$500.00. If the
3 committee has raised more than \$10,000.00 during the previous 2
4 years, the late filing fee shall not exceed \$1,000.00, determined
5 as follows:

6 (a) Twenty-five dollars for each business day the report
7 remains unfiled.

8 (b) An additional \$25.00 for each business day after the first
9 3 business days the report remains unfiled.

10 (c) An additional \$50.00 for each business day after the first
11 10 business days the report remains unfiled.

12 (7) ~~(8)~~—If a candidate, treasurer, or other individual
13 designated as responsible for the committee's record keeping,
14 report preparation, or report filing fails to file 2 statements
15 required by this section or section 35 and both of the statements
16 remain unfiled for more than 30 days, that candidate, treasurer, or
17 other designated individual is guilty of a misdemeanor punishable
18 by a fine of not more than \$1,000.00 or imprisonment for not more
19 than 90 days, or both.

20 (8) ~~(9)~~—If a candidate is found guilty of a violation of this
21 section, the circuit court for that county, on application by the
22 attorney general or the prosecuting attorney of that county, may
23 prohibit that candidate from assuming the duties of a public office
24 or from receiving compensation from public funds, or both.

25 (9) ~~(10)~~—If a candidate, treasurer, or other individual
26 designated as responsible for a committee's record keeping, report
27 preparation, or report filing knowingly files an incomplete or

1 inaccurate statement or report required by this section, that
2 individual is subject to a civil fine of not more than \$1,000.00.

3 (10) ~~(11)~~—If a candidate, treasurer, or other individual
4 designated as responsible for a committee's record keeping, report
5 preparation, or report filing knowingly omits or underreports
6 individual contributions or individual expenditures required to be
7 disclosed by this act, that individual is subject to a civil fine
8 of not more than \$1,000.00 or the amount of the contributions and
9 expenditures omitted or underreported, whichever is greater.

10 (11) ~~(12)~~—If a candidate committee's account has a balance of
11 \$20,000.00 or more and a candidate, treasurer, or other individual
12 designated as responsible for that committee's record keeping,
13 report preparation, or report filing fails to file campaign
14 statements required under this act for 2 consecutive years, that
15 candidate, treasurer, or other individual is guilty of a felony
16 punishable by imprisonment for not more than 3 years or a fine of
17 not more than \$5,000.00, or both. Any money in a candidate
18 committee account described in this subsection is subject to
19 seizure by, and forfeiture to, this state as provided in this
20 section.

21 (12) ~~(13)~~—Not more than 5 business days after seizure of money
22 under subsection ~~(12)~~, (11), the secretary of state shall deliver
23 personally or by registered mail to the last known address of the
24 candidate from whom the seizure was made an inventory statement of
25 the money seized. The inventory statement shall also contain notice
26 to the effect that unless demand for hearing as provided in this
27 section is made within 10 business days, the money is forfeited to

1 this state. Within 10 business days after the date of service of
2 the notice, the candidate may by registered mail, facsimile
3 transmission, or personal service file with the secretary of state
4 a demand for a hearing before the secretary of state or a person
5 designated by the secretary of state for a determination as to
6 whether the money was lawfully subject to seizure and forfeiture.
7 The candidate is entitled to appear before the secretary of state
8 or a person designated by the secretary of state, to be represented
9 by counsel, and to present testimony and argument. Upon receipt of
10 a request for hearing, the secretary of state or a person
11 designated by the secretary of state shall hold the hearing within
12 15 business days. The hearing is not a contested case proceeding
13 and is not subject to the administrative procedures act of 1969,
14 1969 PA 306, MCL 24.201 to 24.328. After the hearing, the secretary
15 of state or a person designated by the secretary of state shall
16 render a decision in writing within 10 business days of the hearing
17 and, by order, shall either declare the money subject to seizure
18 and forfeiture or declare the money returnable to the candidate.
19 If, within 10 business days after the date of service of the
20 inventory statement, the candidate does not file with the secretary
21 of state a demand for a hearing before the secretary of state or a
22 person designated by the secretary of state, the money seized is
23 forfeited to this state by operation of law. If, after a hearing
24 before the secretary of state or a person designated by the
25 secretary of state, the secretary of state or a person designated
26 by the secretary of state determines that the money is lawfully
27 subject to seizure and forfeiture and the candidate does not appeal

1 to the circuit court of the county in which the seizure was made
2 within the time prescribed in this section, the money seized is
3 forfeited to this state by operation of law. If a candidate is
4 aggrieved by the decision of the secretary of state or a person
5 designated by the secretary of state, that candidate may appeal to
6 the circuit court of the county where the seizure was made to
7 obtain a judicial determination of the lawfulness of the seizure
8 and forfeiture. The action shall be commenced within 20 days after
9 notice of a determination by the secretary of state or a person
10 designated by the secretary of state is sent to the candidate. The
11 court shall hear the action and determine the issues of fact and
12 law involved in accordance with rules of practice and procedure as
13 in other in rem proceedings.

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

25 (2) Subsection (1) does not apply to a candidate committee for
26 an officeholder who is a judge or a supreme court justice, or who
27 holds an elective office for which the salary is less than \$100.00

1 a month and who does not receive any contribution or make any
2 expenditure during the time that would be otherwise covered in the
3 statement.

4 (3) A committee, candidate, treasurer, or other individual
5 designated as responsible for the record keeping, report
6 preparation, or report filing for a candidate committee of a
7 candidate for state elective office or a judicial office who fails
8 to file a campaign statement under this section shall be assessed a
9 late filing fee. If the committee has raised \$10,000.00 or less
10 during the previous 2 years, the late filing fee shall be \$25.00
11 for each business day the campaign statement remains unfiled, but
12 not to exceed \$500.00. If the committee has raised more than
13 \$10,000.00 during the previous 2 years, the late filing fee shall
14 be \$50.00 for each business day the campaign statement remains
15 unfiled, but not to exceed \$1,000.00. The late filing fee assessed
16 under this subsection shall be paid by the candidate, and the
17 candidate shall not use committee funds to pay that fee. A
18 committee, treasurer, or other individual designated as responsible
19 for the record keeping, report preparation, or report filing for a
20 committee other than a candidate committee of a candidate for state
21 elective office or a judicial office who fails to file a campaign
22 statement under this section shall pay a late filing fee of \$25.00
23 for each business day the campaign statement remains not filed in
24 violation of this section. The late filing fee shall not exceed
25 \$500.00.

26 ~~—— (4) A committee filing a written statement under section 24(5)~~
27 ~~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.~~

(4) ~~(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.

(5) ~~(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.