

MICHIGAN CAMPAIGN FINANCE ACT CHANGES

Phone: (517) 373-8080
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House Bill 4446 as introduced
Sponsor: Rep. Julie Calley
Committee: Elections and Ethics
Complete to 4-16-19

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4446 would amend the Michigan Campaign Finance Act to allow secondary depositories to be used to receive the proceeds of a joint fundraiser and disperse the funds to the various committees benefiting from the fundraiser. It would also, among other changes, allow a connected organization to pay costs for fundraising activities for the separate segregated fund.

Purposes for which secondary depositories could be used (Section 21)

Section 21 of the Act limits a candidate committee to one account in a financial institution as the official depository for contributions and expenditures. It states that a candidate committee may only use secondary depositories to deposit contributions and promptly transfer the deposits to the official depository.

Committees other than candidate committees and committees not required to have a Michigan elector as their treasurer are currently allowed to use secondary depositories to deposit contributions and promptly transfer the deposits to the official depository, and also to deposit, divide, and transfer contributions that are aggregated with dues or other payments.

The bill would add a purpose for secondary depositories to all of these committees: to deposit the proceeds of a joint fundraiser and transfer each committee's share of receipts from the fundraiser.

Connected organization transfers and recordkeeping (Section 55)

Under the Act, connected organizations may solicit or obtain contributions for separate segregated accounts from union members and stockholders, among others, on an automatic basis as long as those individuals affirmatively consent to the contribution. The bill would provide that the person providing affirmative consent could revoke that consent at any time.

The bill would allow a connected organization to pay certain costs for fundraising activities for the separate segregated fund. Those costs could not be disproportionately more valuable than the amount raised by the event or the amount raised per individual item sold. If a connected organization violated this provision, the separate segregated fund could cure the violation if it repaid the connected organization within 60 days of the payment. (The costs would not be considered disproportionately valuable if they were equal to or less than 10% of the amount raised.)

Additional changes

The bill would also do all of the following:

- Amend the category of donations to tax-exempt charitable organizations under “incidental expenses” to disallow those donations by officers or directors of that organization, and those who receive compensation from that organization. [Section 9]
- Incorporate credit and debit cards as instruments by which an individual could make a qualifying contribution to a candidate committee or a contribution of more than \$20 or expenditure of more than \$50. [Section 12; Section 41]
- Remove February 15 from the list of dates by which a ballot question committee must file campaign statements. [Section 34]

MCL 169.205 et al.

FISCAL IMPACT:

The bill would have no fiscal impact on the state or local units of government.

Legislative Analyst: Jenny McInerney
Fiscal Analyst: Michael Cnossen

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.