

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4446**

A bill to amend 1976 PA 388, entitled
"Michigan campaign finance act,"
by amending sections 4, 5, 6, 9, 12, 21, 24, 26, 34, 35, 41, 51,
54, and 55 (MCL 169.204, 169.205, 169.206, 169.209, 169.212,
169.221, 169.224, 169.226, 169.234, 169.235, 169.241, 169.251,
169.254, and 169.255), sections 4, 9, 24, 26, 35, 51, 54, and 55 as
amended by 2017 PA 119, sections 5 and 41 as amended by 1999 PA
237, section 6 as amended by 2018 PA 607, section 12 as amended by
2001 PA 250, section 21 as amended by 2015 PA 269, and section 34
as amended by 2012 PA 277.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 4. (1) "Contribution" means a payment, gift,
2 subscription, assessment, expenditure, contract, payment for



1 services, dues, advance, forbearance, loan, or donation of money or
2 anything of ascertainable monetary value, or a transfer of anything
3 of ascertainable monetary value to a person, made for the purpose
4 of influencing the nomination or election of a candidate, for the
5 qualification, passage, or defeat of a ballot question, or for the
6 qualification of a new political party.

7 (2) Contribution includes the full purchase price of tickets
8 or payment of an attendance fee for events such as dinners,
9 luncheons, rallies, testimonials, and other fund-raising events; an
10 individual's own money or property other than the individual's
11 homestead used on behalf of that individual's candidacy; the
12 granting of discounts or rebates not available to the general
13 public; or the granting of discounts or rebates by broadcast media
14 and newspapers not extended on an equal basis to all candidates for
15 the same office; and the endorsing or guaranteeing of a loan for
16 the amount the endorser or guarantor is liable. Except for the
17 purposes of section 57, contribution does not include a
18 contribution to a federal candidate or a federal committee.

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

20 (a) Volunteer personal services provided without compensation,
21 or payments of costs incurred of less than \$500.00 in a calendar
22 year by an individual for personal travel expenses if the costs are
23 voluntarily incurred without any understanding or agreement that
24 the costs shall be, directly or indirectly, repaid.

25 (b) Food and beverages, not to exceed \$1,000.00 in value
26 during a calendar year, that are donated by an individual and for
27 which reimbursement is not given.

28 (c) An offer or tender of a contribution if expressly and
29 unconditionally rejected, returned, or refunded in whole or in part



1 within 30 business days after receipt.

2 (d) A contribution or expenditure for the establishment or
3 administration of, or solicitation, collection, or transfer of
4 contributions to, a separate segregated fund, **or for mailing or**
5 **shipping of an item or prize purchased under section 55(8)**, if that
6 contribution or expenditure was made by a connected organization of
7 that separate segregated fund as authorized under section 55.

8 (e) An independent expenditure.

9 Sec. 5. (1) "Domestic dependent sovereign" means an Indian
10 tribe that has been acknowledged, recognized, restored, or
11 reaffirmed as an Indian tribe by the secretary of the interior
12 pursuant to ~~chapter 576, 48 Stat. 984, 25 U.S.C. 461 to 463, 464 to~~
13 ~~465, 466 to 470, 471 to 472, 473, 474 to 475, 476 to 478, and 479,~~
14 **25 USC 5101 to 5144**, commonly referred to as the Indian
15 reorganization act, or has otherwise been acknowledged by the
16 United States government as an Indian tribe.

17 (2) "Election" means a primary, general, special, or millage
18 election held in this state or a convention or caucus of a
19 political party held in this state to nominate a candidate.
20 Election includes a recall vote.

21 (3) "Election cycle" means 1 of the following:

22 (a) For a general election, the period beginning the day
23 following the last general election in which the office appeared on
24 the ballot and ending on the day of the general election in which
25 the office next appears on the ballot.

26 (b) For a special election, the period beginning the day a
27 special general election is called or the date the office becomes
28 vacant, whichever is earlier, and ending on the day of the special
29 general election.



(4) "Elective office" means a public office filled by an election. ~~A person~~ **An individual** who is appointed to fill a vacancy in a public office that is ordinarily elective holds an elective office. Elective office does not include the office of precinct delegate. Except for the purposes of sections 47, 54, and 55, elective office does not include a school board member in a school district that has a pupil membership of 2,400 or less enrolled on the most recent pupil membership count day. However, elective office includes a school board member in a school district that has a pupil membership of 2,400 or less, if a candidate committee of a candidate for the office of school board member in that school district receives an amount in excess of \$1,000.00 or expends an amount in excess of \$1,000.00. Elective office does not include a federal office except for the purposes of section 57.

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.



1 (c) Except as provided in subsection (2)(f) or (g), an
2 expenditure made for poll watchers, challengers, distribution of
3 election day literature, canvassing of voters to get out the vote,
4 or transporting voters to the polls.

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

8 (2) Expenditure does not include any of the following:

9 (a) An expenditure for communication by a person with the
10 person's paid members or shareholders and those individuals who can
11 be solicited for contributions to a separate segregated fund under
12 section 55.

13 (b) An expenditure for communication on a subject or issue if
14 the communication does not support or oppose a ballot question or
15 candidate by name or clear inference.

16 (c) An expenditure for the establishment or administration of,
17 or solicitation, collection, or transfer of contributions to, a
18 separate segregated fund, **or for mailing or shipping of an item or**
19 **prize purchased under section 55(8)**, if that expenditure was made
20 by a connected organization of that separate segregated fund as
21 authorized under section 55.

22 (d) An expenditure by a broadcasting station, newspaper,
23 magazine, or other periodical or publication for a news story,
24 commentary, or editorial in support of or opposition to a candidate
25 for elective office or a ballot question in the regular course of
26 publication or broadcasting.

27 (e) An offer or tender of an expenditure if expressly and
28 unconditionally rejected or returned.

29 (f) An expenditure for nonpartisan voter registration or



1 nonpartisan get-out-the-vote activities made by an organization
2 that is exempt from federal income tax under section 501(c)(3) of
3 the internal revenue code, 26 USC 501, or any successor statute.

4 (g) An expenditure for nonpartisan voter registration or
5 nonpartisan get-out-the-vote activities performed under chapter
6 XXIII of the Michigan election law, 1954 PA 116, MCL 168.491 to
7 168.523a, by the secretary of state and other registration
8 officials who are identified by name with the activity.

9 (h) An expenditure by a state central committee of a political
10 party or a person controlled by a state central committee of a
11 political party for the construction, purchase, or renovation of 1
12 or more office facilities in Ingham County if the facility is not
13 constructed, purchased, or renovated for the purpose of influencing
14 the election of a candidate in a particular election. Items
15 excluded from the definition of expenditure under this subdivision
16 include expenditures approved in Federal Election Commission
17 advisory opinions 1993-9, 2001-1, and 2001-12 as allowable
18 expenditures under the federal election campaign act of 1971, 52
19 USC 30101 to 30146, and regulations promulgated under that act,
20 regardless of whether those advisory opinions have been superseded.

21 (i) Except only for the purposes of section 57, an expenditure
22 to or for a federal candidate or a federal committee.

23 (j) Except only for the purposes of section 47, an expenditure
24 for a communication if the communication does not in express terms
25 advocate the election or defeat of a clearly identified candidate
26 so as to restrict the application of this act to communications
27 containing express words of advocacy of election or defeat, such as
28 "vote for", "elect", "support", "cast your ballot for", "Smith for
29 governor", "vote against", "defeat", or "reject".



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

5 (a) A disbursement necessary to assist, serve, or communicate
6 with a constituent.

7 (b) A disbursement for equipment, furnishings, or supplies for
8 the office of the public official.

9 (c) A disbursement for a district office if the district
10 office is not used for campaign-related activity.

11 (d) A disbursement for the public official or his or her
12 staff, or both, to attend a conference, meeting, reception, or
13 other similar event.

14 (e) A disbursement to maintain a publicly owned residence or a
15 temporary residence at the seat of government.

16 (f) An unreimbursed disbursement for travel, lodging, meals,
17 or other expenses incurred by the public official, a member of the
18 public official's immediate family, or a member of the public
19 official's staff in carrying out the business of the elective
20 office.

21 (g) A donation to a tax-exempt charitable organization,
22 including, **but not limited to**, the purchase of tickets to
23 charitable or civic events, **as long as the candidate is not an**
24 **officer or director of or does not receive compensation, either**
25 **directly or indirectly, from that organization.**

26 (h) A disbursement to a ballot question committee.

27 (i) A purchase of tickets for use by that public official and
28 members of his or her immediate family and staff to a fund-raising
29 event sponsored by a candidate committee, independent committee,



1 political party committee, or a political committee that does not
2 exceed \$100.00 per committee in any calendar year.

3 (j) A disbursement for an educational course or seminar that
4 maintains or improves skills employed by the public official in
5 carrying out the business of the elective office.

6 (k) A purchase of advertisements in testimonials, program
7 books, souvenir books, or other publications if the advertisement
8 does not support or oppose the nomination or election of a
9 candidate.

10 (l) A disbursement for consultation, research, polling, and
11 photographic services not related to a campaign.

12 (m) A fee paid to a fraternal, veteran, or other service
13 organization.

14 (n) A payment of a tax liability incurred as a result of
15 authorized transactions by the candidate committee of the public
16 official.

17 (o) A fee for accounting, professional, or administrative
18 services for the candidate committee of the public official.

19 (p) A debt or obligation incurred by the candidate committee
20 of a public official for a disbursement authorized by subdivisions
21 (a) to (o), if the debt or obligation was reported in the candidate
22 committee report filed for the year in which the debt or obligation
23 arose.

24 (2) "Independent expenditure" means an expenditure by a person
25 if the expenditure is not made in cooperation, consultation, or
26 concert with, or at the request or suggestion of, a ballot question
27 committee or a candidate, a candidate committee or its agents, or a
28 political party committee or its agents, and if the expenditure is
29 not a contribution to a committee.



1 (3) "Independent expenditure committee" means a committee
2 formed under section 24b for the purpose of making independent
3 expenditures ~~pursuant to~~ **under** this act.

4 (4) "In-kind contribution or expenditure" means a contribution
5 or expenditure other than money.

6 (5) "Loan" means a transfer of money, property, or anything of
7 ascertainable monetary value in exchange for an obligation,
8 conditional or not, to repay in whole or in part.

9 (6) "Local ballot question" means a ballot question of a local
10 unit of government to be voted upon in that local unit of
11 government.

12 (7) "Local elective office" means an elective office at the
13 local unit of government level. Local elective office also includes
14 judge of the court of appeals, judge of the circuit court, judge of
15 the district court, judge of the probate court, and judge of a
16 municipal court.

17 (8) "Local unit of government" means a district, authority,
18 county, city, village, township, board, school district,
19 intermediate school district, or community college district.

20 Sec. 12. (1) "Qualifying contribution" means a contribution of
21 money made by a written instrument, **credit card, or debit card** by
22 an individual to the candidate committee of a candidate for the
23 office of governor that is \$100.00 or less and made after April 1
24 of the year preceding a year in which a governor is to be elected.
25 Not more than \$100.00 of an individual's total aggregate
26 contribution may be used as a qualifying contribution in a calendar
27 year. Qualifying contribution does not include a subscription,
28 loan, advance, deposit of money, in-kind contribution or
29 expenditure, or anything else of value except as prescribed in this



act. Qualifying contribution does not include a contribution by an individual who resides outside of this state. For purposes of this subsection, an individual is considered to reside in this state if he or she is considered a resident of this state under the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(2) "Senate political party caucus committee" means an independent committee established by a political party caucus of the state senate under section 24a.

(3) "State elective office" means a statewide elective office or the office of state legislator.

(4) "Statewide elective office" means the office of governor, lieutenant governor, secretary of state, or attorney general, justice of the supreme court, member of the state board of education, regent of the ~~university~~ **University** of Michigan, member of the board of trustees of Michigan ~~state university~~, **State University**, or member of the board of governors of Wayne ~~state university~~. **State University**.

Sec. 21. (1) A candidate, within 10 days after becoming a candidate, shall form a candidate committee. ~~A person~~ **An individual** who is a candidate for more than 1 office shall form a candidate committee for each office for which the ~~person~~ **individual** 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~~ **individual** is a candidate.

(2) A candidate committee ~~shall~~ **must** 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~~ **must** have a treasurer who is a qualified elector of this state if the



1 committee conducts business through an office or other facility
2 located in this state.

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

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

20 (6) Except as provided by law, a candidate committee or a
21 committee described in subsection (3) shall have 1 account in a
22 financial institution in this state as an official depository ~~for~~
23 ~~the purpose of depositing~~ **to deposit** all contributions received by
24 the committee in the form of or which are converted to money,
25 checks, or other negotiable instruments and ~~for the purpose of~~
26 ~~making~~ **to make** all expenditures. The committee shall designate that
27 financial institution as its official depository. The establishment
28 of an account in a financial institution is not required until the
29 committee receives a contribution or makes an expenditure.



~~Secondary~~ **Candidate committees shall only use secondary**
 depositories ~~shall be used for the sole purpose of depositing to~~
~~deposit~~ contributions and promptly ~~transferring~~ **transfer** the
 deposits to the committee's official depository, **or to deposit the**
proceeds of a joint fund-raiser under section 44(4) and transfer
each committee's share of any receipts from the joint fund-raiser.
 A committee described in subsection (3) shall only use secondary
 depositories for any of the following:

(a) To deposit contributions and promptly transfer the
 deposits to the committee's official depository.

(b) To deposit the proceeds of a joint fund-raiser under
 section 44(4) and transfer each committee's share of any receipts
 from the joint fund-raiser.

(c) To deposit, divide, and transfer contributions that are
 aggregated with dues or other payments.

(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 to deposit~~
 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 to make~~ 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~~ **A committee**
described in subsection (4) shall only use secondary depositories
~~shall be used only for the purposes of depositing for any of the~~
following:

(a) To ~~deposit~~ contributions and promptly ~~transferring~~



1 **transfer** the deposits to the committee's official depository. ~~or~~
 2 ~~depositing, dividing, and transferring~~

3 (b) To deposit the proceeds of a joint fund-raiser under
 4 section 44(4) and transfer each committee's share of any receipts
 5 from the joint fund-raiser.

6 (c) To deposit, divide, and transfer contributions that are
 7 aggregated with dues or other payments.

8 (8) A **committee shall not accept a** contribution ~~shall not be~~
 9 ~~accepted and or make~~ an expenditure ~~shall not be made by a~~ **if that**
 10 committee ~~that~~ does not have a treasurer. When the office of
 11 treasurer in a candidate committee is vacant, the candidate ~~shall~~
 12 ~~be~~ **is** the treasurer until the candidate appoints a new treasurer.

13 (9) ~~An~~ **A committee shall not make an** expenditure ~~shall not be~~
 14 ~~made by a committee~~ without the authorization of the treasurer or
 15 the treasurer's designee. The contributions received or
 16 expenditures made by a candidate or an agent of a candidate are
 17 considered received or made by the candidate committee.

18 (10) Contributions received by an individual acting in behalf
 19 of a committee ~~shall~~ **must** be reported promptly to the committee's
 20 treasurer not later than 5 days before the closing date of any
 21 campaign statement required to be filed by the committee, and ~~shall~~
 22 **must** be reported to the committee treasurer immediately if the
 23 contribution is received less than 5 days before the closing date.

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

28 (12) Contributions received by a committee ~~shall~~ **must** not be
 29 commingled with other funds of an agent of the committee or of any



1 other person. Contributions are not considered to be commingled if
2 that contribution is either of the following:

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

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

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

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

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

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

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

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

22 Sec. 24. (1) A committee shall file a statement of
23 organization with the filing officials designated in section 36 to
24 receive the committee's campaign statements. A committee shall file
25 a statement of organization within 10 days after the committee is
26 formed. A filing official shall maintain a statement of
27 organization filed by a committee until 5 years after the official
28 date of the committee's dissolution. A person who fails to file a
29 statement of organization required by this subsection shall pay a



1 late filing fee of \$10.00 for each business day the statement
2 remains not filed in violation of this subsection. The late filing
3 fee must not exceed \$300.00. A person who violates this subsection
4 by failing to file for more than 30 days after a statement of
5 organization is required to be filed is guilty of a misdemeanor
6 punishable by a fine of not more than \$1,000.00.

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

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

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

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

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

26 (e) A brief statement identifying the substance of each ballot
27 question supported or opposed by the committee. If the ballot
28 question supported or opposed by the committee is a local ballot
29 question, the committee shall identify the county in which the



1 greatest number of registered voters eligible to vote on the ballot
2 question reside.

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

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

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

20 (5) When filing a statement of organization, a committee,
21 other than an independent committee, a political committee, or a
22 political party committee, may indicate in a written statement
23 signed by the treasurer of the committee that the committee does
24 not expect for each election to receive an amount in excess of
25 \$1,000.00 or expend an amount in excess of \$1,000.00. The treasurer
26 of a committee of an incumbent judge or **supreme court** justice is
27 considered to have made the statement required under this
28 subsection following appointment or election of that judge or
29 justice and is not required to file a written statement under this



1 subsection indicating that the committee does not expect for each
2 election to receive or expend an amount in excess of \$1,000.00.

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

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

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

20 (a) The candidate was defeated in an election and has no
21 outstanding campaign debts or assets.

22 (b) The candidate vacates an elective office and has no
23 outstanding campaign debts or assets.

24 (9) A political committee organized for the purpose of making
25 independent expenditures formed before ~~the effective date of the~~
26 ~~amendatory act that added this subsection~~ **December 31, 2019** is
27 considered an independent expenditure committee. The secretary of
28 state may amend the statement of organization for any committee
29 affected by this subsection.



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 (7) For a reporting period in which a connected organization
7 of a separate segregated fund makes a payment for a prize or 1 or
8 more items authorized under section 55(8), the separate segregated
9 fund shall report all of the following, as applicable:

10 (a) The amount of any payment of costs for a prize, the value
11 of the prize, the amount raised by the prize, and the amount, if
12 any, reimbursed to the connected organization by the separate
13 segregated fund for the prize.

14 (b) The amount per item of any payment of costs for items to
15 be sold or offered in return for a contribution as part of
16 fundraising activities for the separate segregated fund, the amount
17 per item that each item is offered at or offered for sale at, the
18 value of each item, the aggregate amount paid for those items, and
19 the amount, if any, reimbursed to the connected organization by the
20 separate segregated fund for any items. If 1 or more of the same
21 items are sold or offered in return for a contribution, a report by
22 item type satisfies the reporting requirement under this
23 subdivision.

24 (8) As used in subsection (7), "value" means the regular
25 purchase price offered by the vendor from whom an item is
26 purchased, less any customary discount offered based on the number
27 of items purchased in the same transaction.

28 Sec. 34. (1) A ballot question committee shall file a campaign
29 statement as required by this act according to the following



1 schedule:

2 (a) A preelection campaign statement, the closing date of
3 which ~~shall be~~ **is** the sixteenth day before the election, ~~shall~~ **must**
4 not be filed later than the eleventh day before the election.

5 (b) A postelection campaign statement, the closing date of
6 which ~~shall be~~ **is** the twentieth day following the election, ~~shall~~
7 **must** not be filed later than the thirtieth day following an
8 election. If all liabilities of the committee are paid before the
9 closing date and additional contributions are not expected, the
10 campaign statement may be filed at any time after the election, but
11 not later than the thirtieth day following the election.

12 (c) Campaign statements not later than the following dates
13 every year:

14 ~~(i) February 15 with a closing date of February 10 of that~~
15 ~~year.~~

16 (i) ~~(ii)~~ April 25 with a closing date of April 20 of that year.

17 (ii) ~~(iii)~~ July 25 with a closing date of July 20 of that year.

18 (d) In every odd numbered year, a campaign statement not later
19 than October 25 with a closing date of October 20 of that year.

20 (2) A ballot question committee supporting or opposing a
21 statewide ballot question shall file a campaign statement, of which
22 the closing date ~~shall be~~ **is** the twenty-eighth day after the filing
23 of the petition form, not later than 35 days after the petition
24 form is filed under section 483a of the Michigan election law, 1954
25 PA 116, MCL 168.483a.

26 (3) If a ballot question committee supporting or opposing a
27 statewide ballot question fails to file a preelection statement
28 under this section, that committee or its treasurer shall pay a
29 late filing fee for each business day the statement remains not



1 filed in violation of this section, not to exceed \$1,000.00,
2 pursuant to the following schedule:

3 (a) First day--\$25.00.

4 (b) Second day--\$50.00.

5 (c) Third day--\$75.00.

6 (d) Fourth day and for each subsequent day that the statement
7 remains unfiled--\$100.00.

8 (4) If a treasurer or other individual designated as
9 responsible for the record keeping, report preparation, or report
10 filing of a ballot question committee supporting or opposing a
11 statewide ballot question fails to file a statement, other than a
12 preelection statement, under this section, that committee,
13 treasurer, or other designated individual shall pay a late filing
14 fee. If the committee has raised \$10,000.00 or less during the
15 previous 2 years, the late filing fee ~~shall be~~ **is** \$25.00 for each
16 business day the campaign statement remains unfiled, but not to
17 exceed \$1,000.00. If the committee has raised more than \$10,000.00
18 during the previous 2 years, the late filing fee ~~shall be~~ **is** \$50.00
19 for each business day the campaign statement remains unfiled, but
20 not to exceed \$2,000.00.

21 (5) If a treasurer or other individual designated as
22 responsible for the record keeping, report preparation, or report
23 filing of a ballot question committee supporting or opposing other
24 than a statewide ballot question fails to file a statement under
25 this section, that committee, treasurer, or other designated
26 individual shall pay a late filing fee. If the committee has raised
27 \$10,000.00 or less during the previous 2 years, the late filing fee
28 ~~shall be~~ **is** \$25.00 for each business day the campaign statement
29 remains unfiled, but not to exceed \$1,000.00. If the committee has



1 raised more than \$10,000.00 during the previous 2 years, the late
2 filing fee ~~shall be~~ **is** \$50.00 for each business day the campaign
3 statement remains unfiled, but not to exceed \$2,000.00.

4 (6) If a treasurer or other individual designated as
5 responsible for the record keeping, report preparation, or report
6 filing of a ballot question committee fails to file a statement as
7 required by subsection (1) or (2) for more than 7 days, that
8 treasurer or other designated individual is guilty of a
9 misdemeanor, punishable by a fine of not more than \$1,000.00, or
10 imprisonment for not more than 90 days, or both.

11 (7) If a treasurer or other individual designated as
12 responsible for the record keeping, report preparation, or report
13 filing of a ballot question committee knowingly files an incomplete
14 or inaccurate statement or report required by this section, that
15 treasurer or other designated individual is subject to a civil fine
16 of not more than \$1,000.00 or the amount of the undisclosed
17 contribution, whichever is greater.

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

28 (2) Subsection (1) does not apply to a candidate committee for
29 an officeholder who is a judge or a supreme court justice, or who



1 holds an elective office for which the salary is less than \$100.00
2 a month and who does not receive any contribution or make any
3 expenditure during the time that would be otherwise covered in the
4 statement.

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



1 then subject to the campaign filing requirements under this act and
 2 shall file a campaign statement for the period beginning the day
 3 after the closing date of the last postelection campaign statement
 4 or an annual campaign statement that is waived under subsection
 5 (1), whichever occurred earlier.

6 **(5) A separate segregated fund filing a campaign statement**
 7 **under this section shall report on the campaign statement the**
 8 **number of items for each item type sold or offered in exchange for**
 9 **a contribution for fundraising purposes where a connected**
 10 **organization paid any costs of the item under section 55(8) during**
 11 **the previous calendar year.**

12 **(6) ~~(5)~~—If a candidate, treasurer, or other individual**
 13 **designated as responsible for the record keeping, report**
 14 **preparation, or report filing fails to file 2 statements required**
 15 **by this section or section 33 and both of the statements remain**
 16 **unfiled for more than 30 days, that candidate, treasurer, or other**
 17 **designated individual is guilty of a misdemeanor, punishable by a**
 18 **fine of not more than \$1,000.00, or imprisonment for not more than**
 19 **90 days, or both.**

20 **(7) ~~(6)~~—If a candidate, treasurer, or other individual**
 21 **designated as responsible for the record keeping, report**
 22 **preparation, or report filing for a committee required to file a**
 23 **campaign statement under subsection (1) knowingly files an**
 24 **incomplete or inaccurate statement or report required by this**
 25 **section, that individual is subject to a civil fine of not more**
 26 **than \$1,000.00.**

27 Sec. 41. (1) A person shall not make or accept a single
 28 contribution of more than \$20.00 in cash or make or accept a single
 29 expenditure of more than \$50.00 in cash. Contributions of more than



1 \$20.00 and expenditures of more than \$50.00, other than an in-kind
2 contribution or expenditure, ~~shall~~**must** be made by written
3 instrument, ~~containing the names of the payor and the payee.~~**credit**
4 **card, or debit card.**

5 (2) A person shall not accept or expend an anonymous
6 contribution. An anonymous contribution received by a person ~~shall~~
7 **must** not be deposited but ~~shall~~**must** be given to a tax exempt
8 charitable organization. The charitable organization receiving the
9 contribution shall provide the person with a receipt. The receipt
10 ~~shall~~**must** be retained by an appropriate committee pursuant to
11 section 22.

12 (3) A contribution ~~shall~~**must** not be made, directly or
13 indirectly, by any person in a name other than the name by which
14 that person is identified for legal purposes.

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

20 Sec. 51. (1) A person, other than a committee, that makes an
21 independent expenditure, advocating the election or defeat of a
22 candidate or the qualification, passage, or defeat of a ballot
23 question, in an amount of \$100.01 or more in a calendar year shall
24 file a report of the independent expenditure, within 10 days after
25 making that independent expenditure, with the clerk of the county
26 of residence of that person. If the independent expenditure
27 advocates the election or defeat of a candidate for state elective
28 office **or for judicial office**, or **for** the qualification, passage,
29 or defeat of a statewide ballot question, or if the person making



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

15 (2) If a person fails to file a report as required under this
16 section, that person shall pay a late filing fee. If the person has
17 made independent expenditures totaling less than \$10,000.00, the
18 late filing fee is \$25.00 for each business day the report remains
19 unfiled, but not to exceed \$1,000.00. If the person has made
20 independent expenditures totaling \$10,000.00 or more, the late
21 filing fee is \$50.00 for each business day the report remains
22 unfiled, but not to exceed \$5,000.00. A person that violates this
23 subsection by failing to file a report required under this section
24 for more than 30 days after the report is required to be filed is
25 guilty of a misdemeanor punishable by imprisonment for not more
26 than 90 days or a fine of not more than \$1,000.00, or both.

27 Sec. 54. (1) Except as otherwise provided in this section and
28 section 55, and except with respect to loans made in the ordinary
29 course of business, a corporation, joint stock company, domestic



1 dependent sovereign, or labor organization shall not make a
 2 contribution or expenditure or provide volunteer personal services
 3 that are excluded from the definition of a contribution under
 4 section 4(3)(a).

5 (2) An officer, director, stockholder, attorney, agent, or any
 6 other person acting for a labor organization, a domestic dependent
 7 sovereign, or a corporation or joint stock company, whether
 8 incorporated under the laws of this or any other state or foreign
 9 country, except corporations formed for political purposes, shall
 10 not make a contribution or expenditure or provide volunteer
 11 personal services that are excluded from the definition of a
 12 contribution under section 4(3)(a).

13 (3) Except for expenditures made by a corporation in the
 14 ordinary course of its business, an expenditure made by a
 15 corporation to provide for the collection and transfer of
 16 contributions to ~~another a separate segregated fund not established~~
 17 ~~by that corporation, or to a separate segregated fund not connected~~
 18 ~~to a nonprofit corporation of which the corporation is a member,~~
 19 **for which it is not a connected organization as provided in section**
 20 **55** constitutes an in-kind contribution by the corporation and is
 21 prohibited under this section. Advanced payment or reimbursement to
 22 a corporation by a **nonconnected** separate segregated fund ~~not~~
 23 ~~established by that corporation, or by a separate segregated fund~~
 24 ~~not connected to a nonprofit corporation of which the corporation~~
 25 ~~is a member,~~ does not cure a use of corporate resources otherwise
 26 prohibited by this section.

27 (4) A corporation, joint stock company, domestic dependent
 28 sovereign, or labor organization may make a contribution to a
 29 ballot question committee or independent expenditure committee



1 subject to this act. A corporation, joint stock company, domestic
2 dependent sovereign, or labor organization may make an independent
3 expenditure in any amount advocating for the election or defeat of
4 a candidate, or the qualification, passage, or defeat of a ballot
5 question and does not for this reason become a committee, unless it
6 solicits or receives contributions in excess of \$500.00 for the
7 purpose of making the independent expenditure, but is subject to
8 the independent expenditure reporting requirements of section 51.

9 (5) A person who knowingly violates this section is guilty of
10 a felony punishable, if the person is an individual, by a fine of
11 not more than \$5,000.00 or imprisonment for not more than 3 years,
12 or both, or, if the person is not an individual, by a fine of not
13 more than \$10,000.00.

14 Sec. 55. (1) A connected organization may make an expenditure
15 for the establishment or administration of, and solicitation,
16 collection, or transfer of contributions to, a separate segregated
17 fund to be used for political purposes. **A connected organization**
18 **may also pay actual costs related to mailing or shipping of an item**
19 **or prize purchased under subsection (8).** A separate segregated fund
20 established by a connected organization under this section ~~shall~~
21 **must** be organized as a political committee or an independent
22 committee, and, in addition to any other disbursements not
23 restricted or prohibited by law, ~~shall~~**must** only make contributions
24 to, and expenditures on behalf of, candidate committees, ballot
25 question committees, political party committees, political
26 committees, independent expenditure committees, independent
27 committees, and other separate segregated funds.

28 (2) Contributions for a separate segregated fund established
29 by a corporation, organized on a for profit basis, or a joint stock



1 company under this section may be solicited from any of the
2 following persons or their spouses:

3 (a) Stockholders of the corporation or company.

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

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

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

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

13 (b) Stockholders or members of members of the corporation.

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

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

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

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

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

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

26 (c) Employees of the labor organization who have policy
27 making, managerial, professional, supervisory, or administrative
28 nonclerical responsibilities.

29 (5) Contributions for a separate segregated fund established



1 under this section by a domestic dependent sovereign may be
 2 solicited from an individual who is a member of any domestic
 3 dependent sovereign.

4 (6) Contributions must not be obtained for a separate
 5 segregated fund established under this section by use of coercion
 6 or physical force, by making a contribution a condition of
 7 employment or membership, or by using or threatening to use job
 8 discrimination or financial reprisals. A connected organization
 9 shall not solicit or obtain contributions for a separate segregated
 10 fund established under this section from an individual described in
 11 subsection (2), (3), (4), or (5) on an automatic or passive basis
 12 including but not limited to a payroll deduction plan or reverse
 13 checkoff method. A connected organization may solicit or obtain
 14 contributions for a separate segregated fund established under this
 15 section from an individual described in subsection (2), (3), (4),
 16 or (5) on an automatic basis, including but not limited to a
 17 payroll deduction plan, only if the individual who is contributing
 18 to the fund affirmatively consents to the contribution. **Affirmative**
 19 **consent does not expire until revoked by the individual who**
 20 **provided the affirmative consent.**

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

27 (a) ~~The~~ **For contributions that are aggregated with dues or**
 28 **other payments, the** individual making the contribution does either
 29 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, **for deposit** to the separate segregated fund electronically or by written instrument. ~~Any transfer of designated contributions must 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.~~ **reports all information required under**
section 26 for each individual contributor, and a transfer of
contributions for deposit to the separate segregated fund by a
connected organization described in subsection (12) (a) (ii) must be
accompanied by or logically associated with a record or electronic
record that sets forth all required information for each individual
whose contribution is transferred.

(d) The connected organization and the separate segregated
fund ~~adopt~~ **have** 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) In addition to any other expenditures or disbursements
allowed under subsection (1), a connected organization may make an
in-kind contribution to pay costs for a prize, or 1 or more items
to be sold or offered in exchange for a contribution, as part of
fundraising activities for the separate segregated fund. Any in-
kind contribution for payment of costs by the connected
organization for a prize or per individual item to be sold or
offered in exchange for a contribution must not be
disproportionately valuable related to the amount raised by that
prize or the amount to be raised or contributed per individual item
sold or offered. It is not a violation of this subsection if the
connected organization makes an in-kind contribution for a payment



1 of costs under this subsection that is disproportionately valuable
 2 and the separate segregated fund reimburses at least the
 3 impermissible portion to the connected organization within 60 days
 4 of the payment, or as directed by the secretary of state under
 5 section 15. An in-kind contribution for a payment of costs under
 6 this subsection is disproportionately valuable unless both of the
 7 following apply:

8 (a) The in-kind contribution is equal to or less than \$5.00
 9 per prize or per individual item to be sold or offered in exchange
 10 for a contribution.

11 (b) The in-kind contribution is equal to or less than 10% of
 12 the total amount raised by the prize, or if the payment of costs
 13 per item sold or offered in exchange for a contribution is equal to
 14 or less than 10% of the amount to be raised per individual item
 15 sold or offered.

16 (9) ~~(8)~~ Except as otherwise provided in ~~subsection (10),~~
 17 **subsections (8) and (11)**, a person who knowingly violates this
 18 section is guilty of a felony punishable, if the person is an
 19 individual, by a fine of not more than \$5,000.00 or imprisonment
 20 for not more than 3 years, or both, or, if the person is not an
 21 individual, by a fine of not more than \$10,000.00.

22 (10) ~~(9)~~ If a connected organization that obtains
 23 contributions for a separate segregated fund from individuals
 24 described in subsection (2), (3), (4), or (5) pays to 1 or more of
 25 those individuals a bonus or other remuneration for the purpose of
 26 reimbursing those contributions, then that connected organization
 27 is subject to a civil fine of not more than 2 times the total
 28 contributions obtained from all individuals for the separate
 29 segregated fund during that calendar year.



1 **(11)** ~~(10)~~ If a violation of this section results solely from
 2 the failure of a connected organization to transfer 1 or more
 3 contributions, that connected organization is not guilty of a
 4 felony as described in subsection ~~(8)~~, **(9)**, but shall notify the
 5 contributor of the failure to transfer the contribution and refund
 6 the full amount of the contribution to the contributor if
 7 requested. The penalties described in subsection ~~(8)~~ **(9)** apply to
 8 any other violation of this section, including use or diversion of
 9 any contributions by a connected organization before those
 10 contributions are transferred to the separate segregated fund under
 11 subsection (7).

12 **(12)** ~~(11)~~ As used in this section:

13 (a) "Connected organization" means either of the following:

14 (i) A corporation organized on a for-profit or nonprofit basis,
 15 a joint stock company, a domestic dependent sovereign, or a labor
 16 organization formed under the laws of this or another state or
 17 foreign country.

18 (ii) A member of any entity under subparagraph (i) that is not
 19 an individual and that does not maintain its own separate
 20 segregated fund, unless its separate segregated fund and the
 21 separate segregated fund of the entity of which it is a member are
 22 treated as a single independent committee as provided in section
 23 52(10).

24 (b) "Record" and "electronic record" mean those terms as
 25 defined in section 2 of the uniform electronic transactions act,
 26 2000 PA 305, MCL 450.832.

27 (c) "Written instrument" means a money order, or a check,
 28 cashier's check, or other negotiable instrument, as those terms are
 29 defined in section 3104 of the uniform commercial code, 1962 PA



- 1 174, MCL 440.3104, in the name of the connected organization and
- 2 payable to the separate segregated fund.