

**SUBSTITUTE FOR
SENATE BILL NO. 335**

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 3, 4, 6, 9, 11, 17, 24, 26, 33, 35, 44, 51, 54, and 55 (MCL 169.203, 169.204, 169.206, 169.209, 169.211, 169.217, 169.224, 169.226, 169.233, 169.235, 169.244, 169.251, 169.254, and 169.255), sections 3 and 11 as amended by 2012 PA 273, sections 4, 6, 9, 24, 33, 35, 54, and 55 as amended by 2015 PA 269, sections 17 and 51 as amended by 1989 PA 95, section 26 as amended by 2013 PA 252, and section 44 as amended by 1994 PA 411, and by adding sections 24b and 24c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Candidate" means an individual who meets 1 or
2 more of the following criteria:

3 (a) Files a fee, an affidavit of incumbency, or a nominating

1 petition for an elective office.

2 (b) Is nominated as a candidate for elective office by a
3 political party caucus or convention and whose nomination is
4 certified to the appropriate filing official.

5 (c) Receives a contribution, makes an expenditure, or gives
6 consent for another person to receive a contribution or make an
7 expenditure with a view to bringing about the individual's
8 nomination or election to an elective office, whether or not the
9 specific elective office for which the individual will seek
10 nomination or election is known at the time the contribution is
11 received or the expenditure is made.

12 (d) Is an officeholder who is the subject of a recall vote.

13 (e) Holds an elective office, unless the officeholder is
14 constitutionally or legally barred from seeking reelection or fails
15 to file for reelection to that office by the applicable filing
16 deadline. An individual described in this subdivision is considered
17 to be a candidate for reelection to that same office for the
18 purposes of this act only.

19 For purposes of sections 61 to 71, "candidate" only means, in
20 a primary election, a candidate for the office of governor and, in
21 a general election, a candidate for the office of governor or
22 lieutenant governor. However, the candidates for the office of
23 governor and lieutenant governor of the same political party in a
24 general election ~~shall be~~ **ARE** considered as 1 candidate.

25 (2) "Candidate committee" means the committee designated in a
26 candidate's filed statement of organization as that individual's
27 candidate committee. A candidate committee ~~shall~~ **MUST** be under the

1 control and direction of the candidate named in the same statement
2 of organization. Notwithstanding subsection (4), an individual
3 shall form a candidate committee under section 21 if the individual
4 becomes a candidate under subsection (1).

5 (3) "Closing date" means the date through which a campaign
6 statement is required to be complete.

7 (4) "Committee" means a person ~~who~~**THAT** receives contributions
8 or makes expenditures for the purpose of influencing or attempting
9 to influence the action of the voters for or against the nomination
10 or election of a candidate, the qualification, passage, or defeat
11 of a ballot question, or the qualification of a new political
12 party, if contributions received total \$500.00 or more in a
13 calendar year or expenditures made total \$500.00 or more in a
14 calendar year. **EXCEPT AS RESTRICTED OR PROHIBITED BY THIS ACT OR**

15 OTHER STATE OR FEDERAL LAW, A COMMITTEE MAY ALSO MAKE OTHER LAWFUL
16 DISBURSEMENTS. An individual, other than a candidate, does not
17 constitute a committee. A person, other than a committee registered
18 under this act, making an expenditure to a ballot question
19 committee **OR AN INDEPENDENT EXPENDITURE COMMITTEE**, shall not, for
20 that reason, be considered a committee **OR BE REQUIRED TO FILE A**
21 REPORT for the purposes of this act unless the person solicits or
22 receives contributions for the purpose of making an expenditure to
23 that ballot question committee **OR INDEPENDENT EXPENDITURE**
24 COMMITTEE.

25 Sec. 4. (1) "Contribution" means a payment, gift,
26 subscription, assessment, expenditure, contract, payment for
27 services, dues, advance, forbearance, loan, or donation of money or

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

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

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

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

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

27 (c) An offer or tender of a contribution if expressly and

1 unconditionally rejected, returned, or refunded in whole or in part
2 within 30 business days after receipt.

3 (d) A contribution or expenditure for the establishment or
4 administration of, or solicitation, collection, or transfer of
5 contributions to, a separate segregated fund if that contribution
6 or expenditure was made by ~~the person that established the~~ **A**
7 **CONNECTED ORGANIZATION OF THAT** separate segregated fund as
8 authorized under section 55. ~~, or was made by a person that is a~~
9 ~~member of a nonprofit corporation that established the separate~~
10 ~~segregated fund as authorized under section 55.~~

11 **(E) AN INDEPENDENT EXPENDITURE.**

12 Sec. 6. (1) "Expenditure" means a payment, donation, loan, or
13 promise of payment of money or anything of ascertainable monetary
14 value for goods, materials, services, or facilities in assistance
15 of, or in opposition to, the nomination or election of a candidate,
16 the qualification, passage, or defeat of a ballot question, or the
17 qualification of a new political party. Expenditure includes, but
18 is not limited to, any of the following:

19 (a) A contribution or a transfer of anything of ascertainable
20 monetary value for purposes of influencing the nomination or
21 election of a candidate, the qualification, passage, or defeat of a
22 ballot question, or the qualification of a new political party.

23 (b) Except as provided in subsection (2)(f) or (g), an
24 expenditure for voter registration or get-out-the-vote activities
25 made by a person who sponsors or finances the activity or who is
26 identified by name with the activity.

27 (c) Except as provided in subsection (2)(f) or (g), an

1 expenditure made for poll watchers, challengers, distribution of
2 election day literature, canvassing of voters to get out the vote,
3 or transporting voters to the polls.

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

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

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

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

15 (c) An expenditure for the establishment or administration of,
16 or solicitation, collection, or transfer of contributions to, a
17 separate segregated fund if that expenditure was made by ~~the person~~
18 ~~that established the~~ **A CONNECTED ORGANIZATION OF THAT** separate
19 segregated fund as authorized under section 55. ~~, or made by a~~
20 ~~person who is a member of a nonprofit corporation that established~~
21 ~~the separate segregated fund as 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

1 unconditionally rejected or returned.

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

6 (g) An expenditure for nonpartisan voter registration or
7 nonpartisan get-out-the-vote activities performed under chapter
8 XXIII of the Michigan election law, 1954 PA 116, MCL 168.491 to
9 168.524, by the secretary of state and other registration officials
10 who are identified by name with the activity.

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

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

25 (j) Except only for the purposes of section 47, an expenditure
26 for a communication if the communication does not in express terms
27 advocate the election or defeat of a clearly identified candidate

1 so as to restrict the application of this act to communications
2 containing express words of advocacy of election or defeat, such as
3 "vote for", "elect", "support", "cast your ballot for", "Smith for
4 governor", "vote against", "defeat", or "reject".

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

9 (a) A disbursement necessary to assist, serve, or communicate
10 with a constituent.

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

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

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

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

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

25 (g) A donation to a tax-exempt charitable organization,
26 including the purchase of tickets to charitable or civic events.

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

1 (i) A purchase of tickets for use by that public official and
2 members of his or her immediate family and staff to a fund-raising
3 event sponsored by a candidate committee, independent committee,
4 political party committee, or a political committee that does not
5 exceed \$100.00 per committee in any calendar year.

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

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

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

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

17 (n) A payment of a tax liability incurred as a result of
18 authorized transactions by the candidate committee of the public
19 official.

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

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

27 (2) "Independent expenditure" means an expenditure by a person

1 if the expenditure is not made at the direction of, or under the
 2 control of, another person IN COOPERATION, CONSULTATION, OR CONCERT
 3 WITH, OR AT THE REQUEST OR SUGGESTION OF, A BALLOT QUESTION
 4 COMMITTEE OR A CANDIDATE, A CANDIDATE COMMITTEE OR ITS AGENTS, OR A
 5 POLITICAL PARTY COMMITTEE OR ITS AGENTS, and if the expenditure is
 6 not a contribution to a committee.

7 **(3) "INDEPENDENT EXPENDITURE COMMITTEE" MEANS A COMMITTEE**
 8 **FORMED UNDER SECTION 24B FOR THE PURPOSE OF MAKING INDEPENDENT**
 9 **EXPENDITURES PURSUANT TO THIS ACT.**

10 (4) ~~(3)~~—"In-kind contribution or expenditure" means a
 11 contribution or expenditure other than money.

12 (5) ~~(4)~~—"Loan" means a transfer of money, property, or
 13 anything of ascertainable monetary value in exchange for an
 14 obligation, conditional or not, to repay in whole or in part.

15 (6) ~~(5)~~—"Local ballot question" means a ballot question of a
 16 local unit of government to be voted upon in that local unit of
 17 government.

18 (7) ~~(6)~~—"Local elective office" means an elective office at
 19 the local unit of government level. Local elective office also
 20 includes judge of the court of appeals, judge of the circuit court,
 21 judge of the district court, judge of the probate court, and judge
 22 of a municipal court.

23 (8) ~~(7)~~—"Local unit of government" means a district,
 24 authority, county, city, village, township, board, school district,
 25 intermediate school district, or community college district.

26 Sec. 11. (1) "Payroll deduction plan" means any system in
 27 which an employer deducts any amount of money from the wages,

1 earnings, or compensation of an employee.

2 (2) "Person" means a business, individual, proprietorship,
3 **LIMITED LIABILITY COMPANY**, firm, partnership, joint venture,
4 syndicate, business trust, labor organization, company,
5 corporation, association, committee, or any other organization or
6 group of persons acting jointly.

7 (3) "Political committee" means a committee that is not a
8 candidate committee, political party committee, **HOUSE OR SENATE**
9 **POLITICAL PARTY CAUCUS COMMITTEE**, independent committee,
10 **INDEPENDENT EXPENDITURE COMMITTEE**, or ballot question committee.

11 (4) "Political merchandise" means goods such as bumper
12 stickers, pins, hats, beverages, literature, or other items sold by
13 a person at a fund raiser or to the general public for publicity or
14 for the purpose of raising funds to be used in supporting or
15 opposing a candidate for nomination for or election to an elective
16 office, in supporting or opposing the qualification, passage, or
17 defeat of a ballot question, or in supporting or opposing the
18 qualification of a new political party.

19 (5) "Political party" means a political party that has a right
20 under law to have the names of its candidates listed on the ballot
21 in a general election.

22 (6) "Political party committee" means a state central,
23 district, or county committee of a political party or a party
24 attempting to qualify as a new political party under section 685 of
25 the Michigan election law, 1954 PA 116, MCL 168.685, that is a
26 committee. Each state central committee shall designate the
27 official party county and district committees. There shall ~~shall~~ **MUST** not

1 be more than 1 officially designated political party committee per
2 county and per congressional district.

3 (7) "Public body" means 1 or more of the following:

4 (a) A state agency, department, division, bureau, board,
5 commission, council, authority, or other body in the executive
6 branch of state government.

7 (b) The legislature or an agency, board, commission, or
8 council in the legislative branch of state government.

9 (c) A county, city, township, village, intercounty, intercity,
10 or regional governing body; a council, school district, special
11 district, or municipal corporation; or a board, department,
12 commission, or council or an agency of a board, department,
13 commission, or council.

14 (d) Any other body that is created by state or local authority
15 or is primarily funded by or through state or local authority, if
16 the body exercises governmental or proprietary authority or
17 performs a governmental or proprietary function.

18 Sec. 17. (1) A person paying a late filing fee as a result of
19 that person's failure to file a statement or report shall pay that
20 fee to the filing official with whom the statement or report was
21 required to be filed.

22 (2) The late filing fees collected ~~pursuant to~~ **UNDER** sections
23 24, 33, 34, ~~and~~ **35, AND 51,** and copying charges collected ~~pursuant~~
24 ~~to~~ **UNDER** section 16, ~~shall~~ **MUST** be retained by and for the use of
25 the filing officials collecting the fees or charges to cover their
26 expenses in administering this act. A late filing fee assessed by a
27 county clerk that remains unpaid for more than 60 days ~~shall be~~ **IS**

1 considered a debt of the county, and ~~shall be collected by the~~
2 county treasurer **SHALL COLLECT THAT FEE** in the same manner as other
3 county debts are collected. A late filing fee assessed by the
4 secretary of state that remains unpaid for more than 180 days ~~shall~~
5 **MUST** be referred to the department of treasury for collection.

6 (3) A committee, other than a candidate committee or a
7 committee making expenditures in assistance of or in opposition to
8 the qualification, passage, or defeat of a ballot question,
9 required to file with the secretary of state is not required to pay
10 a late filing fee ~~pursuant to~~ **UNDER** sections 24, 33, 34, and 35, if
11 all of the following conditions are met:

12 (a) A committee required to register as a committee fails to
13 file a statement of organization.

14 (b) The secretary of state sends to that committee notice of
15 the committee's failure to file a statement of organization.

16 (c) At the same time or after the notice described in
17 subdivision (b) is sent, the secretary of state sends to that
18 committee notice of the committee's failure to file a campaign
19 statement that was due for a period that occurred before the notice
20 of failure to file a statement of organization was sent.

21 (d) Within 10 business days after the notice of failure to
22 file a statement of organization is sent, the committee files a
23 statement of organization.

24 (e) Within 10 business days after the notice of failure to
25 file a campaign statement is sent, the committee files every
26 campaign statement that is due.

27 (4) Late filing fees that would have occurred except for

1 subsection (3) ~~shall~~**MUST** be assessed for each statement not filed
2 before the eleventh business day after a notice of failure to file
3 is sent ~~pursuant to~~**UNDER** subsection (3).

4 (5) A committee other than a candidate committee that has not
5 previously filed a statement of organization is not required to pay
6 a late filing fee ~~pursuant to~~**UNDER** sections 24, 33, 34, and 35, if
7 the committee files a statement of organization and every campaign
8 statement that is due, before the secretary of state sends a notice
9 to that committee ~~pursuant to~~**UNDER** subsection (3).

10 Sec. 24. (1) A committee shall file a statement of
11 organization with the filing officials designated in section 36 to
12 receive the committee's campaign statements. A committee shall file
13 a statement of organization within 10 days after the committee is
14 formed. A filing official shall maintain a statement of
15 organization filed by a committee until 5 years after the official
16 date of the committee's dissolution. A person who fails to file a
17 statement of organization required by this subsection shall pay a
18 late filing fee of \$10.00 for each business day the statement
19 remains not filed in violation of this subsection. The late filing
20 fee ~~shall~~**MUST** not exceed \$300.00. A person who violates this
21 subsection by failing to file for more than 30 days after a
22 statement of organization is required to be filed is guilty of a
23 misdemeanor punishable by a fine of not more than \$1,000.00.

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

26 (a) The name, street address, and if available, the electronic
27 mail address and telephone number of the committee, and the

1 electronic mail address of the candidate. If a committee is a
2 candidate committee, the committee name ~~shall~~**MUST** include the
3 first and last name of the candidate. A committee address may be
4 the home address of the candidate or treasurer of the committee.

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

9 (c) The name and address of the financial institution in which
10 the official committee depository is or is intended to be located,
11 and the name and address of each financial institution in which a
12 secondary depository is or is intended to be located.

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

16 (e) A brief statement identifying the substance of each ballot
17 question supported or opposed by the committee. **If the ballot**
18 **question supported or opposed by the committee is not statewide, A**
19 **LOCAL BALLOT QUESTION, the committee shall identify the county in**
20 **which the greatest number of registered voters eligible to vote on**
21 **the ballot question reside.**

22 (f) Identification of the committee as a candidate committee,
23 political party committee, independent committee, **INDEPENDENT**
24 **EXPENDITURE COMMITTEE**, political committee, or ballot question
25 committee if it is identifiable as such a committee.

26 (3) An independent committee or political committee shall
27 include in the name of the committee the name of the person or

1 persons that sponsor the committee, if any, or with whom the
2 committee is affiliated. A person, other than an individual or a
3 committee, sponsors or is affiliated with an independent committee
4 or political committee if that person establishes, directs,
5 controls, or financially supports the administration of the
6 committee. For the purposes of this subsection, a person does not
7 financially support the administration of a committee by merely
8 making a contribution to the committee.

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

12 (5) When filing a statement of organization, a committee,
13 other than an independent committee, a political committee, or a
14 political party committee, may indicate in a written statement
15 signed by the treasurer of the committee that the committee does
16 not expect for each election to receive an amount in excess of
17 \$1,000.00 or expend an amount in excess of \$1,000.00. The treasurer
18 of a committee of an incumbent judge or justice is considered to
19 have made the statement required under this subsection following
20 appointment or election of that judge or justice and is not
21 required to file a written statement under this subsection
22 indicating that the committee does not expect for each election to
23 receive or expend an amount in excess of \$1,000.00.

24 (6) When filing a statement of organization, an independent
25 committee, a political committee, or a political party committee
26 may indicate in a written statement signed by the treasurer of the
27 committee that the committee does not expect in a calendar year to

1 receive or expend an amount in excess of \$1,000.00.

2 (7) Upon the dissolution of a committee, the committee shall
3 file a statement indicating dissolution with the filing officials
4 with whom the committee's statement of organization was filed.
5 Dissolution of a committee ~~shall~~**MUST** be accomplished pursuant to
6 rules promulgated by the secretary of state under the
7 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
8 24.328.

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

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

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

18 **(9) A POLITICAL COMMITTEE ORGANIZED FOR THE PURPOSE OF MAKING**
19 **INDEPENDENT EXPENDITURES FORMED BEFORE THE EFFECTIVE DATE OF THE**
20 **AMENDATORY ACT THAT ADDED THIS SUBSECTION IS CONSIDERED AN**
21 **INDEPENDENT EXPENDITURE COMMITTEE. THE SECRETARY OF STATE MAY AMEND**
22 **THE STATEMENT OF ORGANIZATION FOR ANY COMMITTEE AFFECTED BY THIS**
23 **SUBSECTION.**

24 **SEC. 24B. (1) ONE OR MORE PERSONS MAY CREATE AN INDEPENDENT**
25 **EXPENDITURE COMMITTEE AND SHALL FILE A STATEMENT OF ORGANIZATION**
26 **UNDER SECTION 24. AN INDEPENDENT EXPENDITURE COMMITTEE SHALL FILE**
27 **CAMPAIGN STATEMENTS UNDER SECTIONS 33 AND 35 AND AS OTHERWISE**

1 PROVIDED IN THIS ACT.

2 (2) AN INDEPENDENT EXPENDITURE COMMITTEE MAY RECEIVE
3 CONTRIBUTIONS FROM ANY PERSON, EXCEPT A PERSON PROHIBITED FROM
4 MAKING A CONTRIBUTION UNDER 52 USC 30121. AN INDEPENDENT
5 EXPENDITURE COMMITTEE SHALL RETURN A CONTRIBUTION MADE BY A PERSON
6 PROHIBITED FROM MAKING A CONTRIBUTION UNDER THIS SUBSECTION WITHIN
7 30 BUSINESS DAYS AFTER RECEIVING THAT CONTRIBUTION.

8 (3) IN ADDITION TO ANY INDEPENDENT EXPENDITURES OR OTHER
9 DISBURSEMENTS NOT PROHIBITED BY THIS ACT OR ANY OTHER LAW, AN
10 INDEPENDENT EXPENDITURE COMMITTEE MAY MAKE CONTRIBUTIONS TO ANOTHER
11 INDEPENDENT EXPENDITURE COMMITTEE OR TO A BALLOT QUESTION
12 COMMITTEE.

13 (4) AN INDEPENDENT EXPENDITURE COMMITTEE SHALL NOT MAKE A
14 CONTRIBUTION TO A CANDIDATE COMMITTEE, INDEPENDENT COMMITTEE,
15 POLITICAL COMMITTEE, POLITICAL PARTY COMMITTEE, OR HOUSE OR SENATE
16 POLITICAL PARTY CAUCUS COMMITTEE.

17 (5) AN INDIVIDUAL WHO KNOWINGLY VIOLATES OR CAUSES A PERSON TO
18 VIOLATE SUBSECTION (4) IS GUILTY OF A FELONY PUNISHABLE BY
19 IMPRISONMENT FOR NOT MORE THAN 3 YEARS OR A FINE OF NOT MORE THAN
20 \$5,000.00, OR BOTH. A PERSON THAT VIOLATES SUBSECTION (4) THAT IS
21 NOT AN INDIVIDUAL IS SUBJECT TO 1 OF THE FOLLOWING, WHICHEVER IS
22 GREATER:

23 (A) A FINE OF NOT MORE THAN \$20,000.00.

24 (B) A FINE OF NOT MORE THAN TRIPLE THE AMOUNT OF THE IMPROPER
25 CONTRIBUTION OR EXPENDITURE.

26 SEC. 24C. (1) IF THE INDEPENDENT NATURE OF AN INDEPENDENT
27 EXPENDITURE IS DEFEATED, THE RESULTING CONTRIBUTION IS PUNISHABLE

1 AS FOLLOWS:

2 (A) FOR AN INDEPENDENT EXPENDITURE COMMITTEE OR ITS AGENT,
3 UNDER SECTION 24B(5) IF THE RESULTING CONTRIBUTION VIOLATES SECTION
4 24B(4).

5 (B) FOR AN ENTITY DESCRIBED UNDER SECTION 54(1) OR A PERSON
6 ACTING FOR ANY SUCH ENTITY UNDER SECTION 54(2), UNDER SECTION 54(5)
7 IF THE RESULTING CONTRIBUTION VIOLATES SECTION 54.

8 (C) FOR ANY OTHER PERSON, AS OTHERWISE PROVIDED FOR A
9 VIOLATION OF THIS ACT.

10 (2) THE INDEPENDENT NATURE OF AN INDEPENDENT EXPENDITURE IS
11 NOT DEFEATED UNDER ANY OF THE FOLLOWING:

12 (A) WHERE A PERSON MAKING AN INDEPENDENT EXPENDITURE RELATED
13 TO A BALLOT QUESTION COMMITTEE, CANDIDATE, CANDIDATE COMMITTEE, OR
14 POLITICAL PARTY COMMITTEE ENGAGES AN ATTORNEY, VENDOR, OR OTHER
15 AGENT THAT IS ALSO OR HAS BEEN ENGAGED BY THAT CANDIDATE OR
16 COMMITTEE, IF THE ATTORNEY, VENDOR, OR OTHER AGENT DOES NOT DO ANY
17 OF THE FOLLOWING:

18 (i) FOR THE CREATION, PRODUCTION, OR DISTRIBUTION OF A
19 COMMUNICATION, CONVEY INFORMATION TO THE PERSON MAKING THE
20 COMMUNICATION ABOUT THE CAMPAIGN PLANS, PROJECTS, ACTIVITIES, OR
21 NEEDS OF THAT CANDIDATE OR COMMITTEE THAT HE OR SHE ALSO PROVIDES
22 OR HAS PROVIDED SERVICES FOR AND THAT HAS BEEN OBTAINED FROM THAT
23 CANDIDATE OR COMMITTEE OR ITS AGENTS.

24 (ii) FOR THE CREATION, PRODUCTION, OR DISTRIBUTION OF A
25 COMMUNICATION, USE ANY INFORMATION ABOUT THE CAMPAIGN PLANS,
26 PROJECTS, ACTIVITIES, OR NEEDS OF THAT CANDIDATE OR COMMITTEE THAT
27 HE OR SHE ALSO PROVIDES OR HAS PROVIDED SERVICES FOR AND THAT HAS

1 BEEN OBTAINED FROM THAT CANDIDATE OR COMMITTEE OR ITS AGENTS.

2 (iii) CONVEY INFORMATION ABOUT THE CREATION, PRODUCTION, OR
3 DISTRIBUTION OF THE COMMUNICATION TO THE CANDIDATE OR COMMITTEE
4 THAT HE OR SHE ALSO PROVIDES OR HAS PROVIDED SERVICES FOR.

5 (B) WHERE A CANDIDATE, CANDIDATE COMMITTEE, POLITICAL PARTY
6 COMMITTEE, OR AN AGENT OF THE CANDIDATE OR ANY SUCH COMMITTEE,
7 SOLICITS CONTRIBUTIONS ON BEHALF OF AN INDEPENDENT EXPENDITURE
8 COMMITTEE, BUT DOES NOT REQUEST OR SUGGEST ACTION BY, OR FURTHER
9 COOPERATE, CONSULT, ACT IN CONCERT, OR OTHERWISE COORDINATE IN ANY
10 WAY WITH THE INDEPENDENT EXPENDITURE COMMITTEE RELATED TO ANY
11 INDEPENDENT EXPENDITURE MADE ON BEHALF OF THAT CANDIDATE OR
12 COMMITTEE. THIS SUBDIVISION DOES NOT PRESERVE THE INDEPENDENT
13 NATURE OF AN INDEPENDENT EXPENDITURE IF THE INDEPENDENT EXPENDITURE
14 COMMITTEE MAKES INDEPENDENT EXPENDITURES DURING AN ELECTION CYCLE
15 RELATED SOLELY TO 1 CANDIDATE, AND THAT CANDIDATE, THAT CANDIDATE'S
16 CANDIDATE COMMITTEE, OR THAT CANDIDATE'S AGENT SOLICITS FUNDS ON
17 THE INDEPENDENT EXPENDITURE COMMITTEE'S BEHALF.

18 Sec. 26. (1) A campaign statement of a committee, other than a
19 political party committee, required by this act ~~shall~~**MUST** contain
20 all of the following information:

21 (a) The filing committee's name, address, and telephone
22 number, and the full name, residential and business addresses,
23 **ELECTRONIC MAIL ADDRESS**, and telephone numbers of the committee
24 treasurer or other individual designated as responsible for the
25 committee's record keeping, report preparation, or report filing.

26 (b) Under the heading "receipts", the total amount of
27 contributions received during the period covered by the campaign

1 statement; under the heading "expenditures", the total amount of
2 expenditures made during the period covered by the campaign
3 statement; and the cumulative amount of those totals. Forgiveness
4 of a loan ~~shall~~**MUST** not be included in the totals. Payment of a
5 loan by a third party ~~shall~~**MUST** be recorded and reported as an in-
6 kind contribution by the third party. In-kind contributions or
7 expenditures ~~shall~~**MUST** be listed at fair market value and ~~shall be~~
8 reported as both contributions and expenditures. A contribution or
9 expenditure that is by other than completed and accepted payment,
10 gift, or other transfer, that is clearly not legally enforceable,
11 and that is expressly withdrawn or rejected and returned before a
12 campaign statement closing date need not be included in the
13 campaign statement and if included may, in a later or amended
14 statement, be shown as a deduction, but the committee shall keep
15 adequate records of each instance.

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

18 (d) The following information regarding each fund-raising
19 event ~~shall~~**MUST** be included in the report:

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

23 (ii) The total amount of all contributions.

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

25 (iv) The expenditures incident to the event.

26 (e) The full name of each individual from whom contributions
27 are received during the period covered by the campaign statement,

1 together with the individual's street address, the amount
2 contributed, the date on which each contribution was received, and
3 the cumulative amount contributed by that individual. The
4 occupation, employer, and principal place of business ~~shall~~**MUST** be
5 stated if the individual's cumulative contributions are more than
6 \$100.00. For contributions of \$5.00 or less by an individual to a
7 political committee or independent committee, the secretary of
8 state shall accept for filing any written communication from the
9 political committee or independent committee that contains the
10 information otherwise required under this subsection. Any ~~such~~
11 written communication **UNDER THIS SUBDIVISION** does not need to
12 contain an original signature.

13 (f) The cumulative amount contributed and the name and address
14 of each individual, except those individuals reported under
15 subdivision (e), who contributed to the committee. The occupation,
16 employer, and principal place of business ~~shall~~**MUST** be stated for
17 each individual who contributed more than \$100.00.

18 (g) The name and street address of each person, other than an
19 individual, from whom contributions are received during the period
20 covered by the campaign statement, together with an itemization of
21 the amounts contributed, the date on which each contribution was
22 received, and the cumulative amount contributed by that person.

23 (h) The name, address, and amount given by an individual who
24 contributed to the total amount contributed by a person who is
25 other than a committee or an individual. The occupation, employer,
26 and principal place of business ~~shall~~**MUST** be stated if the
27 individual contributed more than \$100.00 of the total amount

1 contributed by a person who is other than a committee or an
2 individual.

3 (i) The cumulative total of expenditures ~~of~~ **AND OTHER**
4 **DISBURSEMENTS TOTALING** \$50.00 or less **TO ANY PERSON** made during the
5 period covered by the campaign statement except for expenditures
6 made to or on behalf of another committee, candidate, or ballot
7 question.

8 (j) The full name and street address of each person to whom
9 expenditures **OR OTHER DISBURSEMENTS** totaling more than \$50.00 were
10 made, together with the amount of each separate expenditure **OR**
11 **DISBURSEMENT** to each person during the period covered by the
12 campaign statement; the purpose of the expenditure **OR DISBURSEMENT**;
13 the full name and street address of the person providing the
14 consideration for which any expenditure **OR DISBURSEMENT** was made if
15 different from the payee; the itemization regardless of amount of
16 each expenditure made to or on behalf of another committee,
17 candidate, or ballot question; and the cumulative amount of
18 expenditures for or against that candidate or ballot question for
19 an election cycle. An expenditure made in support of more than 1
20 candidate or ballot question, or both, ~~shall~~ **MUST** be apportioned
21 reasonably among the candidates or ballot questions, or both.

22 (2) A candidate committee or ballot question committee shall
23 report all cumulative amounts required by this section on a per
24 election cycle basis. Except ~~for~~ **AS PROVIDED IN** subsection (1)(j),
25 an independent committee, **INDEPENDENT EXPENDITURE COMMITTEE**, or
26 political committee shall report all cumulative amounts required by
27 this section on a calendar year basis.

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

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

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

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

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

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

27 (5) With its delivery of a bundled contribution to the

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

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

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

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

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

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

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

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

7 Sec. 33. (1) A committee, other than an independent committee,
8 **AN INDEPENDENT EXPENDITURE COMMITTEE**, or a political committee
9 required to file with the secretary of state, supporting or
10 opposing a candidate shall file complete campaign statements as
11 required by this act and the rules promulgated under this act ~~—The~~
12 ~~campaign statements shall be filed~~ according to the following
13 schedule:

14 (a) A preelection campaign statement ~~shall~~ **MUST** be filed not
15 later than the eleventh day before an election. The closing date
16 for a campaign statement filed under this subdivision ~~shall be~~ **IS**
17 the sixteenth day before the election.

18 (b) A postelection campaign statement ~~shall~~ **MUST** be filed not
19 later than the thirtieth day following the election. The closing
20 date for a campaign statement filed under this subdivision ~~shall be~~
21 **IS** the twentieth day following the election. A committee supporting
22 a candidate who loses the primary election shall file closing
23 campaign statements in accordance with this section. If all
24 liabilities of that candidate or committee are paid before the
25 closing date and additional contributions are not expected, the
26 campaign statement may be filed at any time after the election, but
27 not later than the thirtieth day following the election.

1 (c) For candidate committees only, in a year in which there is
2 no election for the candidate the candidate committee is supporting
3 or opposing:

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

6 (ii) Not later than October 25 with a closing date of October
7 20 of that year.

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

9 (a) A candidate committee shall file a preelection campaign
10 statement and a postelection campaign statement for each election
11 in which the candidate seeks nomination or election, except if an
12 individual becomes a candidate after the closing date for the
13 preelection campaign statement only the postelection campaign
14 statement is required for that election.

15 (b) A committee other than a candidate committee shall file a
16 campaign statement for each period during which expenditures are
17 made for the purpose of influencing the nomination or election of a
18 candidate or for the qualification, passage, or defeat of a ballot
19 question.

20 (3) An independent committee, **AN INDEPENDENT EXPENDITURE**
21 **COMMITTEE**, or a political committee other than a house political
22 party caucus committee or senate political party caucus committee
23 required to file with the secretary of state shall file campaign
24 statements as required by this act according to the following
25 schedule:

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

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

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

5 (4) A house political party caucus committee or a senate
6 political party caucus committee required to file with the
7 secretary of state or a political party committee for a party
8 attempting to qualify as a new political party under section 685 of
9 the Michigan election law, 1954 PA 116, MCL 168.685, shall file
10 campaign statements as required by this act according to the
11 following schedule:

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

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

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

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

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

26 (f) For the period beginning on the fourteenth day immediately
27 preceding a general or special election and ending on the day

1 immediately following the general or special election, not later
2 than 4 p.m. each business day with a closing date of the
3 immediately preceding day, only for a contribution received or
4 expenditure made that exceeds \$1,000.00 per day.

5 (5) Notwithstanding subsection (3) or (4) or section 51, if an
6 independent expenditure is made within 45 days before a special
7 election by an independent committee, **AN INDEPENDENT EXPENDITURE**
8 **COMMITTEE**, or a political committee required to file a campaign
9 statement with the secretary of state, **THE COMMITTEE SHALL FILE** a
10 report of the expenditure ~~shall be filed by the committee~~ with the
11 secretary of state within 48 hours after the expenditure. The
12 report ~~shall~~ **MUST** be made on a form provided by the secretary of
13 state and must include the date of the independent expenditure, the
14 amount of the expenditure, a brief description of the nature of the
15 expenditure, and the name and address of the person to whom the
16 expenditure was paid. The brief description of the expenditure must
17 include either the name of the candidate and the office sought by
18 the candidate or the name of the ballot question and state whether
19 the expenditure supports or opposes the candidate or ballot
20 question. This subsection does not apply if the committee is
21 required to report the independent expenditure in a campaign
22 statement that is required to be filed before the date of the
23 election for which the expenditure was made.

24 (6) A candidate committee or a committee other than a
25 candidate committee that files a written statement under section
26 24(5) or (6) or that is automatically considered to have made a
27 statement under section 24(5) is not required to file a campaign

1 statement under subsection (1), (3), or (4) unless it received or
2 expended an amount in excess of \$1,000.00. If the committee
3 receives or expends an amount in excess of \$1,000.00 during a
4 period covered by a filing, the committee is then subject to the
5 campaign filing requirements under this act.

6 (7) A committee, candidate, treasurer, or other individual
7 designated as responsible for the committee's record keeping,
8 report preparation, or report filing who fails to file a statement
9 as required by this section shall pay a late filing fee. If the
10 committee has raised \$10,000.00 or less during the previous 2
11 years, the late filing fee ~~shall be~~ **IS** \$25.00 for each business day
12 the statement remains unfiled, but not to exceed \$500.00. If the
13 committee has raised more than \$10,000.00 during the previous 2
14 years, the late filing fee ~~shall~~ **MUST** not exceed \$1,000.00,
15 determined as follows:

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

18 (b) An additional \$25.00 for each business day after the first
19 3 business days the report remains unfiled.

20 (c) An additional \$50.00 for each business day after the first
21 10 business days the report remains unfiled.

22 (8) If a candidate, treasurer, or other individual designated
23 as responsible for the committee's record keeping, report
24 preparation, or report filing fails to file 2 statements required
25 by this section or section 35 and both of the statements remain
26 unfiled for more than 30 days, that candidate, treasurer, or other
27 designated individual is guilty of a misdemeanor punishable by a

1 fine of not more than \$1,000.00 or imprisonment for not more than
2 90 days, or both.

3 (9) If a candidate is found guilty of a violation of this
4 section, the circuit court for that county, on application by the
5 attorney general or the prosecuting attorney of that county, may
6 prohibit that candidate from assuming the duties of a public office
7 or from receiving compensation from public funds, or both.

8 (10) If a candidate, treasurer, or other individual designated
9 as responsible for a committee's record keeping, report
10 preparation, or report filing knowingly files an incomplete or
11 inaccurate statement or report required by this section, that
12 individual is subject to a civil fine of not more than \$1,000.00.

13 (11) If a candidate, treasurer, or other individual designated
14 as responsible for a committee's record keeping, report
15 preparation, or report filing knowingly omits or underreports
16 individual contributions or individual expenditures required to be
17 disclosed by this act, that individual is subject to a civil fine
18 of not more than \$1,000.00 or the amount of the contributions and
19 expenditures omitted or underreported, whichever is greater.

20 (12) If a candidate committee's account has a balance of
21 \$20,000.00 or more and a candidate, treasurer, or other individual
22 designated as responsible for that committee's record keeping,
23 report preparation, or report filing fails to file campaign
24 statements required under this act for 2 consecutive years, that
25 candidate, treasurer, or other individual is guilty of a felony
26 punishable by imprisonment for not more than 3 years or a fine of
27 not more than \$5,000.00, or both. Any money in a candidate

1 committee account described in this subsection is subject to
2 seizure by, and forfeiture to, this state as provided in this
3 section.

4 (13) Not more than 5 business days after seizure of money
5 under subsection (12), the secretary of state shall deliver
6 personally or by registered mail to the last known address of the
7 candidate from whom the seizure was made an inventory statement of
8 the money seized. The inventory statement ~~shall~~**MUST** also contain
9 notice to the effect that unless demand for hearing as provided in
10 this section is made within 10 business days, the money is
11 forfeited to this state. Within 10 business days after the date of
12 service of the notice, the candidate may by registered mail,
13 facsimile transmission, or personal service file with the secretary
14 of state a demand for a hearing before the secretary of state or a
15 person designated by the secretary of state for a determination as
16 to whether the money was lawfully subject to seizure and
17 forfeiture. The candidate is entitled to appear before the
18 secretary of state or a person designated by the secretary of
19 state, to be represented by counsel, and to present testimony and
20 argument. Upon receipt of a request for hearing, the secretary of
21 state or a person designated by the secretary of state shall hold
22 the hearing within 15 business days. The hearing is not a contested
23 case proceeding and is not subject to the administrative procedures
24 act of 1969, 1969 PA 306, MCL 24.201 to 24.328. After the hearing,
25 the secretary of state or a person designated by the secretary of
26 state shall render a decision in writing within 10 business days of
27 the hearing and, by order, shall either declare the money subject

1 to seizure and forfeiture or declare the money returnable to the
2 candidate. If, within 10 business days after the date of service of
3 the inventory statement, the candidate does not file with the
4 secretary of state a demand for a hearing before the secretary of
5 state or a person designated by the secretary of state, the money
6 seized is forfeited to this state by operation of law. If, after a
7 hearing before the secretary of state or a person designated by the
8 secretary of state, the secretary of state or a person designated
9 by the secretary of state determines that the money is lawfully
10 subject to seizure and forfeiture and the candidate does not appeal
11 to the circuit court of the county in which the seizure was made
12 within the time prescribed in this section, the money seized is
13 forfeited to this state by operation of law. If a candidate is
14 aggrieved by the decision of the secretary of state or a person
15 designated by the secretary of state, that candidate may appeal to
16 the circuit court of the county where the seizure was made to
17 obtain a judicial determination of the lawfulness of the seizure
18 and forfeiture. The action ~~shall~~**MUST** be commenced within 20 days
19 after notice of a determination by the secretary of state or a
20 person designated by the secretary of state is sent to the
21 candidate. The court shall hear the action and determine the issues
22 of fact and law involved in accordance with rules of practice and
23 procedure as in other in rem proceedings.

24 Sec. 35. (1) In addition to any other requirements of this act
25 for filing a campaign statement, a committee ~~required to file with~~
26 ~~the secretary of state~~ shall also file a campaign statement not
27 later than January 31 of each year. The campaign statement ~~shall~~

1 ~~have~~**HAS** a closing date of December 31 of the previous year. The
2 period covered by the campaign statement filed under this
3 subsection begins the day after the closing date of the previous
4 campaign statement. A campaign statement filed under this
5 subsection is waived if a postelection campaign statement has been
6 filed that has a filing deadline within 30 days of the closing date
7 of the campaign statement required by this subsection.

8 (2) Subsection (1) does not apply to a candidate committee for
9 an officeholder who is a judge or a supreme court justice, or who
10 holds an elective office for which the salary is less than \$100.00
11 a month and who does not receive any contribution or make any
12 expenditure during the time that would be otherwise covered in the
13 statement.

14 (3) A committee, candidate, treasurer, or other individual
15 designated as responsible for the record keeping, report
16 preparation, or report filing for a candidate committee of a
17 candidate for state elective office or a judicial office who fails
18 to file a campaign statement under this section shall be assessed a
19 late filing fee. If the committee has raised \$10,000.00 or less
20 during the previous 2 years, the late filing fee ~~shall be~~**IS** \$25.00
21 for each business day the campaign statement remains unfiled, but
22 not to exceed \$500.00. If the committee has raised more than
23 \$10,000.00 during the previous 2 years, the late filing fee ~~shall~~
24 ~~be~~**IS** \$50.00 for each business day the campaign statement remains
25 unfiled, but not to exceed \$1,000.00. The **CANDIDATE SHALL PAY THE**
26 late filing fee assessed under this subsection, ~~shall be paid by~~
27 ~~the candidate,~~ and the candidate shall not use committee funds to

1 pay that fee. A committee, treasurer, or other individual
2 designated as responsible for the record keeping, report
3 preparation, or report filing for a committee other than a
4 candidate committee of a candidate for state elective office or a
5 judicial office who fails to file a campaign statement under this
6 section shall pay a late filing fee of \$25.00 for each business day
7 the campaign statement remains not filed in violation of this
8 section. The late filing fee ~~shall~~**MUST** not exceed \$500.00.

9 (4) A committee filing a written statement under section 24(5)
10 or (6) need not file a statement in accordance with subsection (1).
11 If a committee receives or expends more than \$1,000.00 during a
12 time period prescribed by section 24(5) or (6), the committee is
13 then subject to the campaign filing requirements under this act and
14 shall file a campaign statement for the period beginning the day
15 after the closing date of the last postelection campaign statement
16 or an annual campaign statement that is waived under subsection
17 (1), whichever occurred earlier.

18 (5) If a candidate, treasurer, or other individual designated
19 as responsible for the record keeping, report preparation, or
20 report filing fails to file 2 statements required by this section
21 or section 33 and both of the statements remain unfiled for more
22 than 30 days, that candidate, treasurer, or other designated
23 individual is guilty of a misdemeanor, punishable by a fine of not
24 more than \$1,000.00, or imprisonment for not more than 90 days, or
25 both.

26 (6) If a candidate, treasurer, or other individual designated
27 as responsible for the record keeping, report preparation, or

1 report filing for a committee required to file a campaign statement
2 under subsection (1) knowingly files an incomplete or inaccurate
3 statement or report required by this section, that individual is
4 subject to a civil fine of not more than \$1,000.00.

5 **Sec. 44. (1) A PERSON SHALL NOT MAKE A contribution shall not**
6 **be made by a person to another person with the agreement or**
7 **arrangement that the person receiving the contribution will then**
8 **transfer that contribution to a particular candidate committee.**

9 **(2) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION AND SECTIONS**
10 **21A, 45, AND 71, A CANDIDATE COMMITTEE SHALL NOT MAKE AN**
11 **EXPENDITURE OR OTHER DISBURSEMENT EXCEPT TO FURTHER THE NOMINATION**
12 **OR ELECTION OF THE CANDIDATE FOR WHICH IT IS FORMED.** A candidate
13 committee shall not make a contribution to or an independent
14 expenditure ~~in~~**ON** behalf of another candidate committee. This
15 subsection does not prohibit the purchase of tickets to another
16 candidate committee's fund-raising event that does not exceed
17 \$100.00 per candidate committee in any calendar year.

18 (3) An individual, other than a committee treasurer or the
19 individual designated as responsible for the record keeping, report
20 preparation, or report filing for a committee, who obtains
21 possession of a committee's contribution for the purpose of
22 delivering the contribution to another committee shall deliver the
23 contribution to that committee, that committee's treasurer, or that
24 committee's agent, or return the contribution to the payor, not
25 later than 10 business days after obtaining possession of the
26 contribution.

27 (4) Two or more persons, other than individuals, may hold a

1 joint fund-raiser if the receipts and expenses of the fund-raiser
2 are shared proportionately.

3 (5) A person who knowingly violates this section is guilty of
4 a misdemeanor punishable by **IMPRISONMENT FOR NOT MORE THAN 90 DAYS**
5 **OR** a fine of not more than \$1,000.00, ~~or imprisonment for not more~~
6 ~~than 90 days, or both.~~

7 Sec. 51. (1) A person, other than a committee, ~~who~~ **THAT** makes
8 an independent expenditure, advocating the election **OR DEFEAT** of a
9 candidate ~~or the defeat of a candidate's opponents or the~~
10 qualification, passage, or defeat of a ballot question, in an
11 amount of \$100.01 or more in a calendar year shall file a report of
12 the independent expenditure, within 10 days **AFTER MAKING THAT**
13 **INDEPENDENT EXPENDITURE**, with the clerk of the county of residence
14 of that person. **IF THE INDEPENDENT EXPENDITURE ADVOCATES THE**
15 **ELECTION OR DEFEAT OF A CANDIDATE FOR STATE ELECTIVE OFFICE OR THE**
16 **QUALIFICATION, PASSAGE, OR DEFEAT OF A STATEWIDE BALLOT QUESTION,**
17 **OR IF THE PERSON MAKING THE INDEPENDENT EXPENDITURE IS NOT A**
18 **RESIDENT OF THIS STATE, THE PERSON SHALL FILE THE REPORT WITH THE**
19 **SECRETARY OF STATE IN LIEU OF FILING WITH A CLERK OF A COUNTY.** The
20 report ~~shall~~ **REQUIRED UNDER THIS SECTION MUST** be made on an
21 independent expenditure report form provided by the secretary of
22 state, ~~and shall~~ include the date of the expenditure, a brief
23 description of the nature of the expenditure, the amount, the name
24 and address of the person to whom it was paid, the name and address
25 of the person filing the report, together with the name, address,
26 occupation, employer, and principal place of business of each
27 person ~~who~~ **THAT** contributed \$100.01 or more to the expenditure, **AND**

1 IDENTIFY THE CANDIDATE OR BALLOT QUESTION FOR OR AGAINST WHICH THE
2 INDEPENDENT EXPENDITURE WAS MADE. The filing official receiving the
3 report shall forward copies, as required, to the appropriate filing
4 officers as described in section 36.

5 (2) IF A PERSON FAILS TO FILE A REPORT AS REQUIRED UNDER THIS
6 SECTION, THAT PERSON SHALL PAY A LATE FILING FEE. IF THE PERSON HAS
7 MADE INDEPENDENT EXPENDITURES TOTALING LESS THAN \$10,000.00, THE
8 LATE FILING FEE IS \$25.00 FOR EACH BUSINESS DAY THE REPORT REMAINS
9 UNFILED, BUT NOT TO EXCEED \$1,000.00. IF THE PERSON HAS MADE
10 INDEPENDENT EXPENDITURES TOTALING \$10,000.00 OR MORE, THE LATE
11 FILING FEE IS \$50.00 FOR EACH BUSINESS DAY THE REPORT REMAINS
12 UNFILED, BUT NOT TO EXCEED \$5,000.00. A PERSON THAT VIOLATES THIS
13 SUBSECTION BY FAILING TO FILE A REPORT REQUIRED UNDER THIS SECTION
14 FOR MORE THAN 30 DAYS AFTER THE REPORT IS REQUIRED TO BE FILED IS
15 GUILTY OF A MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE
16 THAN 90 DAYS OR A FINE OF NOT MORE THAN \$1,000.00, OR BOTH.

17 Sec. 54. (1) Except ~~with respect to the exceptions and~~
18 ~~conditions in subsections (2) and (3)~~ **AS OTHERWISE PROVIDED IN THIS**
19 **SECTION** and section 55, and **EXCEPT WITH RESPECT** to loans made in
20 the ordinary course of business, a corporation, joint stock
21 company, domestic dependent sovereign, or labor organization shall
22 not make a contribution or expenditure or provide volunteer
23 personal services that are excluded from the definition of a
24 contribution under section 4(3)(a).

25 (2) An officer, director, stockholder, attorney, agent, or any
26 other person acting for a labor organization, a domestic dependent
27 sovereign, or a corporation or joint stock company, whether

1 incorporated under the laws of this or any other state or foreign
 2 country, except corporations formed for political purposes, shall
 3 not make a contribution or expenditure or provide volunteer
 4 personal services that are excluded from the definition of a
 5 contribution under section 4(3)(a).

6 (3) Except for expenditures made by a corporation in the
 7 ordinary course of its business, an expenditure made by a
 8 corporation to provide for the collection and transfer of
 9 contributions to another separate segregated fund not established
 10 by that corporation, or to a separate segregated fund not connected
 11 to a nonprofit corporation of which the corporation is a member,
 12 constitutes an in-kind contribution by the corporation and is
 13 prohibited under this section. Advanced payment or reimbursement to
 14 a corporation by a separate segregated fund not established by that
 15 corporation, or by a separate segregated fund not connected to a
 16 nonprofit corporation of which the corporation is a member, does
 17 not cure a use of corporate resources otherwise prohibited by this
 18 section.

19 (4) A corporation, joint stock company, domestic dependent
 20 sovereign, or labor organization may make a contribution to a
 21 ballot question committee **OR INDEPENDENT EXPENDITURE COMMITTEE**
 22 subject to this act. A corporation, joint stock company, domestic
 23 dependent sovereign, or labor organization may make an independent
 24 expenditure in any amount ~~for~~ **ADVOCATING FOR THE ELECTION OR DEFEAT**
 25 **OF A CANDIDATE, OR** the qualification, passage, or defeat of a
 26 ballot question. ~~A corporation, joint stock company, domestic~~
 27 ~~dependent sovereign, or labor organization that makes an~~

1 ~~independent expenditure under this subsection is considered a~~
2 ~~ballot question committee for the purposes of this act.~~ **AND DOES NOT**
3 **FOR THIS REASON BECOME A COMMITTEE, UNLESS IT SOLICITS OR RECEIVES**
4 **CONTRIBUTIONS IN EXCESS OF \$500.00 FOR THE PURPOSE OF MAKING THE**
5 **INDEPENDENT EXPENDITURE, BUT IS SUBJECT TO THE INDEPENDENT**
6 **EXPENDITURE REPORTING REQUIREMENTS OF SECTION 51.**

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

12 Sec. 55. (1) A connected organization may make an expenditure
13 for the establishment or administration of, and solicitation,
14 collection, or transfer of contributions to, a separate segregated
15 fund to be used for political purposes. A separate segregated fund
16 established by a connected organization under this section ~~is~~
17 ~~limited to making~~ **SHALL BE ORGANIZED AS A POLITICAL COMMITTEE OR AN**
18 **INDEPENDENT COMMITTEE, AND, IN ADDITION TO ANY OTHER DISBURSEMENTS**
19 **NOT RESTRICTED OR PROHIBITED BY LAW, SHALL ONLY MAKE** contributions
20 to, and expenditures on behalf of, candidate committees, ballot
21 question committees, political party committees, political
22 committees, **INDEPENDENT EXPENDITURE COMMITTEES**, independent
23 committees, and other separate segregated funds.

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

1 (a) Stockholders of the corporation or company.

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

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

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

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

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

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

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

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

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

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

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

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

27 (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 ~~shall~~**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.

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

24 (a) The individual making the contribution does either of the
25 following:

26 (i) Specifically indicates in a record or electronic record
27 that the amount collected, or a specified portion of the total

1 amount if remitted as part of a dues or other payment to the
2 connected organization, is a contribution to the separate
3 segregated fund.

4 (ii) Fails to return a record or electronic record described
5 in subparagraph (i), but remits payment to the connected
6 organization in response to a specifically requested amount that
7 includes a solicited contribution, the solicitation for a
8 contribution was clearly distinguishable from any dues or other
9 fees requested as part of the total, and the connected organization
10 maintains a record or electronic record of the solicitation that
11 includes the amount of the solicited contribution and the amount of
12 any dues or other fees charged in conjunction with the solicitation
13 for each contributor.

14 (b) The connected organization transfers the entire specified
15 amount of any designated contribution, individually or aggregated
16 with other contributions, to the separate segregated fund
17 electronically or by written instrument. Any transfer of designated
18 contributions ~~shall~~**MUST** be accompanied by or logically associated
19 with a record or electronic record setting forth all information
20 required under section 26 for each individual contributor whose
21 contribution is transferred.

22 (c) The connected organization accounts for any contributions
23 under this subsection in a manner that documents all of the
24 following:

25 (i) The identity of the individual contributor.

26 (ii) The date, amount, and method of receipt for each
27 individual contribution.

1 (iii) The date, amount, and method of all transfers to the
2 separate segregated fund.

3 (d) The connected organization and the separate segregated
4 fund adopt a written policy governing the handling, accounting, and
5 transfer of any contribution under this subsection.

6 (e) In connection with an investigation or hearing under
7 section 15 regarding any contributions under this subsection, the
8 connected organization voluntarily agrees to make available to the
9 secretary of state any records described in subdivisions (a) to (d)
10 and provides those records at the request of the secretary of
11 state.

12 (8) Except as otherwise provided in subsection (10), a person
13 who knowingly violates this section is guilty of a felony
14 punishable, if the person is an individual, by a fine of not more
15 than \$5,000.00 or imprisonment for not more than 3 years, or both,
16 or, if the person is not an individual, by a fine of not more than
17 \$10,000.00.

18 (9) If a ~~corporation, joint stock company, domestic dependent~~
19 ~~sovereign, or labor~~ **CONNECTED** organization that obtains
20 contributions for a separate segregated fund from individuals
21 described in subsection (2), (3), (4), or (5) pays to 1 or more of
22 those individuals a bonus or other remuneration for the purpose of
23 reimbursing those contributions, then that ~~corporation, joint stock~~
24 ~~company, domestic dependent sovereign, or labor~~ **CONNECTED**
25 organization is subject to a civil fine ~~equal to~~ **OF NOT MORE THAN 2**
26 times the total contributions obtained from all individuals for the
27 separate segregated fund during that calendar year.

1 (10) If a violation of this section results solely from the
2 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), 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) apply to any
8 other violation of this section, including use or diversion of any
9 contributions by a connected organization ~~for a purpose not~~
10 ~~described in subsection (7)~~ before those contributions are
11 transferred to the separate segregated fund **UNDER SUBSECTION (7)**.

12 (11) As used in this section:

13 (a) "Connected organization" means ~~a~~ **EITHER OF THE FOLLOWING:**

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

18 (ii) **A** member of any ~~such~~ entity **UNDER SUBPARAGRAPH (i)** that
19 **is not 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,

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1 cashier's check, or other negotiable instrument, as those terms are
2 defined in section 3104 of the uniform commercial code, 1962 PA
3 174, MCL 440.3104, in the name of the connected organization and
4 payable to the separate segregated fund.

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