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## CAMPAIGN FINANCE ACT AMENDMENTS

### House Bill 4523

Sponsor: Rep. Andrew Richner

### House Bill 5056

Sponsor: Rep. Judson Gilbert II

### House Bill 5057

Sponsor: Rep. Gary Woronchak

### House Bill 5058

Sponsor: Rep. Bruce Patterson

Committee: Constitutional Law and Ethics

Complete to 11-1-99

House Bills 4523, 5056, 5057 and 5058 (11-1-99)

## A SUMMARY OF HOUSE BILLS 4523, 5056, 5057, AND 5058 AS INTRODUCED 10-26-99

The bills would amend the Michigan Campaign Finance Act to increase certain fees for failing to file, or for late filing of, required campaign finance reports; to provide for forfeiture of the public compensation of elected candidates with unfiled reports or unpaid fees or fines; to specify a process for the secretary of state regarding complaints of violations of the act; to add new criminal penalties for failing to file required reports and for making false allegations of campaign finance act violations; to require a state website with information on campaign contributions and expenditures; and to make a number of other changes to the act.

More specifically, the bills would amend the Michigan Campaign Finance Act as follows:

House Bill 4523 would amend the Michigan Campaign Finance Act (MCL 169.233 and 169.235) to:

\*\* increase from \$25 a business day to \$50 a business day the late filing fee for committees other than candidate committees that failed to file a required statement under sections 33 or 35, up to a maximum of \$1,000 instead of the current \$500 maximum (see House Bill 5057 below, which would amend the same sections);

\*\* make it a misdemeanor, punishable by a fine of up to \$1,000 or imprisonment for up to 90 days, or both, if a candidate failed to file (or have filed) for more than 30 days the two statements required under sections 33 and 35 of the act, and prohibit a candidate from paying a late filing fee or the criminal fine from his or her committee funds; and

\*\* prohibit public bodies from compensating candidates who were elected to office while an unfiled report or unpaid fee or fine was due, and, upon request from the secretary of state, require the public body to transfer all or part of the compensation forfeited by the elected candidate to be credited against his or her unpaid fee or fine.

House Bill 5056 would amend the Michigan Campaign Finance Act (MCL 169.216 and 169.232) to:

\*\* require the secretary of state to establish and maintain a (“single”) website, and require filing officials to make available to the public on that website reports of late contributions no later than the end of the business day on which the report was received; and

\*\* increase from \$25 to \$100 for each business day, up to a maximum of \$2,000 rather than the current \$1,000 maximum, the late filing fee for reports of late contributions.

House Bill 5057 would amend the Michigan Campaign Finance Act (MCL 169. 215 et al.) to establish a process for the secretary of state to review complaints alleging violations of the campaign finance act. More specifically, within five business days after a complaint was filed, the secretary of state would be required to give notice, including a copy of the complaint, to the person against whom the complaint had been filed. Within five days of providing the notice, the person against whom the complaint had been filed could submit a response to the secretary of state (though the secretary of state could extend this response period for an additional 15 business days for “good cause”). The secretary of state would have to provide the complainant with a copy of the response, at which time the complainant would have ten days to submit a rebuttal statement to the secretary of state (though the secretary of state could also extend the rebuttal period an addition ten business days for good cause). The secretary of state then would have to provide the person against whom the complaint had been filed a copy of the rebuttal statement from the complainant. Then, every 60 days after a complaint had been filed, and until the matter were terminated, the secretary of state would have to mail to both the complainant and the person against whom the complaint had been filed notice of the action taken to date by him or her, along with the reasons for the action or nonaction.

Currently, filing officials are required to keep statements of organization for five years from the official date of the committee’s dissolution. Under House Bill 5057, if uncorrected violations had occurred in the statements or reports, or if a court determined that a violation of the campaign finance act had occurred with regard to the statements or reports, the preservation period would be extended until five years after the date of the court determination or the date the violations were corrected, whichever were later.

Currently, a committee (other than an independent committee or a political committee) required to file with the secretary of state) supporting or opposing a candidate is required to file campaign statements as required by the campaign finance act. House Bill 5057 would amend this requirement to say that such committees would be required to file “complete” campaign statements not only as required by the act but also as required by rules promulgated under the act.

Currently, a committee, candidate, treasurer, or other individual designated as responsible for the committee's record keeping, report preparation, or report filing who fails to file a statement as required under sections 33 or 35 must pay a late filing fee of \$25 for each business day the statement remains unfiled, up to a maximum of \$500. House Bill 5057 would amend these sections to say that if the committee had raised \$10,000 or less during the previous two years, the late filing fee of \$25 for each business day and the maximum of \$500 would remain unchanged. But if the committee had raised more than \$10,000 during the previous two years, the late filing fee would be \$50 for each business day up to a maximum of \$1,000. (See House Bill 4523 above, which would amend the same sections.) The late filing fees for ballot question committees under section 34 would be similarly changed, though the current maximum of \$1,000 for ballot question committees would be raised to \$2,000.

House Bill 5058 would amend the Michigan Campaign Finance Act (MCL 169.215) to make it a misdemeanor, punishable by a fine of up to \$500 or imprisonment for up to 90 days, or both, to files a false complaint with the secretary of state alleging a violation of the act, knowing that the complaint was false. (See House Bill 5057 above, which would amend the same section.)

Analyst: S. Ekstrom

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