

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 4523 (Substitute H-2 as reported without amendment)  
Sponsor: Representative Andrew Richner  
House Committee: Constitutional Law and Ethics  
Senate Committee: Government Operations

Date Completed: 12-17-99

### **RATIONALE**

Under the Michigan Campaign Finance Act, the candidate committee of a candidate for State elective office or a judicial office must file a campaign statement. The candidate committee, treasurer, or other individual designated as responsible for the committee's record-keeping or report preparation or filing is subject to a late filing fee of \$25 for each business day a statement remains unfiled, up to a maximum of \$500. Even though this individual or the committee is designated as responsible for the fine, nothing in the Act prohibits the use of committee funds to pay late fees, regardless of who is responsible. It has been suggested that using committee funds to pay late fees is inappropriate, and that the candidate himself or herself should be required to pay the fees.

### **CONTENT**

The bill would amend the Michigan Campaign Finance Act to provide that the late filing fee for failure to file a campaign statement would have to be paid by the candidate, and specify that the candidate could not use committee funds to pay the fee. The bill would apply to a candidate for State elective office or a judicial office.

MCL 169.235

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

The Act requires the filing of campaign statements so that the public can have access to information about a candidate's funding, and use of those funds. Statements not filed on time result in the imposition of late filing fees; the fees are imposed in an attempt to encourage timely filing. The fact that the late filing fees are not required to be paid by any one person provides a disincentive for filing on time. Currently, the fees may be paid from the candidate's committee fund, which is money that has been donated to or raised by the committee, and thus no one individual is made personally liable. By forbidding the use of committee funds for the payment of late filing fees, and making candidates personally liable for paying the fees, the bill would increase the likelihood of timely filing of campaign statements, allowing better public oversight of campaign financing.

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The fiscal impact of this bill is indeterminate. Revenue from fines collected depends upon the number of candidates against whom the late fees are assessed.

Fiscal Analyst: E. Limbs

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.