

CAMPAIGN STATEMENTS AND CONTRIBUTIONS

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Senate Bill 661 (S-2, as amended)

Sponsor: Sen. Arlan Meekhof

House Committee: Elections and Ethics

Senate Committee: Local Government and Elections

Complete to 12-10-13

A SUMMARY OF SENATE BILL 661 (S-2, as amended) AS REPORTED FROM HOUSE COMMITTEE

The bill would amend the Michigan Campaign Finance Act (MCL 169.204 et al) to do the following:

- Require a committee to file campaign statements in July and October of a year in which there was no election for the candidate the committee was supporting or opposing.
- Double the maximum contributions to a candidate or political party caucus committee allowed during an election cycle, and require the Secretary of State to adjust the contribution limits for inflation every four years.
- Strike the provisions prohibiting House and Senate political party caucus committees from paying a debt incurred by a candidate during a primary election, or from making contributions or expenditures on behalf of candidates seeking nomination in a primary election, when those candidates have primary opposition.
- Alter the definition of "contribution" so as to raise the annual cap to \$1,000 (instead of \$100) for food and beverages *not included* (so not needing disclosure) as contributions, when they are donated by an individual to a committee.
- Alter the definition of "expenditure" to specify that an expenditure does *not include* "an expenditure for a communication if the communication does not in express terms advocate the election or defeat of a clearly identified candidate, so as to restrict the application of the act to communications containing express words of advocacy of election or defeat, such as "vote for," "elect," "support," "cast your ballot for," "Smith for governor," "Vote Against," "Defeat," or "Reject."
- Clarifies when the paying sponsors of political communications must be identified.

Campaign Statement Filing

Under the Michigan Campaign Finance Act, a committee, other than an independent committee or a political committee that is required to file with the Secretary of State, supporting or opposing a candidate must file complete campaign statements as required by the act and rules promulgated under it. A pre-election statement must be filed by the 11th day before an election, with a closing day of the 16th day before the election. A postelection statement also must be filed within 30 days after the election, with a closing date of the 20th day after the election.

Under the bill, in a year in which there was no election for the candidate the committee was supporting or opposing, statements also would have to be filed as follows:

- By July 25, with a closing date of July 20 of that year.
- By October 25, with a closing date of October 20 of that year.

Contribution Limits

Under Section 52, except as otherwise provided, a person other than an independent committee or a political party committee may not make contributions to a candidate committee that, with respect to an election cycle, are more than the following:

- \$3,400 for a candidate for state elective office other than the office of state legislator, or for a candidate for local elective office if the district from which he or she is seeking office has a population of more than 250,000.
- \$1,000 for a candidate for state senator, or for a candidate for local elective office if the district from which he or she is seeking office has a population of more than 85,000 but not more than 250,000.
- \$500 for a candidate for state representative, or for a candidate for local elective office if the district from which he or she is seeking office has a population of 85,000 or less.

The bill would increase these amounts to \$6,800, \$2,000, and \$1,000, respectively.

Section 52a prohibits a person from making contributions to a House or Senate political party caucus committee that exceed \$20,000 in a calendar year. A political party caucus committee or a treasurer or agent of the committee may not accept a contribution with respect to a two-year election cycle that exceeds this amount. The bill would increase the limit to \$40,000.

Under Section 69(1), except as otherwise provided, a person other than an independent committee or a political party committee may not make contributions to a candidate committee that are more than \$3,400 in value for an election cycle. The bill would increase this amount to \$6,800.

Beginning January 1, 2019, and every four years after that, the Secretary of State would be required to adjust the dollar value contribution limits provided in Sections 52, 52a, and 69(1) based on the increase or decrease in the Detroit consumer price index (CPI) for the preceding August by the corresponding CPI four years earlier. Each dollar value adjustment would be rounded to the nearest \$25. The Secretary of State would have to announce the adjustments by December 15 of each year.

Identification Requirement

Senate Bill 661(S-2) as amended specifies that a (political) communication otherwise entirely exempted from this act under Section 6(2)(j) is subject only to the identification required by subsection (1) or (2) if that communication references a clearly identified candidate within 30 days before an election in which the candidate appears on a ballot, and is targeted to the relevant electorate where the candidate appears on the ballot by means of radio, television, or mass mailing.

The bill defines "mass mailing" to mean a mailing by United States mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30-day period. A mass mailing does not include electronic mail or internet communications.

POSITIONS:

Americans for Prosperity supports the bill with an amendment to retain the caucus primary election prohibition. (12-3-13)

The Michigan Freedom Fund supports the bill. (12-3-13)

The Center for Competitive Politics supports the bill. (12-3-13)

The Michigan Chamber of Commerce supports the bill. (12-10-13)

The Michigan Campaign Finance Network opposes the bill. (12-3-13)

The State Bar of Michigan Negligence Law Section opposes the bill. (12-3-13)

The Oakland County Bar Association opposes the bill. (12-3-13)

The League of Women Voters opposes the bill. (12-3-13)

Common Cause of Michigan opposes the bill. (12-10-13)

The Michigan Defense Trial Counsel opposes the bill. (12-10-13)

FISCAL IMPACT:

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

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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.