

# Legislative Analysis



## ADDRESSING FINDINGS FROM AUDITOR GENERAL REPORT

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 6177 (H-2) as referred to second committee**  
**Sponsor: Rep. Matt Hall**

Analysis available at  
<http://www.legislature.mi.gov>

**House Bill 6178 (H-2) as referred**  
**Sponsor: Rep. Julie Calley**

**House Bill 6180 (H-1) as referred**  
**Sponsor: Rep. Frank Liberati**

**House Bill 6179 (H-1) as referred**  
**Sponsor: Rep. Steve Marino**

**House Bill 6181 (H-1) as referred**  
**Sponsor: Rep. Terry Sabo**

**1st Committee: Elections and Ethics**  
**2nd Committee: Ways and Means**  
**Complete to 11-30-20**

**BRIEF SUMMARY:** House Bills 6177 and 6178 would amend the Election Code to require the secretary of state (SOS) to remove from the qualified voter file (QVF) voters who do not respond to a mailing notifying them that they have “placeholder” birthdates in the QVF, or that they have not voted since the 2000 general November election, and that failure to respond will result in their removal.

House Bill 6179 would amend the Election Code to require the SOS to post on the SOS website in odd-numbered years the names of clerks who have not completed the required training.

House Bill 6180 would amend the timing for filing of lobbyists’ reports in the Lobby Act.

House Bill 6181 would amend the timing in the Campaign Finance Act for correction of errors and omissions in a filed campaign statement or report.

**FISCAL IMPACT:** House Bills 6177 and 6178 would result in additional administrative costs for the Department of State related to the expense of mailing return cards with prepaid and preaddressed postage. The cost is indeterminate at the time of this analysis but would depend on the number of registered electors who have unknown actual dates of birth on the QVF or the number of registered electors who have not voted since the 2000 general November, respectively, and the cost of postage.

House Bills 6179 to 6181 would have no fiscal impact on the state or local units of government.

## ***THE APPARENT PROBLEM:***

The Michigan Office of the Auditor General (OAG) conducts periodic performance audits of state government operations. In December 2019, the OAG released its most recent performance audit<sup>1</sup> of the Bureau of Elections, which included three *reportable conditions*,<sup>2</sup> or less severe issues, and one *material condition*,<sup>3</sup> or more severe issues. The bills aim to address the three reportable conditions, as described in **Background**, below.

## ***THE CONTENT OF THE BILLS:***

### **House Bill 6177**

Currently, section 510 of the Election Code requires the county clerk to forward a list of adults who have died in the county to city and township clerks, who would then cancel the registration of deceased electors.

The bill would also require the SOS, by March 31, 2021, to send both of the following to each registered elector who has been assigned a placeholder date of birth on the QVF because the actual date of birth is unknown:

- A postage prepaid and preaddressed return card on which the elector may verify his or her birthdate.
- A notice that the elector must complete and return the enclosed card, including the date of birth, at least 15 days before the next election; that he or she may otherwise be required to affirm the date of birth in writing before being allowed to vote; and that failure to do so will result in the cancellation of his or her registration following the second general November election after the notice.

If the mailings were returned as undeliverable, the bill would require the SOS to identify that elector's registration record as challenged. Then, if the elector did not vote or engage in voter-initiated activity or verify the birthdate within two general November elections, the SOS would have to cancel the elector's registration and notify the applicable city or township clerk of the cancellation.

MCL 168.510

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<sup>1</sup> <https://audgen.michigan.gov/wp-content/uploads/2019/12/r231023519.pdf>

<sup>2</sup> The OAG defines a *reportable condition* as a matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the audit objectives; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.

<sup>3</sup> The OAG defines a *material condition* as a matter that, in the auditor's judgment, is more severe than a reportable condition and could impair the ability of management to operate a program in an effective and efficient manner or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program. The assessment of materiality is in relation to the applicable audit objective.

### **House Bill 6178**

Currently, the Election Code provides that an elector's voter registration may not be canceled based solely on a failure to vote.

The bill would instead require the SOS to cancel the elector's registration if he or she did not reply to the notice described below or engage in voter-initiated activity by the second general November election after the notice.

The notice would state that the SOS's records indicate that the voter has not voted since the 2000 general November election and that the voter must fill out and return the enclosed card if he or she wishes to remain registered to vote at that address. Further, it would indicate that the voter would have to do so at least 15 days before the next election; that he or she may otherwise be required to affirm his or her current address before being allowed to vote; and that failure to do so will result in his or her registration being canceled following the second general November election after the notice

Then, as under HB 6177, if the notice was returned as undeliverable, the bill would require the SOS to identify that elector's registration record as challenged. Then, if the elector did not vote or engage in voter-initiated activity within two general November elections, the SOS would have to cancel the elector's registration and notify the applicable city or township clerk of the cancellation.

MCL 168.509bb

### **House Bill 6179**

The bill would amend the Election Code to require the SOS to post on the SOS website, by July 1 of odd-numbered years, the name of each county, city, and township clerk who is not current with his or her continuing election education training required under the [code](#), and to remove that name upon receiving evidence that the clerk has become current. The SOS would have to notify delinquent clerks by June 1 of odd-numbered years, and remove from the list those who remedy the delinquency before July 1.

Proposed MCL 168.33a

### **House Bill 6180**

Currently, the Lobby Act requires a lobbyist or lobbyist agent to file reports detailing expenditures and financial transactions one month after the period that is covered by the report ends—on January 31 for the previous calendar year, and on August 31 for the seven-month period from the preceding December 31 to July 31.

The bill would revise the time periods and move both filing deadlines back by one month—so, February 28 for the preceding August 31 to January 31 and September 30 for the preceding January 31 to August 31.

For the report to be filed on February 28, 2021, the report would have to cover the preceding August 1 to January 31.

MCL 4.418

## House Bill 6181

Currently, for statements and reports required under the Campaign Finance Act, a filing official determines whether the statement or report complies with the act and rules and notifies the filer of any errors or omissions within four business days after the filing deadline. Additionally, the filing official notifies people the official believes are required to file of a failure to file within four business days of the filing deadline.

The bill would extend these notice requirements to 30 business days after the filing deadline. If a notice of error or omission had not been given in that time period, the statement or report would be considered filed, even if it is later amended.

The bill also would extend the deadline for submitting the corrected statement or report (or the initial statement or report if the person did not file by the initial deadline) to 35 business days after the initial deadline. Currently the deadline is nine business days after the initial deadline.

Finally, where the filing official must now report to the attorney general uncorrected errors or omissions, and failures to file, between 9 and 12 business days after the initial deadline, the bill would change that time period to 35 to 38 business days after the initial deadline.

MCL 169.216

### **BACKGROUND:**

The findings from the OAG audit, and the bills that address those findings, are described below.

#### ***Finding #1: BOE should improve control procedures over QVF to help decrease the risk of ineligible electors voting in Michigan.***

The auditor general identified 230 registered electors who had an age that was greater than 122 years, the oldest officially documented person to ever live. Specifically, the OAG noted:

With regard to individuals recorded in the QVF with an age greater than 122 years, BOE notes that in most of these cases, further follow-up is needed with the voter to confirm his/her actual date of birth; and thus these individuals do not actually have “an age greater than 122 years.” It is impossible to have a “blank” in the QVF date of birth field. Individuals with no recorded date of birth have been deliberately coded with an implausible birth date (such as 5/5/1850) to more clearly indicate records needing further follow-up.

HBs 6177 and 6178 would require the SOS to remove voters with a “placeholder” birthdate and those who have not voted since 2000 if they do not respond to the required mailing or participate in voter-initiated activity within two general November elections.

#### ***Finding #3: Election Officials had not completed the required training to obtain or retain accreditation in 14% of counties, 14% of cities, and 23% of townships.***

HB 6179 would require the SOS to post on the SOS website in odd-numbered years the names of clerks who have not completed the required training.

***Finding #4: BOE's review was not timely for 79%, 42%, and 67% of the campaign statements, lobby reports, and campaign finance complaints, respectively, that we selected for the audit.***

HBs 6180 and 6181 would amend the filing timelines currently in place under the Lobby Act and Campaign Finance Act.

Of note, although not addressed in the bills, the material finding concerned access to the QVF:

***Finding #2: BOE needs to improve its access controls over QVF Refresh to help prevent and detect inappropriate access and protect elector information from unauthorized use, disclosure, modification, or destruction.***

In testimony before the Senate Oversight committee on February 5, 2020, representatives of the Department of Technology, Management, and Budget (DTMB) testified that the unauthorized access was an isolated incident in which an employee transferred positions within DTMB and inadvertently retained access to the QVF. As the employee had been asked to consult, if needed, the employee logged on a few times to determine if there was continued access. According to testimony, this oversight was remedied and all employees (including those who may transfer within state employment) lose access upon leaving the team.

***ARGUMENTS:***

***For:***

Proponents advanced the bills as reasonable, targeted measures to address the findings in the OAG audit. For instance, HBs 6177 and 6178 are intended to purge the voter rolls of inactive or ineligible voters, but would give voters two years to assert that they are, in fact, active. Similarly, HBs 6180 and 6181 address unrealistic timelines that are not currently being followed and adjust them so that they more accurately reflect current practice. Finally, HB 6179 would mandate a public list of clerks delinquent in their election training.

***Against:***

No one testified or voted against the bills in the House Elections and Ethics committee.

***POSITIONS:***

The Michigan Department of State indicated support for the bills. (9-9-20)

Legislative Analyst: Jenny McInerney  
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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.