

prescribe remedies and penalties; to provide appropriations; and to repeal certain acts and parts of acts.

*The People of the State of Michigan enact:*

## CHAPTER 1

### **169.1 Definitions generally. [M.S.A. 4.1701(1)]**

Sec. 1. Except as otherwise defined in this act, the words and phrases defined in sections 2 to 15 shall have the meanings respectively ascribed to them in those sections for the purposes of this act.

### **169.2 Definitions; A to B. [M.S.A. 4.1701(2)]**

Sec. 2. (1) "Administrative action" means the proposal, drafting, development, consideration, amendment, enactment or defeat of a nonministerial action or rule by an executive agency or an official in the executive branch of state government. Administrative action does not include quasi-judicial determination as authorized by law or resolution of disputes arising out of the implementation of an action or rule of an executive agency.

(2) "Ballot question" means a question which is submitted or which is intended to be submitted to a popular vote at an election whether or not it qualifies for the ballot.

(3) "Ballot question committee" means a committee acting in support of, or in opposition to, the qualification, passage, or defeat of a ballot question but which does not receive contributions or make expenditures or contributions for the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of a candidate.

(4) "Business" means a corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust, activity or entity which is organized for profit.

(5) "Business with which the individual is associated" means a business: (a) in which the individual is a partner, director, officer, or employee; (b) in which a member of the individual's immediate family is a partner, director, or officer; or (c) in which the individual or a member of the individual's immediate family is a stockholder of close corporation stock worth \$1,000.00 or more at fair market value or which represents more than a 5% equity interest, or is a stockholder of publicly traded stock worth \$10,000.00 or more at fair market value or which represents more than 10% equity interest. For purposes of this subsection, "employee" does not include an individual retained or otherwise employed by a client when the employment creates a confidential professional relationship protected by law, unless that individual is a regularly salaried employee for whom the business withholds income tax or pays social security tax. A professional corporation whose employees occupy a confidential professional relationship protected by law is also exempt from this subsection. This subdivision does not apply to publicly traded stock under a trading account if the filer reports the name and address of the stockbroker.

**169.3 Definitions; C. [M.S.A. 4.1701(3)]**

Sec. 3. (1) "Candidate" means an individual: (a) who files a fee, affidavit of incumbency, or nominating petition for an elective office; (b) whose nomination as a candidate for elective office by a political party caucus or convention is certified to the appropriate filing official; (c) who receives a contribution, makes an expenditure, or gives consent for another person to receive a contribution or make an expenditure with a view to bringing about the individual's nomination or election to an elective office, whether or not the specific elective office for which the individual will seek nomination or election is known at the time the contribution is received or the expenditure is made; or (d) who is an officeholder who is the subject of a recall vote. An elected officeholder shall be considered to be a candidate for reelection to that same office for the purposes of this act only.

(2) "Candidate committee" means the committee designated in a candidate's filed statement of organization as that individual's candidate committee. A candidate committee shall be presumed to be under the control and direction of the candidate named in the same statement of organization.

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

**169.4 Definitions; C. [M.S.A. 4.1701(4)]**

Sec. 4. (1) "Commission" means the state political ethics commission created in section 31.

(2) "Committee" means a person who receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of a candidate, or the qualification, passage, or defeat of a ballot question, if contributions received total \$200.00 or more in a calendar year or expenditures made total \$200.00 or more in a calendar year. An individual, other than a candidate, shall not constitute a committee.

(3) "Compensation" means anything of monetary value received or to be received from a person, whether in the form of a fee, salary, forbearance, forgiveness, or any other form of recompense.

**169.5 Definitions; C. [M.S.A. 4.1701(5)]**

Sec. 5. (1) "Contribution" means a payment, gift, subscription, assessment, expenditure, contract, payment for services, dues, advance, forbearance, loan, donation, pledge or promise of money or anything of ascertainable monetary value, whether or not conditional or legally enforceable, or a transfer of anything of ascertainable monetary value to a person, made for the purpose of influencing the nomination or election of a candidate, or for the qualification, passage, or defeat of a ballot question. An offer or tender of a contribution is not a contribution if expressly and unconditionally rejected or returned.

(2) Contribution includes the purchase of tickets or payment of an attendance fee for events such as dinners, luncheons, rallies, testimonials, and similar fund raising events; an individual's own money or property other than the individual's homestead used on behalf of that individual's candidacy; the granting of discounts or rebates not available to the general public; or the granting of discounts or rebates by broadcast media and newspapers not extended on an equal basis to all candidates for the same office.

(3) Contribution does not include:

(a) Volunteer personal services provided without compensation, or payments of costs incurred of less than \$250.00 in a calendar year by an individual for personal travel expenses if the costs are voluntarily incurred without any understanding or agreement that the costs shall be, directly or indirectly, repaid.

(b) Amounts received pursuant to a pledge or promise to the extent that the amounts were previously reported as a contribution.

(c) Food and beverages, not to exceed \$50.00 in value during a calendar year, which are donated by an individual and for which reimbursement is not given.

#### **169.6 Definitions; E. [M.S.A. 4.1701(6)]**

Sec. 6. (1) "Election" means a primary, general, special, or millage election held in this state or a convention or caucus of a political party held in this state to nominate a candidate. Election includes a recall vote.

(2) "Elective office" means a public office filled by an election, except for federal offices. A person who is appointed to fill a vacancy in a public office which is ordinarily elective holds an elective office. Elective office does not include the office of precinct delegate.

(3) "Executive agency" means a board, commission, agency, or other body in the executive branch of the state government.

#### **169.7 Definitions; E. [M.S.A. 4.1701(7)]**

Sec. 7. (1) "Expenditure" means a payment, donation, loan, pledge, or promise of payment of money or anything of ascertainable monetary value for goods, materials, services, or facilities in assistance of, or in opposition to, the nomination or election of a candidate, or the qualification, passage, or defeat of a ballot question. An offer or tender of an expenditure is not an expenditure if expressly and unconditionally rejected or returned.

(2) Expenditure includes a contribution or a transfer of anything of ascertainable monetary value for purposes of influencing the nomination or election of any candidate or the qualification, passage, or defeat of a ballot question.

(3) Expenditure does not include:

(a) An amount paid pursuant to a pledge or promise to the extent the amount was previously reported as an expenditure.

(b) An expenditure for communication by a person strictly with the person's paid members or shareholders.

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

(d) An expenditure by a broadcasting station, newspaper, magazine, or other periodical or publication for any news story, commentary, or editorial in support of or opposition to a candidate for elective office, or a ballot question in the regular course of publication or broadcasting.

(e) An expenditure for nonpartisan voter registration or get-out-the-vote activities. This exclusion shall not apply if a candidate or group of candidates sponsors, finances, or is identified by name with the activity. This exclusion shall apply to an activity performed pursuant to sections 491 to 524 of Act No. 116 of the Public Acts of 1954, as amended, being sections 168.491 to 168.524 of the

Michigan Compiled Laws by the secretary of state and other registration officials who are identified by name with the activity.

**169.8 Definitions; F. [M.S.A. 4.1701(8)]**

Sec. 8. (1) "Filed" means the receipt by the appropriate filing official of a statement or report required to be filed under this act.

(2) "Filer" means a person required to file a statement or report pursuant to this act.

(3) "Filing official" means the official designated pursuant to this act to receive required statements and reports.

(4) "Financial transaction" means a loan, purchase, sale, or other type of transfer or exchange of money, goods, other property, or services for value.

(5) "Fund raising event" means an event such as a dinner, reception, testimonial, rally, auction, bingo, or similar affair through which contributions are solicited or received by such means as purchase of a ticket, payment of an attendance fee, donations or chances for prizes, or through purchase of goods or services.

**169.9 Definitions; G to I. [M.S.A. 4.1701(9)]**

Sec. 9. (1) "Governmental body" means an authority, department, commission, committee, council, board, bureau, division, office, legislative body, or other agency in the executive, legislative, or judicial branch of state government or of 1 or more political subdivisions thereof or a school district, intermediate school district, community college district, or a state supported institution of higher education.

(2) "Immediate family" means a child residing in an individual's household, a spouse of an individual, or an individual claimed by that individual or that individual's spouse as a dependent for federal income tax purposes.

(3) "Income" means any money or thing of value received, or to be received as a claim on future services, whether in the form of a fee, salary, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other form of recompense then constituting income under the internal revenue code.

**169.10 Definitions; I. [M.S.A. 4.1701(10)]**

Sec. 10. "Independent committee" means a committee other than a political party committee which:

(a) Filed a statement of organization as an independent committee at least 6 months before an election for which it expected to accept contributions or make expenditures in support of or in opposition to a candidate for nomination to or election to a state elective office; and received contributions from at least 25 persons and made expenditures in support of or in opposition to 3 or more candidates for nomination for or election to a state elective office in the same calendar year.

(b) Meets the requirements of subdivision (a) at least 6 months before an election for which it expects to accept contributions and make expenditures in behalf of a candidate for state elective office except that it has not filed a statement of organization as an independent committee at least 6 months before the election. This subdivision applies only if the committee files a statement of organization as an independent committee within 6 months after the effective date of this act.

(c) Is a separate level, subsidiary, subunit, or affiliate of an organization which is an independent committee if the decisions or judgments to make contributions or expenditures on behalf of candidates are independently exercised within the separate level, subsidiary, subunit, or affiliate of the parent organization and otherwise meets the requirements of subdivision (a) or (b).

**169.11 Definitions; I. [M.S.A. 4.1701(11)]**

Sec. 11. (1) "Independent expenditure" means an expenditure as defined in section 7 by a person if the expenditure is not made at the direction of, or under the control of, another person and if the expenditure is not a contribution to a committee.

(2) "Influencing" means promoting, supporting, affecting, modifying, opposing, or delaying by any means, including the providing of or use of information, statistics, studies, or analyses.

(3) "In-kind contribution or expenditure" means a contribution as defined in section 5 or expenditure as defined in section 7, other than money.

**169.12 Definitions; L. [M.S.A. 4.1701(12)]**

Sec. 12. (1) "Legislative action" means introduction, sponsorship, support, opposition, consideration, debate, voting, passage, defeat, approval, veto, delay, or an official action by an official in the executive branch or an official in the legislative branch on a bill, resolution, amendment, nomination, appointment, report, or any matter pending or proposed in a legislative committee or either house of the legislature.

(2) "Loan" means a transfer of money, property, or anything of ascertainable monetary value in exchange for an obligation conditional or not, to repay in whole or part.

(3) "Lobbying" means communicating directly or soliciting others to communicate with an official in the executive branch or an official in the legislative branch for the purpose of influencing legislative or administrative action. Lobbying does not include communications by a person to its own paid members, or shareholders even though the purpose of communications is to solicit such members or shareholders to communicate with officials; or the providing of technical information by a person who is not a lobbyist or an employee of a lobbyist solely at the request of an official in the executive branch or an official in the legislative branch.

(4) "Lobbyist" means a person whose expenditures for lobbying are more than \$1,000.00 in value in any 12-month period, or the state or political subdivision which contracts for a lobbyist agent.

(5) "Lobbyist agent" means a person who receives compensation, reimbursement of actual expenses, or both, in a combined amount in excess of \$1,000.00 in any 12-month period for lobbying.

(6) Lobbyist or lobbyist agent does not include:

(a) A public official or employee of a branch of state government or an elected official of a subdivision thereof who is acting in the course or scope of the office or employment.

(b) A publisher, owner, or working member of the press, radio, or television while disseminating news or editorial comment to the general public in the ordinary course of business.

(c) A person who is authorized by law to represent another person before an executive agency and the person so represented when an appearance which

includes the name of the authorized representative and the name of the person being represented and a statement explaining the matter for which the person is being represented is filed with the executive agency while carrying out such duties.

(d) A political party unit recognized under Act No. 116 of the Public Acts of 1954, as amended, being sections 168.1 to 168.992 of the Michigan Compiled Laws, and officers and employees thereof while acting in the course of their office or employment.

(e) An employee of a lobbyist or lobbyist agent whose duties are confined to typing, filing, and other types of clerical office work.

(f) A person when representing a church, religious organization, convention or association of churches, or association of religious organizations for the purpose of defending, maintaining or implementing the public right to practice the doctrines of the church, religious organization, or conventions or associations thereof.

#### **169.13 Definitions; M to O. [M.S.A. 4.1701(13)]**

Sec. 13. (1) "Major political party" means a political party qualified to have its name listed on the general election ballot whose candidate for governor received 25% or more of the popular vote cast in the preceding gubernatorial election. If only 1 political party received 25% or more of the popular vote cast for governor in the preceding gubernatorial election, then the political party with the second highest vote shall be deemed a major party.

(2) "Minor political party" means a political party qualified to have its name listed on the general election ballot but which does not qualify as a major party.

(3) "Nonministerial action" means an action other than an action which a person performs in a prescribed manner under prescribed circumstances in obedience to the mandate of legal authority, without the exercise of personal judgment regarding whether to take the action.

(4) "Official in the executive branch" means the governor, lieutenant governor, secretary of state, attorney general, member of any state board or commission, or an individual who is in the executive branch of state government and not under civil service. This includes an individual who is elected or appointed and has not yet taken, or an individual who is nominated for appointment to, any of the offices enumerated in this subsection. An official in the executive branch does not include a person serving in a clerical, nonpolicy-making, or nonadministrative capacity.

(5) "Official in the legislative branch" means a member or member-elect of the legislature, a member of an official body established by and responsible to the legislature or either house thereof, or employee of same other than an individual employed by the state in a clerical or nonpolicy-making capacity.

#### **169.14 Definitions; P. [M.S.A. 4.1701(14)]**

Sec. 14. (1) "Person" means a business, individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, labor organization, company, corporation, association, committee, or any other organization or group of persons acting jointly.

(2) "Political merchandise" means goods such as bumper stickers, pins, hats, beverages, literature, or other items sold by a person at a fund raiser or to the general public for publicity or for the purpose of raising funds to be used in supporting or opposing a candidate for nomination for or election to an elective

office or in supporting or opposing the qualification, passage, or defeat of a ballot question.

(3) "Political party" means a political party which has a right under law to have the names of its candidates listed on the ballot in a general election.

(4) "Political party committee" means a state central, district, or county committee of a political party which is a committee.

(5) "Public employee" means an employee of the state or a political subdivision thereof.

(6) "Public official" means an official in the executive branch, an official in the legislative branch, or an elected or appointed official in the judicial branch of the state government or a political subdivision thereof; any elected or appointed member of a board of education; and an elected or appointed member of a governing body of a state institution of higher education. A precinct delegate shall not be considered a public official.

**169.15 Definitions; Q to S. [M.S.A. 4.1701(15)]**

Sec. 15. (1) "Qualifying contribution" means a contribution of money made by a written instrument by a person other than the candidate or the candidate's immediate family, to the candidate committee of a candidate for the office of governor which is \$100.00 or less. Not more than \$100.00 of a person's total aggregate contribution may be used as a qualifying contribution in any calendar year. Qualifying contribution does not include a subscription, loan, advance, deposit of money, in-kind contribution or expenditure, or anything else of value except as herein prescribed.

(2) "State elective office" means the office of governor, lieutenant governor, secretary of state, attorney general, justice of the supreme court, member of the state board of education, regent of the university of Michigan, member of the board of trustees of Michigan state university, member of the board of governors of Wayne state university, and member of the state legislature.

**169.31 Political ethics commission; creation; appointment and terms of members; vacancy; chairperson and vice-chairperson; quorum; votes; meetings; notice; compensation and expenses; "minority leader" defined. [M.S.A. 4.1701(31)]**

Sec. 31. (1) The political ethics commission is created as an autonomous entity within the department of state.

(2) The commission consists of 6 members appointed by the governor by and with the advice and consent of the senate, as follows:

(a) One member from a list of at least 3 individuals submitted by the majority party of the senate.

(b) One member from a list of at least 3 individuals submitted by the minority party of the senate.

(c) One member from a list of at least 3 individuals submitted by the majority party of the house of representatives.

(d) One member from a list of at least 3 individuals submitted by the minority party of the house of representatives.

(e) One member from a list of at least 3 individuals submitted by the republican state chairman.

(f) One member from a list of at least 3 individuals submitted by the democratic state chairman.

(3) Not more than 3 of the members may be of the same political party.

(4) The terms shall expire on March 31 of the year in which the terms are designated to expire. A member of the commission shall serve for a term of 4 years, or until the member's successor is appointed and qualified except that of those members first appointed:

(a) The 2 members appointed pursuant to subsection (2) (e) and (f) shall serve for 4 years. Their initial terms shall expire on March 31, 1980.

(b) The 2 members appointed pursuant to subsection (2) (c) and (d) shall serve for 2 years. Their initial terms shall expire on March 31, 1978.

(c) The 2 members appointed pursuant to subsection (2) (a) and (b) shall serve for 3 years. Their initial terms shall expire on March 31, 1979.

(5) An individual shall not serve more than 1 full 4-year term on the commission.

(6) A vacancy occurring other than by the expiration of a term of office shall be filled for the unexpired term of that office. A vacancy occurring on the commission shall be filled within 30 days in the manner in which that position was originally filled.

(7) The commission shall elect a chairperson and a vice-chairperson. The vice-chairperson shall act as chairperson in the absence of the chairperson or if the office of chairperson becomes vacant.

(8) Four members of the commission constitute a quorum and the concurrence of at least 4 members is required for any action or recommendation of the commission. The votes shall be by record roll call. The chairperson or any 2 members of the commission may call a meeting if advance written notice is mailed to each member. Notice of the meetings of the commission shall be made public.

(9) Members of the commission shall be compensated on a per diem basis at a rate which shall be decided by the legislature, and shall receive reimbursement for necessary expenses incurred while performing the business of the commission.

(10) "Minority leader" means the individual selected as leader by the political party with the second highest membership in that house.

**169.33 Prohibited conduct by, and restrictions on, member of commission; declaration of vacancy by governor. [M.S.A. 4.1701(33)]**

Sec. 33. (1) A member of the commission shall not:

(a) Accept appointment to or become a candidate for public office or elective political party office.

(b) Have held or have been a candidate for an elective public office other than precinct delegate during the 12 months preceding appointment.

(c) Support, take part in, or make a contribution to a state or local political campaign except voting.

(d) Engage in lobbying for compensation or reimbursement of expenses except when acting in the course or scope of employment with the commission.

(e) Have been a lobbyist agent for a lobbyist or for a political subdivision during the 12 months preceding appointment.

(f) Disclose or discuss any statements, reports, records, testimony, or other information or material deemed confidential by this act unless ordered by a court or except as necessary in the proper performance of his duties under this act. A member who violates this subdivision shall be subject to section 178 and shall be removed from office.



(2) The governor shall declare vacant the position on the commission of any member who violates subsection (1) or has become mentally incompetent or totally physically disabled.

**169.35 Powers and duties of commission generally. [M.S.A. 4.1701(35)]**

Sec. 35. The commission shall:

(a) Promulgate rules pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws, to carry out the provisions of this act and to govern its own procedures.

(b) Submit an annual report before June 1 of each year after 1976 summarizing activities of the commission. This report shall not contain any information declared confidential under this act.

(c) Employ personnel as necessary to implement this act subject to requirements of the department of civil service.

(d) Prescribe information required in statements and reports to be filed by this act.

(e) Prescribe information to be contained in the forms, manuals, and instructions explaining the duties of persons required to file statements and reports pursuant to this act. A manual for the use of committees required to file campaign statements pursuant to chapter 2 shall contain examples, guidelines, and where practicable, schedules or formulas for assigning fair market value to in-kind contributions and expenditures, and for determining what constitutes an in-kind contribution or expenditure. A manual may be sold for a fee not in excess of actual reproduction costs plus mailing costs.

(f) Determine that nonconfidential statements and reports filed with the commission pursuant to this act are available for public inspection and, where authorized, for copying during regular office hours at a reasonable charge.

(g) Prepare and publish summaries of nonconfidential statements and reports filed pursuant to this act as deemed necessary to fulfill the purposes of this act. These summaries shall not excerpt any part of a filing made under this act which identifies the filer or purports to state the intention, motives, or reasons for any information or alleges any connection between any filers which is not included in the statements of the filers.

(h) Prepare and publish nonconfidential special reports, declaratory rulings, and technical studies to further the purposes of this act.

(i) Preserve all statements, reports, records, and other documents relating to commission activities, including documents filed with the commission, for a period of 5 years. These statements, records, reports, and other documents may be microfilmed. After 5 years the statements, reports, records, and other documents, microfilmed or otherwise, shall be destroyed.

(j) Recommend adjustments of the dollar value restrictions, limitations, or criteria used for requiring reports, limiting expenditures, or otherwise regulating political activity in chapters 4 and 5. The recommendations shall be made to and approved by the legislature at the beginning of every odd numbered year before they go into effect. The recommendations shall be based upon the United States department of commerce consumer price index.

**169.36 Additional powers and duties of commission. [M.S.A. 4.1701(36)]**

Sec. 36. The commission shall:

(a) Carry out, within 180 days after a general election at which a governor is elected, examinations of statements and reports filed and such records and other

documents which substantiate the information therein for compliance with chapter 3 of all candidates for the office of governor who received public funds under this act, for the general election or the primary preceding the general election.

(b) Carry out, on a random basis, examinations of financial disclosure statements filed and such records and other documents which substantiate the information therein for compliance with the provisions of chapter 4.

(c) Carry out, monthly, random examinations of statements and reports filed and such records and other documents which substantiate the information therein for compliance with the provisions of chapter 5.

(d) Conduct annual examinations of campaign statements and reports filed pursuant to chapter 2 and the records substantiating the information therein on a random selection basis. Random selection shall be made from among committees required to file campaign statements in each of the following categories:

(i) Committees supporting a candidate for state elective office other than for governor, lieutenant governor, or state legislator.

(ii) Committees supporting a candidate for judicial office other than supreme court justice.

(iii) Committees supporting a candidate for governor, lieutenant governor, the state legislature, or supreme court justice.

(iv) Committees supporting a candidate for other than state elective or judicial office.

(v) Committees supporting a statewide ballot question.

(vi) Committees supporting a ballot question which is not statewide.

If a committee is drawn at random in more than 1 category, an alternate selection shall be drawn.

#### **169.37 Rules. [M.S.A. 4.1701(37)]**

Sec. 37. Upon request, the commission shall issue declaratory rules as authorized in section 63 of Act No. 306 of the Public Acts of 1969, being section 24.263 of the Michigan Compiled Laws, on the requirements of this act. A declaratory ruling rendered by the commission, until amended or revoked, shall be binding upon the commission in any subsequent charges concerning the person who requested the ruling and who acted in good faith, unless material facts were omitted or misstated by the person in the request for the ruling. The commission shall promulgate rules to protect the identity and confidentiality of interested persons who request declaratory rulings.

#### **169.38 Receipt of sworn complaint; review of report; random examination; determination of probable cause as to violation; notice; confidentiality; investigative proceedings; conduct of commission proceedings; cooperation of governmental bodies; subpoena; right to counsel; examination of evidence; oath or acknowledgment; perjury; determination of violation; making records and actions public. [M.S.A. 4.1701(38)]**

Sec. 38. (1) Upon receipt of a sworn complaint alleging a violation of this act or the rules promulgated under this act, upon review of a statement or report required to be filed under this act, or upon receipt of the results of a random examination performed pursuant to this act, the commission shall determine whether there is probable cause to believe that there was a violation of this act, or of the rules promulgated under this act.

(2) A determination under subsection (1) shall be made as soon as possible but not later than the following:

(a) If pursuant to a sworn complaint, then 30 days after the sworn complaint is received.

(b) If pursuant to a random examination, then 90 days after the person is selected for the random examination.

(c) If pursuant to a review of a statement or report, then 90 days after the commission receives from a filing official the report or statement or a report that a statement or report required to be filed under this act was not filed.

(3) Notice shall be given to a person within 5 days after any of the following occur:

(a) A sworn complaint is filed against the person.

(b) The person is selected for a random examination.

(c) The commission receives from a filing official a statement or report of the person or a report that the person did not file a statement or report required to be filed under this act.

(4) If it is determined that probable cause does not exist, the commission shall immediately give notice thereof to the complainant, if pursuant to a sworn complaint, and to the person to whom notice was given under subsection (3). If probable cause is not found, the commission proceedings and records relating to that determination shall remain confidential unless the complainant takes further action pursuant to section 46 or the person subject to the determination requests in writing that the records be made public.

(5) If it is determined by a majority vote of the commission that there is probable cause to believe that the act or a rule promulgated under this act was violated, the commission shall initiate appropriate investigative proceedings to determine whether a violation occurred. The commission shall mail a notice of the investigation and the nature of the alleged violation to a person under investigation within 5 days after the date probable cause is determined under this subsection. Every 60 days after the date probable cause is determined and until the matter is terminated, the commission shall mail to the complainant and to the alleged violator notice of the action taken to date by the commission together with the reasons for the action or nonaction.

(6) The commission's actions and the records relative to an investigation shall be confidential until the commission makes a final determination under this section.

(7) Proceedings of the commission pursuant to this section shall be in accordance with Act No. 306 of the Public Acts of 1969, as amended, and shall be by closed session attended only by those persons necessary to the investigation of the alleged violation except that the session or hearing shall be open if the person alleged to be the violator requests an open session or hearing.

(8) All governmental bodies shall cooperate with the commission in the conduct of its investigations.

(9) Upon the ex parte application of the commission to the circuit court in the county where the defendant resides, the circuit court, if it believes a person engaged, is engaging, or is about to engage in an act or practice which is unlawful under this act, may issue a subpoena compelling a person to appear before the commission and answer under oath questions relating to an alleged violation of this act. A person served with a subpoena may be accompanied by counsel when the person appears before the commission. The subpoena may

compel a person to produce before the commission the books, records, papers, documents, or things relating to an alleged violation of this act. During the examination of documentary material under the subpoena, the court may require a person having knowledge of the documentary material or the matters contained therein to attend and give testimony under oath or acknowledgment with respect to the documentary material. The acknowledgment and examination shall be subject to the penalties for perjury and shall take place in the county where the person resides or at the office of the commission. The subpoena shall include the notice of the time, place, and cause of the taking of testimony, examination, or attendance and shall allow not less than 10 days before the date of the taking of testimony or examination, unless for good cause shown the court shortens that period of time.

(10) When the commission concludes its investigative proceedings it shall determine if this act or a rule promulgated under this act was violated. If the commission determines that the act or rule was not violated the records and actions relative to the investigation and determination shall remain confidential unless the person investigated requests in writing that the records and actions be made public. If the commission determines that the act or a rule was violated, the records and actions shall be made public as soon as practicable after the determination is made.

**169.39 Cease and desist order; public reprimand; civil action; civil penalty; criminal prosecution. [M.S.A. 4.1701(39)]**

Sec. 39. (1) The commission upon a finding pursuant to section 38 that this act or a rule promulgated or order of the commission issued under this act was violated, shall do any of the following:

(a) Issue an order requiring the violator to cease and desist from the violation, or to file a report, statement, or other information as required by this act.

(b) Issue a public reprimand to the violator.

(2) The commission upon a finding pursuant to section 38 that this act was violated, shall do any of the following:

(a) Request the attorney general or prosecuting attorney of a county to initiate a civil action to enforce this act or to recover a civil penalty provided by this act.

(b) Request that the attorney general or prosecuting attorney of a county begin criminal prosecution for the imposition of criminal penalties provided by this act in which case venue shall be proper either in the judicial district in which the violation occurred or in the judicial district in which the alleged violator resides or in which the alleged violator's principal place of business is located.

**169.40 Publication of information as to sworn complaint; penalty. [M.S.A. 4.1701(40)]**

Sec. 40. Any person filing or aware of the filing of a sworn complaint according to provisions of section 38 shall not publicize any information relative to the sworn complaint. A violation of this section shall be subject to penalty contained in section 178 of this act.

**169.41 Duties of secretary of state. [M.S.A. 4.1701(41)]**

Sec. 41. The secretary of state shall:

(a) Make available through its offices, and furnish to county clerks, appropriate forms, instructions, and manuals required by this act.

(b) Develop a filing, coding, and cross-indexing system for the filing of required reports and statements consistent with the purposes of this act, in consultation with the commission, and supervise the implementation of the filing systems by the clerks of the counties.

(c) Receive all statements and reports required by this act to be filed with the secretary of state.

(d) Prepare forms, instructions, and manuals required under this act, in consultation with the commission.

**169.42 Duties of filing official; nonconfidential statements and reports; public inspection and reproduction; prohibited use; penalty; preservation; destruction; late filing fee; compliance; notice; corrections; report of errors or omissions; deadline for filing; confidentiality. [M.S.A. 4.1701(42)]**

Sec. 42. (1) A filing official shall make nonconfidential statements and reports required to be filed under this act available for public inspection and reproduction, commencing as soon as practicable, but not later than the second business day following the day on which they are received, during regular business hours of the filing official.

(2) Copies of statements or parts of statements which may be reproduced shall be provided by a filing official at a reasonable charge.

(3) A statement open to the public under this act shall not be used for purposes of commercial solicitation or any commercial purpose. A person who violates this subsection is subject to a civil penalty of not more than \$1,000.00.

(4) A statement or report filed under this act shall be preserved by the filing official for 5 years or for 1 year beyond the term of office for which the statement or report is filed, whichever is longer. Statements and reports filed under this chapter may be microfilmed. After the required preservation period the statements and reports, microfilmed or otherwise, shall be destroyed.

(5) A charge may not be collected by a filing official for the filing of a required statement or report, or for a form upon which the statement or report is to be prepared except for a late filing fee required by this act.

(6) A filing official shall determine whether a statement or report filed under this act complies, on its face, with the requirements of this act and the rules promulgated under this act. The filing official shall determine whether a statement or report which is required to be filed under this act is in fact filed. Within 4 days after the deadline for filing a statement or report under this act, the filing official shall give notice to the filer by registered mail of an error or omission in the statement or report and give notice to a person the filing official has reason to believe is a person required to and who failed to file a statement or report. A failure to give notice by the filing official under this subsection is not a defense to a criminal action by the person required to file.

(7) Within 9 days after the report or statement is required to be filed, the filer shall make any corrections in the statement or report filed with the appropriate filing official. If the report or statement was not filed, then it shall be late filed within 9 days after the time it was required to be filed and shall be subject to late filing fees.

(8) After 9 days and before 12 days have expired after the deadline for filing the statement or report, the filing official shall report errors or omissions which were not corrected and failures to file to the commission.

(9) A statement or report required to be filed under this act shall be filed not later than 5 p.m. of the day in which it is required to be filed. A statement or report which is postmarked by registered mail at least 2 days before the deadline for filing shall be considered filed within the prescribed time regardless of when it is actually delivered.

(10) A notice by a filing official pursuant to subsection (6) or an action by a filing official pursuant to subsection (8) shall be confidential unless the person subject to the action requests in writing that the action be made public.

**169.43 Duties of county clerk. [M.S.A. 4.1701(43)]**

Sec. 43. The clerk of each county shall:

(a) Make available through the county clerk's office the appropriate forms, instructions, and manuals required by this act.

(b) Under the supervision of the secretary of state, implement the filing, coding, and cross-indexing system prescribed for the filing of reports and statements required to be filed with the county clerk's office.

(c) Receive all statements and reports required by this act to be filed with the county clerk's office.

**169.44 Enforcement of criminal or civil penalties; venue. [M.S.A. 4.1701(44)]**

Sec. 44. (1) Only the attorney general may enforce a criminal or civil penalty provision of this act against a state elective officer, a candidate for a state elective office, a treasurer of a candidate committee of a candidate for state elective office, a treasurer of a state central political party committee, a treasurer of an independent committee, an official in the executive branch, an official in the judicial branch, or an official in the legislative branch. An action brought under this subsection may be brought in the county in which the officer or candidate resides.

(2) Except as provided in subsection (1), the prosecuting attorney of any county in which an alleged violation occurs shall have concurrent powers and responsibilities with the attorney general respecting violation of this act or rules promulgated hereunder.

(3) Except as provided in subsection (1), venue in an action brought under this act shall be the proper court of the county in which the alleged violation occurs or in which the alleged violator resides or in which the alleged violator's principal place of business is located.

**169.46 Civil action to compel performance of duties by commission; complaint; costs; action for damages. [M.S.A. 4.1701(46)]**

Sec. 46. Any person may bring and maintain a civil action by right against the commission to compel it to perform its duties under sections 38 and 39. The complaint shall clearly identify the matters or proceedings before the commission which are involved and specifically state the particulars in which the commission has neglected or failed to perform duties in such matters or proceedings, and a copy of the complaint shall be filed with the commission at least 20 days before filing the complaint. If the person prevails in the action based upon the complaint, and the commission failed to perform the duties in which it was delinquent by the time the complaint was filed, the person shall recover actual and reasonable costs of the action, including actual and reasonable attorney's fees. A person may not bring an action against another person to enforce this act, but may bring an action for damages resulting from a violation of this act.

**169.48 Disposition of fees collected by filing official. [M.S.A. 4.1701(48)]**

Sec. 48. The fees collected by a filing official under this act shall be credited to the general fund of the governmental body of which the filing official receiving the fees is an employee.

**169.49 Disposition and use of charges collected by governmental body. [M.S.A. 4.1701(49)]**

Sec. 49. The charges collected by a governmental body under this act shall be credited to a separate account of the governmental body collecting the charges and shall be used to pay the costs of copying or providing the records, reports, statements, or other documents.

**169.50 Failure to carry out responsibilities; wilful violations. [M.S.A. 4.1701(50)]**

Sec. 50. An individual who wilfully fails to carry out the responsibilities as stated in this chapter or who wilfully violates the provisions of this chapter shall be subject to section 174.

## CHAPTER 2

**169.51 Candidate committee; formation; treasurer; official depository for contributions; secondary depositories; requirements for receiving contributions or making expenditures; reporting contributions; commingling; violation; penalty. [M.S.A. 4.1701(51)]**

Sec. 51. (1) A candidate, within 10 days after becoming a candidate, shall form a candidate committee. A person who is a candidate for more than 1 office shall form a candidate committee for each office for which the person is a candidate, if at least 1 of the offices is a state elective office.

(2) A committee shall have a treasurer who is a qualified elector of this state. A candidate may appoint himself or herself as the candidate committee treasurer.

(3) Except as provided in section 105(3), a committee shall designate 1 account in a financial institution in this state as an official depository for the purpose of depositing all contributions which it receives in the form of or which are converted to money, checks, or other negotiable instruments and for the purpose of making all expenditures. Secondary depositories shall be used for the sole purpose of depositing contributions and promptly transferring the deposits to the committee's official depository.

(4) A contribution shall not be accepted and an expenditure shall not be made by a committee which has not filed a statement of organization and which does not have a treasurer. When the office of treasurer in a candidate committee is vacant, the candidate shall be the treasurer until the candidate appoints a new treasurer.

(5) An expenditure shall not be made by a committee without the authorization of the treasurer or the treasurer's designee. The contributions received or expenditures made by a candidate or an agent of a candidate shall be considered received or made by the candidate committee.

(6) Contributions received by an individual acting in behalf of a committee shall be reported promptly to the committee's treasurer not later than 5 days before the closing date of any campaign statement required to be filed by the committee, and shall be reported to the committee treasurer immediately if the contribution is received less than 5 days before the closing date.

(7) A contribution shall be considered received by a committee when it is received by the committee treasurer or a designated agent of the committee treasurer notwithstanding the fact that the contribution is not deposited in the official depository by the reporting deadline.

(8) Contributions received by a committee shall not be commingled with any funds of an agent of the committee or of any other person.

(9) A person who violates this section is subject to a civil penalty of not more than \$1,000.00.

**169.52 Duties of committee treasurer; preservation and inspection of committee records; violation. [M.S.A. 4.1701(52)]**

Sec. 52. A committee treasurer shall keep detailed accounts, records, bills, and receipts as required to substantiate the information contained in a statement or report filed pursuant to this chapter or rules promulgated under this act. The treasurer shall record the name and address of a person from whom a contribution is received except for contributions of \$15.00 or less received pursuant to section 71(3). The records of a committee shall be preserved for 5 years and shall be made available for inspection as authorized by the commission. A person who knowingly violates this section is subject to section 175.

**169.53 Rules for withdrawal of funds; limitation on single expenditure from petty cash fund; violation; penalty. [M.S.A. 4.1701(53)]**

Sec. 53. The commission shall promulgate rules for the withdrawal of funds from a committee account for petty cash expenditures and for keeping records of the withdrawals. A single expenditure from a petty cash fund shall not exceed \$50.00. A person who violates this section is subject to a civil penalty of 3 times the amount in excess of \$50.00 but not more than \$500.00.

**169.54 Statement of organization; time for filing; late filing fee; violation; contents of statement; amendments; violation; sworn statement as to receipts and expenditures not in excess of \$500.00; dissolution of committee. [M.S.A. 4.1701(54)]**

Sec. 54. (1) A committee shall file a statement of organization with the filing officials designated in section 66 to receive the committee's campaign statements. A statement of organization shall be filed within 10 days after a committee is formed. A committee in existence at the effective date of this section shall file a statement with the appropriate filing officials within 30 days after the effective date of this section. A filing official shall maintain a statement of organization filed by a committee until notified of the committee's dissolution. A person who fails to file a statement of organization required by this subsection, shall pay a late filing fee of \$10.00 for each day the statement remains not filed in violation of this subsection not to exceed \$300.00. A person who is in violation of this subsection by failing to file for more than 30 days after a statement of organization is required to be filed is subject to section 174.

(2) The statement of organization required by subsection (1) shall include the following information:

(a) The name, street address, and telephone number where available of the committee. A committee address may be the home address of the candidate or treasurer of the committee.

(b) The name, street address, and telephone number where available of each person other than an individual that is a member of the committee.



(c) The name, street address, and telephone number where available of the treasurer and other principal officers of the committee.

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

(e) The full name of, and office sought by, each candidate, and a brief statement identifying the substance of each ballot question, supported or opposed by the committee.

(f) Identification of the committee as a candidate committee, political party committee, independent committee, or ballot question committee if it is identifiable as such a committee.

(3) When any of the information required in a statement of organization is changed, an amendment shall be filed within 10 days to reflect the change, except that changes in membership and changes in subsection (2)(e) need only be reported when the next campaign statement is required to be filed. A person who fails to file a change under this subsection, shall pay a late filing fee of \$10.00 for each day the change remains not filed in violation of this subsection not to exceed \$300.00. A person who is in violation of this subsection by failing to file a required amendment for more than 30 days is subject to section 174.

(4) A candidate when filing a statement of organization for a candidate committee may indicate in a sworn statement that the committee does not expect to receive an amount in excess of \$500.00 or expend an amount in excess of \$500.00 on behalf of the candidate's campaign.

(5) Upon the dissolution of a committee, a statement indicating dissolution shall be filed with the filing officials with whom the committee's statement of organization was filed. Dissolution of a committee shall be accomplished in accordance with rules promulgated by the commission.

**169.55 Campaign statement; filing; period covered; disclosing transactions prior to effective date of section. [M.S.A. 4.1701(55)]**

Sec. 55. (1) A committee supporting or opposing a candidate or the qualification, passage, or defeat of a ballot question shall file a legibly printed or typed campaign statement. The period covered by a campaign statement is the period beginning with the day after the closing date of the most recent campaign statement which was filed, and ending with the closing date of the campaign statement in question. If the committee filing the campaign statement has not previously filed a campaign statement, the period covered shall begin with the effective date of this section, or the date on which the committee was formed if the committee is formed after the effective date of this section.

(2) Nothing in this chapter shall be interpreted to exempt a person from disclosing transactions which occurred before the effective date of this section according to the laws then in effect.

**169.56 Campaign statement of committee other than political party committee; contents. [M.S.A. 4.1701(56)]**

Sec. 56. A campaign statement of a committee, other than a political party committee, required by this chapter shall contain the following information:

(a) The filing committee's name, address, and telephone number, and the full name, residential and business addresses, and telephone numbers of its committee treasurer.

(b) Under the heading “receipts”, the total amount of contributions received during the period covered by the campaign statement; under the heading “expenditures”, the total amount of expenditures made during the period covered by the campaign statement; and the cumulative amount of those totals for that election. If a loan was repaid during the period covered by the campaign statement, the amount of the repayment shall be subtracted from the total amount of contributions received. Forgiveness of a loan shall not be included in the totals. Payment of a loan by a third party shall be recorded and reported as a contribution by the third party but shall not be included in the totals. In-kind contributions or expenditures shall be listed at fair market value and shall be reported as both contributions and expenditures. A contribution or expenditure which is by other than completed and accepted payment, gift or other transfer, which is clearly not legally enforceable, and which is expressly withdrawn or rejected and returned prior to a campaign statement closing date need not be included in the campaign statement and if included may, in a later or amended statement, be shown as a deduction, but adequate records of each such instance shall be kept.

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

(d) The total amount of contributions received during the period covered by the campaign statement from persons who contributed \$15.01 or more.

(e) The total amount of contributions received during the period covered by the campaign statement from persons who contributed \$15.00 or less.

(f) The total amount of contributions of \$15.00 or less received during the period covered by the campaign statement and the cumulative amount of the contributions received by the filer for that election pursuant to section 71(3).

(g) The full name of each person from whom contributions totaling \$15.01 or more are received during the period covered by the report, together with the person's street address, the amount contributed, the date on which each contribution was received, and the cumulative amount contributed by that person for that election. The occupation, employer, and principal place of business shall be stated if the person's total contributions for the period is \$100.01 or more.

(h) The cumulative amount contributed and the name and address of each person, except those persons or names reported under subdivision (g), who contributed a total of \$15.01 or more for that election. The occupation, employer, and principal place of business, shall be stated for each person who contributed \$100.01 or more.

(i) The name and street address of each committee and the full name and street address of the treasurer of each committee which is listed as a contributor.

(j) The name, address, and amount given by a person who contributed \$15.01 or more of the total amount contributed by a person who is other than a committee or an individual. The occupation, employer, and principal place of business shall be stated if the person contributed \$100.01 or more.

(k) A listing, by general category, of expenditures of \$100.00 or less made during the period covered by the campaign statement and the total of those expenditures.

(l) The full name and street address of each person to whom expenditures totaling \$100.01 or more were made, together with the amount of each separate expenditure to each such person during the period covered by the campaign

statement; the purpose of the expenditure; the full name and street address of the person providing the consideration for which any expenditure was made if different from the payee; and the full name and street address of the treasurer of a committee which is listed.

(m) The amount of expenditures for or against a candidate or ballot question during the period covered by the campaign statement and the cumulative amount of expenditures for or against that candidate or ballot question. An expenditure made in support of more than 1 candidate or ballot question, or both, shall be apportioned reasonably among the candidates or ballot questions, or both.

**169.57 Campaign statement; contents of form for fund raising event. [M.S.A. 4.1701(57)]**

Sec. 57. A campaign statement which lists contributions resulting from a fund raising event held during the period covered by the campaign statement shall be accompanied by a form for each fund raising event as prescribed by the secretary of state. The form shall include the following information:

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

(b) The full name of each person who, through making a contribution or expenditure in connection with the event, made a contribution of \$15.01 or more, and the total of all such contributions. This requirement is in addition to, and not in lieu of, the requirements of section 56 relating to the recording and reporting of contributions.

(c) Moneys received in connection with the event or activity from persons in amounts of \$15.00 or less shall be listed by general category such as tickets, beverages, bumper stickers, or other, and the total of those contributions shall be recorded.

(d) The gross receipts of the fund raising event.

(e) The expenditures incident to the event.

**169.58 Interest; loans; certified statement of out of state contributor. [M.S.A. 4.1701(58)]**

Sec. 58. (1) Interest received by a committee on an account consisting of funds belonging to the committee shall not be considered a contribution to the committee but shall be reported as interest. Interest paid by a committee shall be reported as an expenditure.

(2) A loan made or received shall be set forth in a separate schedule providing the date and amount of the loan and, if the loan is repaid, the date and manner of repayment. The committee shall provide the name and address of the lender and any person who is liable directly, indirectly, or contingently on each loan of \$15.01 or more. The occupation, employer, and principal place of business of the lender and persons shall be stated if the loan is \$100.01 or more.

(3) Accompanying a campaign statement reporting the receipt of a contribution of \$15.01 or more from a committee or person whose treasurer does not reside in, whose principal office is not located in or whose funds are not kept in this state, shall be a statement certified as true and correct by an officer of the contributing committee or person setting forth the full name, address, along with the amount contributed, of each person who contributed \$15.01 or more of the contribution. The occupation, employer, and principal place of business shall be stated for each person who contributed \$100.01 or more.

**169.59 Campaign statement filed by political party committee; contents; identification and apportionment of expenditures; contribution to candidate committee or ballot question committee. [M.S.A. 4.1701(59)]**

Sec. 59. (1) A campaign statement filed by a political party committee shall contain the following information:

(a) The full name of each person from whom contributions totaling \$50.01 or more in value is received in a calendar year, the amount, and the date or dates contributed; and if the person is a committee, the name and address of the committee and the full name and street address of the committee treasurer, together with the amount of the contribution and the date received. The occupation, employer, and principal place of business shall be listed for each person from whom contributions totaling \$100.01 or more are received in a calendar year.

(b) An itemized list of all expenditures, including in-kind contributions and expenditures and loans, made during the period covered by the campaign statement which were contributions to a candidate committee of a candidate for elective office or a ballot question committee; or independent expenditures in support of the qualification, passage, or defeat of a ballot question or in support of the nomination or election of a candidate for elective office or the defeat of any of the candidate's opponents.

(c) The total expenditure by the committee for each candidate for elective office or ballot question in whose behalf an independent expenditure was made or a contribution was given for the election.

(d) The filer's name, address, and telephone number, where available, if any, and the full name, residential and business addresses, and telephone numbers, where available, of the committee treasurer.

(2) An expenditure listed under subsection (1)(b) shall be identified as an independent expenditure or as a contribution to a candidate committee or a ballot question committee.

(3) A contribution to a candidate committee or ballot question committee listed under subsection (1)(b) shall note the name and address of the committee, the name of the candidate and the office sought, if any, the amount contributed, and the date of the contribution.

(4) An independent expenditure listed under subsection (1)(b) shall note the name of the candidate for whose benefit the expenditure was made and the office sought by the candidate, or a brief description of the ballot question for which the expenditure was made, the amount, date, and purpose of the expenditure, and the full name and address of the person to whom the expenditure was made.

(5) An expenditure listed which was made in support of more than 1 candidate or ballot question, or both, shall be apportioned reasonably among the candidates or ballot questions, or both.

**169.61 Contributions or expenditures controlled by another person. [M.S.A. 4.1701(61)]**

Sec. 61. A contribution or expenditure which is controlled by, or made at the direction of, another person, including a parent organization, subsidiary, division, committee, department, branch, or local unit of a person, shall be reported by the person making the expenditure or contribution, and shall be regarded as an expenditure or contribution attributable to both persons for purposes of expenditure or contribution limits.

**169.62 Report of late contributions; "late contribution" defined. [M.S.A. 4.1701(62)]**

Sec. 62. (1) A late contribution shall be reported by filing with the filing officer within 48 hours after its receipt the full name, street address, occupation, employer, and principal place of business of the contributor. Filing of a report of late contributions may be by any written means of communication and need not contain an original signature. A late contribution shall be reported on subsequent campaign statements without regard to reports filed pursuant to this section. If a campaign statement has not been filed, a late contribution may be reported, if practicable, in the campaign statement and need not, therefore, be reported in a subsequent campaign statement.

(2) As used in this section "late contribution" means a contribution of \$500.00 or more received after the closing date of the last campaign statement required to be filed prior to an election.

**169.63 Campaign statement; filing schedule; late filing fee; violation. [M.S.A. 4.1701(63)]**

Sec. 63. (1) A committee supporting or opposing a candidate shall file campaign statements as required by this act according to the following schedule:

(a) A first preelection campaign statement shall be filed not later than the thirtieth day before the election. The closing date for a campaign statement filed under this subdivision shall be the thirty-seventh day before the election.

(b) A second preelection campaign statement shall be filed not later than the fourteenth day before the election. The closing date for a campaign statement filed under this subdivision shall be the eighteenth day before the election.

(c) A postelection campaign statement shall be filed not later than the thirty-eighth day following the election. The closing date for a campaign statement filed under this subdivision shall be the thirty-first day following the election. A committee supporting a candidate who loses the primary election shall file closing campaign statements in accordance with this section. If all liabilities of such a candidate or committee are paid before the closing date and additional contributions are not expected, the campaign statement may be filed at any time after the election, but not later than the thirty-eighth day following the election.

(2) A candidate committee which files a sworn statement pursuant to section 54(4) need not file a campaign statement under subsection (1) (a) or (b) but shall file a campaign statement under subsection (1) (c) stating that the committee did not receive or expend an amount in excess of \$500.00. If the committee receives or expends more than \$500.00 during the course of the campaign, the committee is then subject to all campaign filing requirements under this section.

(3) A person who fails to file a statement as required by this section shall pay a late filing fee of \$10.00 for each day the statement remains unfiled not to exceed \$300.00. A person who is in violation more than 7 days is subject to sections 175 and 180.

**169.64 Campaign statement of ballot question committee; filing schedule; late filing fee; violation. [M.S.A. 4.1701(64)]**

Sec. 64. (1) A ballot question committee shall file a campaign statement as required by this act according to the following schedule:

(a) A first preelection campaign statement, of which the closing date shall be the thirty-seventh day before the election, shall not be filed later than the thirtieth day before the election.

(b) A second preelection campaign statement, of which the closing date shall be the eighteenth day before the election, shall not be filed later than the fourteenth day before the election.

(c) A postelection campaign statement, the closing date of which shall be the thirty-first day following the election shall not be filed later than the thirty-eighth day following the election. If all liabilities of the committee are paid before the closing date and additional contributions are not expected, the campaign statement may be filed at any time after the election, but not later than the thirty-eighth day following the election.

(2) A ballot question committee shall file a campaign statement, of which the closing date shall be the twenty-eighth day following the qualification of the measure, not later than 35 days after the ballot question is qualified for the ballot. If the ballot question fails to qualify for the ballot, the ballot question committee shall file the campaign statement within 35 days after the final deadline for qualifying, the closing date of which shall be the twenty-eighth day following the deadline.

(3) A person who fails to file a statement as required by this section shall pay a late filing fee of \$10.00 for each day the campaign statement remains unfiled not to exceed \$300.00. A person who is in violation more than 7 days is subject to section 175.

**169.65 Filing campaign statement not otherwise required by chapter; deadline; closing date; period covered; exception; late filing fee; violation. [M.S.A. 4.1701(65)]**

Sec. 65. (1) Unless otherwise required to file a campaign statement as required by this chapter in connection with an election held during a filing period designated in this subsection, a committee shall file a campaign statement not later than June 1 of each year. The campaign statement shall have a closing date of May 1 of that year. If a campaign statement was filed in connection with an election held within 6 months before a period specified in this subsection, the period covered by the campaign statement filed pursuant to this subsection shall begin from the day after the closing date of the previous campaign statement.

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

(3) A person who fails to file a campaign statement under this section shall pay a late filing fee of \$10.00 for each day the campaign statement remains not filed in violation of this section not to exceed \$300.00. A person who is in violation of this section for more than 7 days is subject to section 175.

**169.66 Filing copies of campaign statements with secretary of state and county clerks. [M.S.A. 4.1701(66)]**

Sec. 66. (1) A copy of the campaign statement of candidate committees for a state elective office or a judicial office shall be filed with the secretary of state and with the clerk of the county of residence of the candidate. A copy of the campaign statement of candidate committees of candidates for all other offices shall be filed with the clerk of the county of residence of the candidate.

(2) A copy of the campaign statement of a ballot question committee supporting or opposing a statewide ballot question shall be filed with the secretary of state and with the clerk of the most populous county in the state. A

ballot question committee supporting or opposing a ballot question to be voted upon in more than 1 county, but not statewide, shall file 1 copy with the secretary of state and 1 copy with the clerk of the most populous county in the election district in which the ballot question is to be voted upon. A ballot question committee supporting or opposing a ballot question to be voted upon within a single county shall file a statement only with the clerk of that county.

(3) A copy of the campaign statement of a political party committee that is a state central or district committee shall be filed with the secretary of state who shall send a copy to the clerk of the county of residence of each candidate for which the committee reports contributions or expenditures. A political party committee that is a county committee shall file a copy with the clerk of that county and with the clerk of the county of residence of each candidate for which the committee reports contributions or expenditures.

(4) A copy of the campaign statement of any other committee not covered under subsection (1), (2), or (3) shall be filed with the secretary of state who shall send a copy to the clerk of the county of residence of each candidate for whom it reports contributions or expenditures, except that a committee reporting contributions or expenditures for a candidate within only 1 county shall file a statement only with the clerk of that county.

**169.67 Campaign statement; signing, notarization, and verification by committee treasurer; verification by candidate. [M.S.A. 4.1701(67)]**

Sec. 67. A campaign statement filed by a committee shall be signed by the committee treasurer and notarized. A verification statement shall be part of the campaign statement and shall state that the treasurer used all reasonable diligence in its preparation, and that to the treasurer's knowledge it is true and complete. If the committee is a candidate committee, the candidate shall also verify, in writing, that to the best of the candidate's knowledge the statement is true and complete.

**169.68 Campaign statement; period covered. [M.S.A. 4.1701(68)]**

Sec. 68. A campaign statement shall cover the period beginning the day after the closing date of the last campaign statement and end on the closing date as specified in this act.

**169.71 Contribution or expenditure of \$20.01; written instrument; anonymous contributions; contribution of \$15.01 or more; violation; prohibited contribution. [M.S.A. 4.1701(71)]**

Sec. 71. (1) Except for expenditures from a petty cash fund as provided in section 53 and the rules promulgated under that section, a contribution or expenditure of \$20.01 or more shall not be made or accepted in cash. Contributions and expenditures of \$20.01 or more, other than an in-kind contribution or expenditure or a petty cash expenditure, shall be made by written instrument containing the names of the payor and the payee. A person who knowingly violates this section is subject to section 176.

(2) A person shall not accept or expend an anonymous contribution. An anonymous contribution received by a person shall not be deposited but shall be given to a tax exempt charitable organization. The charitable organization receiving the contribution shall provide the person with a receipt. The person shall give a copy of the receipt to the commission.

(3) A contribution received as the result of a fund raising event, or from the sale of political merchandise or from membership fees, dues, or subscriptions for political purposes to an independent committee that is \$15.00 or less in the

aggregate from a person in any calendar year shall not be considered an anonymous contribution.

(4) A person making a contribution pursuant to subsection (3) which is \$15.01 or more in any calendar year when added to all other contributions made to that committee by that person shall furnish the recipient with the donor's name, address, and the total amount contributed.

(5) A person who knowingly violates subsections (2), (3), or (4) is subject to section 175.

(6) A contribution shall not be made, directly or indirectly, by any person in a name other than the name by which that person is identified for legal purposes. A person who violates this subsection is subject to section 176.

**169.72 Contribution by intermediary or agent; disclosure; certification of certain contributions of \$15.01 or more; requirement as to contribution from person other than committee; violations. [M.S.A. 4.1701(72)]**

Sec. 72. (1) A person who accepts a contribution, other than by written instrument, on behalf of another and acts as the intermediary or agent of the person from whom the contribution was accepted shall disclose to the recipient of the contribution the intermediary's own name and address and the name and address of the actual source of the contribution. A person who knowingly violates this subsection is subject to section 175.

(2) A contribution of \$15.01 or more from a committee or person whose treasurer does not reside in, whose principal office is not located in, or whose funds are not kept in this state, shall not be accepted by a person for purposes of supporting or opposing candidates for elective office or the qualification, passage, or defeat of a ballot question unless accompanied by a statement certified as true and correct by an officer of the contributing committee or person setting forth the full name and address along with the amount contributed, of each person who contributed \$15.01 or more of the contribution. The occupation, employer, and principal place of business shall be listed for each person who contributed \$100.01 or more of the contribution. A person who knowingly violates this subsection is subject to section 176.

(3) A person shall not receive a contribution from a person other than a committee unless for purposes of the recipient person's record keeping and reporting requirements, the contribution is accompanied by the name and address of each person who contributed \$15.01 or more to the contribution, and the name, address, occupation, employer, and principal place of business of each person who contributed \$100.01 or more to the contribution. A person who knowingly is in violation of this subsection is subject to section 176.

**169.73 Expenditure by agent or independent contractor; requirements; violation. [M.S.A. 4.1701(73)]**

Sec. 73. An expenditure shall not be made, other than for overhead or normal operating expenses, by an agent or an independent contractor, including an advertising agency, on behalf of or for the benefit of a person unless the expenditure is reported by the committee as if the expenditure were made directly by the committee, or unless the agent or independent contractor files a report of an independent expenditure as provided in section 92. The agent or independent contractor shall make known to the committee all information required to be reported by the committee. A person who knowingly is in violation of this subsection is subject to section 176.



**169.74 Debt limitation; violation. [M.S.A. 4.1701(74)]**

Sec. 74. A debt for goods, services, materials, facilities, or anything of value in furtherance of, or in opposition to, the nomination for, or election to, office of a candidate shall not be incurred by a person which, when paid, will cause the expenditures of that candidate or person to exceed any limit imposed by this chapter. A person who knowingly violates this subsection is subject to sections 175 and 180.

**169.75 Prohibited contributions or expenditures; violation. [M.S.A. 4.1701(75)]**

Sec. 75. (1) A contribution shall not be made by a person to another person with the agreement or arrangement that the person receiving the contribution will then transfer that contribution to a particular candidate committee.

(2) A candidate committee shall not make a contribution to or an independent expenditure in behalf of another candidate committee. A person who knowingly violates this section is subject to section 175.

**169.76 Termination of candidate committee; transfer, donation, or return of unexpended funds. [M.S.A. 4.1701(76)]**

Sec. 76. (1) A person, who after being a candidate for office terminates that candidate committee, may transfer any unexpended funds from that terminated committee to another candidate committee of that person, if the contribution limits prescribed in section 91 for the office sought are equal to or greater than the contribution limits for the office that was sought by the terminated candidate committee.

(2) Unexpended funds in a campaign committee that are not eligible for transfer to another candidate committee of the person, pursuant to subsection (1), shall be given to a political party committee, or to a tax exempt charitable institution, or returned to the contributors of the funds upon termination of the campaign committee.

**169.78 Adjustments to dollar value contribution and expenditure limits; dollar value floor for reporting; recommendations. [M.S.A. 4.1701(78)]**

Sec. 78. At the beginning of every odd numbered year the commission shall recommend adjustments to and which shall be approved by the legislature of the dollar value contribution and expenditure limits provided in this chapter, together with the dollar value floor for reporting of the name, address, occupation, and employer, or principal place of business of persons who make contributions or independent expenditures pursuant to this chapter, on the basis of the United States department of commerce's consumer price index and the number of registered voters in the state.

**169.81 Printed matter having reference to election, candidate, or ballot question; identification; disclaimer; exemptions; violation. [M.S.A. 4.1701(81)]**

Sec. 81. A billboard, placard, poster, pamphlet, or other printed matter having reference to an election, a candidate, or ballot question, shall bear upon it the name and address of the person responsible for the content of the matter. If the printed matter relating to a candidate is an independent expenditure which was not authorized in writing by the candidate committee of that candidate, the material shall have the following disclaimer printed upon its face: "Not paid for by the candidate committee of \_\_\_\_\_". The size and placement of the disclaimer shall be determined by rules promulgated by

the commission. The commission may exempt certain items such as campaign buttons, balloons, or other items, from the identification required by this section. A person who knowingly violates this section is subject to section 175.

**169.83 Maximum expenditures for nomination or election of candidate for state elective office; exceptions; violation. [M.S.A. 4.1701(83)]**

Sec. 83. (1) Expenditures made by a candidate committee to further the nomination or election of a candidate for state elective office may not exceed in the aggregate the following amounts with respect to 1 election for each of the following offices:

<u>Office</u>	<u>Maximum Expenditures</u>
Governor	\$1,000,000.00
Lieutenant governor	50,000.00
Secretary of state	300,000.00
Attorney general	300,000.00
Justice of the supreme court	100,000.00
Member of state board of education	50,000.00
Member of board of governors of Wayne state university	50,000.00
Member of board of trustees of Michigan state university	50,000.00
Regent of the university of Michigan	50,000.00
Elected county executive	50,000.00
State senator	30,000.00
State representative	15,000.00

(2) Expenditures made by a candidate committee solely for the solicitation, by mail or telephone, of contributions which expenditures are not more than 20% of the candidate committee's expenditure limit designated in subsection (1) shall not be considered as expenditures for the purposes of the expenditure limitations set forth in subsection (1).

(3) An expenditure by a candidate committee to purchase space in a newspaper or other periodical or time on radio or television for the purpose of responding to an editorial in the same newspaper or periodical or on the same station or channel which was unfavorable to the committee's candidate or which indorsed the candidate's opponent shall not be considered an expenditure for the purposes of the expenditure limitations set forth in subsection (1). This subsection only applies to 1 response made to a particular editorial, unfavorable report, or indorsement of an opponent and shall not apply unless the candidate is refused free space or time in which to answer.

(4) A person who knowingly violates subsection (1) is subject to sections 175 and 180.

**169.84 Office not having expenditure limits. [M.S.A. 4.1701(84)]**

Sec. 84. If a candidate for or officerholder of an office which does not have expenditure limits provided for in this act and becomes a candidate for an office which does have expenditure limits then that person may not expend in the aggregate for both offices for that election in excess of the expenditure limits of the office for which there are expenditure limits provided for in this act.

**169.85 Officeholder expense fund; establishment; use; rules; exemption; report; violation. [M.S.A. 4.1701(85)]**

Sec. 85. (1) An elected public official may establish an officeholder expense fund. The fund may be used for expenses incidental to the person's office. The fund may not be used to make contributions and expenditures to further the

nomination or election of that public official. The commission shall promulgate rules to implement this section.

(2) The contributions and expenditures made pursuant to subsection (1) are exempt from the contribution and expenditure limitations of this act but shall be reported on forms provided by the secretary of state and filed not later than June 1 of each year and shall have a closing date of May 1 of that year.

(3) A person who violates this section is subject to a civil penalty of not more than \$1,000.00.

**169.91 Independent expenditures; limitations; violation. [M.S.A. 4.1701(91)]**

Sec. 91. (1) An independent expenditure by a person, other than a political party committee or an independent committee, made in support of a candidate for nomination or election to a state elective office or the defeat of an opponent of that candidate shall not, when added to any contributions made by that person to the candidate committee of that candidate whom the person is supporting, exceed in the aggregate, for that election, \$1,700.00 for a candidate seeking state elective office other than a legislator, \$450.00 for a candidate for state senator and \$250.00 for a candidate for state representative.

(2) Independent expenditures by an independent committee in support of a candidate for nomination or election to state elective office or the defeat of the candidate's opponents shall not exceed in the aggregate, for that election \$1,700.00 for a candidate for state elective office other than the office of state legislator, \$450.00 for a candidate for state senator, and \$250.00 for a candidate for state representative.

(3) An independent expenditure by a political party committee that is a state central committee in support of a candidate for nomination or election to state elective office or the defeat of an opponent of that candidate shall not, when added to any contributions made by that state central committee to the candidate committee of the candidate whom it supports, exceed in the aggregate, for that election, 25% of that candidate's expenditure limit.

(4) An independent expenditure by a political party committee that is a congressional district or county committee in support of a candidate for nomination or election to state elective office other than the office of governor or state legislator or the defeat of an opponent of that candidate shall not, when added to any contributions made by that congressional district or county committee to the candidate committee of that candidate, exceed in the aggregate, for 1 election, 1% of the candidate's expenditure limit.

(5) An independent expenditure by a congressional political party committee that is a district or county committee in support of or in opposition to a candidate for nomination or election to the office of state legislator, the electoral district of which lies wholly or partially within the congressional district or county committee's district or county boundaries shall not, when added to any contributions made by that congressional district or county committee to the candidate committee of the candidate whom it supports, exceed in the aggregate, for that election, 25% of that candidate's expenditure limit.

(6) An independent expenditure by a political party committee that is a congressional district or county committee in support of a candidate for nomination or election to the office of state governor or the defeat of an opponent of that candidate shall not, when added to any contributions made by that congressional district or county committee to the candidate committee of

that candidate, exceed in the aggregate, for 1 election, 0.1% of the candidate's expenditure limit.

(7) An expenditure by a political party committee which does not support or oppose the election of a candidate by name, clear inference, or unambiguous reference shall not be regarded as an expenditure supporting the election or defeat of a candidate.

(8) A person who knowingly violates this section is subject to section 176.

**169.92 Independent expenditures of \$100.01; report; independent expenditure to which §169.83 inapplicable. [M.S.A. 4.1701(92)]**

Sec. 92. (1) A person, other than a committee, who makes an independent expenditure, advocating the election of a candidate or the defeat of a candidate's opponents or the qualification, passage, or defeat of a ballot question, which is an amount of \$100.01 or more shall file a report of the independent expenditure, within 10 days, with the clerk of the county of residence of that person. The report shall be made on an independent expenditure report form provided by the secretary of state and shall include the date of the expenditure, a brief description of the nature of the expenditure, the amount, the name and address of the person to whom it was paid, the name and address of the person filing the report, together with the name, address, occupation, employer, and principal place of business of each person who contributed \$100.01 or more to the expenditure. The filing official receiving the report shall forward copies, as required, to the appropriate filing officers as described in section 66.

(2) An independent expenditure by a person supporting a candidate for nomination or election to a state elective office or the defeat of a candidate's opponent shall not be regarded as expenditures by that candidate for the purposes of expenditure limitations provided in section 83.

(3) A person who violates this section is subject to a civil penalty of not more than \$500.00.

**169.93 Limitations on contributions; contributions of candidate or candidate's immediate family; "immediate family" defined; violation. [M.S.A. 4.1701(93)]**

Sec. 93. (1) A person other than an independent committee or a political party committee shall not make contributions to a candidate committee of a candidate for state elective office which, when added to the independent expenditure made by that person in support of that candidate, with respect to a single election, are more than the following:

(a) \$1,700.00 in value for a candidate for a state elective office other than the office of state legislator.

(b) \$450.00 in value for a candidate for state senator.

(c) \$250.00 in value for a candidate for state representative.

(2) An independent committee shall not make contributions to a candidate committee of a candidate for state elective office which, in the aggregate for that election, are more than 10 times the amount permitted a person other than an independent committee or political party committee in subsection (1).

(3) A political party committee that is a state central committee shall not make contributions to the candidate committee of a candidate for state elective office which, when added to the independent expenditures made by that committee in support of that candidate for that election, are more than 25% of the candidate's expenditure limit.

(4) A political party committee that is a congressional district or county committee shall not make contributions to the candidate committee of a candidate for a state elective office other than for the office of state legislator which, when added to any independent expenditures made by that committee in support of that candidate for that election, are more than 1% of the candidate's expenditure limit.

(5) A political party committee that is a congressional district or county committee shall not make contributions to the candidate committee of a candidate for the office of state legislator, the electoral district of which lies wholly or partially within the committee's congressional district or county boundaries which, when added to the independent expenditures made by that committee in support of that candidate for that election, are more than 25% of the candidate's expenditure limit.

(6) As used in this subsection "immediate family" means a spouse, parent, brother, sister, son, or daughter. A candidate for state elective office and members of that candidate's immediate family may not contribute to that person's candidate committee an amount which, when added to the independent expenditures by the members of the candidate's immediate family in support of the candidate for that election, are more than the following:

(a) \$50,000.00 in value for a candidate for governor or lieutenant governor.

(b) \$25,000.00 in value for a candidate for state elective office other than governor, lieutenant governor, or state legislator.

(c) \$10,000.00 in value for a candidate for state senator.

(d) \$5,000.00 in value for a candidate for state representative.

(7) A person may not make contributions which are more than \$1,700.00 in the aggregate in a calendar year to all committees that receive contributions and make expenditures in support of or opposition to candidates for state elective office, other than political party committees and candidate committees, except that this subsection shall not apply to the transfer of funds between an organization and a subsidiary, subunit or affiliate of that organization.

(8) A person who knowingly violates this section is subject to section 176.

**169.94 Contribution or expenditure by dependent minor. [M.S.A. 4.1701(94)]**

Sec. 94. For the purposes of sections 83 to 95, a contribution or expenditure by a dependent minor shall be reported in the name of the minor but shall be counted against the contribution and expenditure limitations of the minor's parent or guardian, as set forth in sections 91 and 93.

**169.95 Contributions, expenditures, or volunteer personal services by corporation; corporate political education fund; prohibited conduct; violation. [M.S.A. 4.1701(95)]**

Sec. 95. (1) Except with respect to the exceptions and conditions in subsections (2) and (3) and to loans made in the ordinary course of business, a corporation may not make a contribution or expenditure or provide volunteer personal services which services are excluded from the definition of a contribution pursuant to section 5(3) (a).

(2) An officer, director, stockholder, attorney, agent, or any other person acting for a corporation or joint stock company, whether incorporated under the laws of this or any other state or foreign country, except corporations formed for political purposes, shall not make a contribution or expenditure or provide

volunteer personal services which services are excluded from the definition of a contribution pursuant to section 5(3) (a). A corporation may make an expenditure solely for the establishment and administration of a separate segregated corporate political education fund to be utilized for the sole purpose of making contributions to and expenditures on behalf of candidate committees.

(3) Contributions to and expenditures from a fund established under subsection (2) shall be limited to money or anything of ascertainable value obtained through the voluntary contribution of the employees of the corporation under which the fund was established. A corporation which is nonprofit may also obtain money or anything of ascertainable value received through the contributions of members, who are individuals, of that corporation. The fund may not make a contribution or expenditure by utilizing money or anything of ascertainable monetary value obtained by using or threatening to use job discrimination or financial reprisals, or obtained as condition of employment.

(4) A person who knowingly violates this section is subject to section 176.

**169.98 Ordinance or resolution. [M.S.A. 4.1701(98)]**

Sec. 98. A county, city, township, village or school district may not adopt an ordinance or resolution that is more restrictive than the provisions contained in this chapter.

CHAPTER 3

**169.101 State campaign fund; creation; administration; tax designation; appropriation; distribution of funds. [M.S.A. 4.1701(101)]**

Sec. 101. (1) The state campaign fund is hereby created. The state treasurer shall administer the state campaign fund in accordance with this act.

(2) Effective with the taxable years beginning January 1, 1975, an individual whose income tax liability under Act No. 281 of the Public Acts of 1967, as amended, being sections 206.1 to 206.532 of the Michigan Compiled Laws, for a taxable year is \$2.00 or more may designate that \$2.00 be credited to the state campaign fund. In the case of a joint return of husband and wife having an income tax liability of \$4.00 or more each spouse may designate that \$2.00 shall be paid to the state campaign fund.

(3) The tax designation authorized in this section shall be clearly and unambiguously printed on the first page of the state individual income tax return.

(4) An amount equal to the amounts designated under subsection (2) each year is appropriated from the general fund of the state to the state campaign fund. The amounts appropriated under this section shall not revert to the general fund but shall remain available to the state campaign fund for distribution without fiscal year limitation except that any amounts remaining in the state campaign fund on December 31 immediately following a gubernatorial general election shall revert to the general fund.

(5) Prior to the distribution of funds under this chapter to qualifying primary election gubernatorial candidates, the state treasurer shall set aside sufficient funds from the state campaign fund to fully implement the formula for distributing funds to qualifying general election gubernatorial candidates. If insufficient funds exist in the state campaign fund to provide full funding to

eligible primary election gubernatorial candidates, the campaign funds shall be distributed to those candidates on a pro rata basis.

**169.102 Duties of secretary of state; application by candidate for moneys; warrant. [M.S.A. 4.1701(102)]**

Sec. 102. (1) The secretary of state shall receive and keep a record of each candidate's certified statements of qualifying contributions.

(2) The secretary of state shall promptly notify a candidate for nomination for governor when that candidate qualifies under this chapter to receive moneys from the state campaign fund.

(3) If a candidate desires to receive moneys from the state campaign fund and received notice of qualification for funding under subsection (2), the candidate shall apply to the secretary of state. The candidate shall state the amount of moneys desired from the state campaign fund in the application.

(4) The secretary of state shall determine the maximum amount for which the candidate qualifies under this act. The secretary of state shall forward information as to this amount and the application for funding to the state treasurer.

(5) The state treasurer shall issue a warrant drawn on the state campaign fund for an amount equal to the maximum amount which the candidate is qualified to receive or the amount applied for, whichever is less. The warrant shall not be issued before January 1 of the year in which the election for governor is to be held.

**169.103 Primary election; payment to candidate for nomination for governor; payment to unopposed candidate; write-in candidate; payment for contested primary. [M.S.A. 4.1701(103)]**

Sec. 103. (1) A candidate for nomination for the office of governor in a primary election may obtain moneys from the state campaign fund in an amount equal to \$2.00 for each \$1.00 of qualifying contribution if the candidate certifies to the secretary of state that:

(a) The candidate committee of the candidate received an amount of qualifying contributions at least equal to 5% of the candidate's designated spending limit.

(b) The full name and address of each person making a qualifying contribution is recorded by the candidate committee of the candidate certifying. This requirement is in addition to and not in lieu of the requirements of section 56 relating to the recording and reporting of contributions.

(2) An unopposed candidate for nomination for governor in a primary election is not entitled to moneys from the state campaign fund except as provided in subsection (3).

(3) If a major party has a contest for the nomination for the same office, an unopposed candidate for nomination of another party in a primary election may receive up to 25% of the maximum payment provided in subsection (4). For purposes of this chapter, a write-in candidate shall not be regarded as opposition, or as creating a contested primary.

(4) A candidate may not receive from the state campaign fund for a contested primary more than 66% of the candidate's expenditure limit designated in section 83(1).

**169.104 General election; payments to major or minor political party nominee for governor; private contributions; payment to candidate for governor listed on ballot in general election. [M.S.A. 4.1701(104)]**

Sec. 104. (1) A major political party nominee for governor is entitled to payment of not more than 75% of the spending limit as designated in section 83. A candidate for governor may, subject to chapter 2, raise the remaining 25% of the permissible expenditure limit in private contributions. An eligible candidate in a general election may elect not to accept any payment or partial payment of moneys from the state campaign fund and instead raise private contributions subject to chapter 2 which, when added to the amount received from the state campaign fund, does not exceed the expenditure limit designated in section 83.

(2) A minor political party nominee for governor whose party received 5% or more of the vote for the same office in the last election is entitled to an amount of not more than 75% of the spending limit as designated in section 83 multiplied by the number of popular votes the minor party received in the preceding general election for governor which is divided by the average number of votes the major parties received in that general election for governor.

(3) A minor political party nominee for governor not eligible under subsection (2) but who receives more than 5% of the vote in that general election for governor is entitled to reimbursement in an amount of not more than 75% of the spending limit as designated in section 83 multiplied by the number of popular votes the minor party received in the preceding general election for governor which is divided by the average number of votes the major parties received in that general election for governor.

(4) A minor political party nominee for governor qualified under subsection (2) who receives more popular votes in an election than the candidate for governor of that minor political party received at the preceding election is entitled to additional reimbursement in amount determined as follows:

(a) Compute the amount which the candidate would have received under subsection (3) had the candidate otherwise qualified.

(b) Subtract the amount received under subsection (2) from the amount computed under subdivision (a).

(5) A candidate for governor listed on the ballot in the general election is entitled to \$1.00 for each \$1.00 of qualifying contributions certified to the secretary of state in accordance with this chapter up to 50% of the candidate's spending limit pursuant to section 83, if the candidate has certified to the secretary of state an amount of dollars in qualifying contributions equal to 5% of the candidate's designated spending limit. A candidate who chooses to receive any public funds under this subsection may not receive any moneys under subsection (1), (2), (3), or (4).

**169.105 Application of moneys against qualified campaign expenditures; "qualified campaign expenditure" defined; separate account for moneys received by gubernatorial candidate; use of payment in subsequent election prohibited; violation. [M.S.A. 4.1701(105)]**

Sec. 105. (1) A candidate may only apply the moneys received under this chapter against qualified campaign expenditures.

(2) As used in this section "qualified campaign expenditure" means an expenditure for services, material, facilities, or other things of value by the candidate committee of a candidate for governor to further the candidate's nomination or election to the office of governor during the year in which the



primary or general election in which the candidate seeks nomination or election is held. Qualified campaign expenditure does not include:

(a) An expenditure in violation of any law of the United States or of this state.

(b) A payment made to the candidate or a relative within the third degree of consanguinity of the candidate, or to a business with which the candidate or the relative is associated.

(c) A payment to the extent clearly in excess of the fair market value of services, materials, facilities, or other things of value received in exchange.

(d) That portion of any salary or wage to an individual in excess of \$2,000.00 per month.

(e) Payment from petty cash.

(f) Gifts, except brochures, buttons, signs, and other printed campaign material.

(g) Payment to a defense fund.

(3) A gubernatorial candidate shall keep those moneys received under this chapter in a separate account. The gubernatorial candidate's qualified expenditures may be paid from this account unless the account does not have a balance. Any unexpended balance in this account shall be refunded and credited to the general fund within 60 days after the election for which the moneys were received. Payment received from the state campaign fund for expenditures in 1 election shall not be used for expenditures in a subsequent election.

(4) A person who knowingly violates this section is subject to section 177.

#### CHAPTER 4

#### **169.121 Prohibited conduct; penalties; "gift" defined. [M.S.A. 4.1701(121)]**

Sec. 121. (1) A person who knowingly violates this subsection is subject to section 178. A person shall not offer or give to the following persons anything of value, including a gift, loan, contribution, reward, or promise of future employment, based on an agreement that the vote, official action, or judgment of the public official, public employee, or candidate would be influenced thereby:

(a) A public official, public employee, or a candidate.

(b) A member of the immediate family of an individual listed in subdivision (a).

(c) A business with which an individual listed under subdivision (a) or (b) is associated.

(2) A person listed in subsection (1) (a), (b), or (c) shall not solicit or accept anything of value, including a gift, loan, contribution, reward, or promise of future employment based on an agreement that the vote, official action, or judgment of the public official, public employee, or candidate would be influenced thereby. A person who knowingly violates this subsection is subject to section 178.

(3) A public official or public employee shall not use that person's public office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated. A person who knowingly violates this subsection is subject to section 175.

(4) A public official or public employee shall not use personnel, resources, property, or funds under that individual's official care and control, other than in accordance with prescribed constitutional, statutory, and regulatory procedures; or use such items, other than compensation provided by law, for personal financial gain. A person who knowingly violates this subsection is subject to section 175.

(5) As used in this section, "gift" means a payment, subscription, advance, forbearance, rendering or deposit of money, services or anything of value, unless consideration of equal or greater value is given therefor. Gift does not include a campaign contribution otherwise reported as required by law, a commercially reasonable loan made in the ordinary course of business, or a gift received from a member of the individual's immediate family, or from a relative within the third degree of consanguinity, or spouse thereof.

**169.123 Contracts. [M.S.A. 4.1701(123)]**

Sec. 123. (1) A public official or public employee, a member of that individual's immediate family, or business with which the individual is associated shall not enter into a contract valued at \$1,500.00 or more with a governmental body unless the contract is awarded through an open and public process which includes prior public notice and subsequent availability for public inspection during the regular office hours of the contracting governmental body of the proposals considered and the contract awarded. This section does not apply to a contract when the public official or public employee does not solicit the contract, does not take part in the negotiations for or in the approval of the contract or an amendment thereto, and does not in any way represent either party in the transaction. This section, following the evident intent of section 10 of article 4 of the constitution of 1963, is aimed to prevent public officials from engaging in certain activities under circumstances creating a substantial conflict of interest and is not intended to penalize innocent persons. Therefore, a contract shall not be absolutely void by reason of this section or the constitutional provisions which it implements.

A contract involving a prohibited conflict of interest under this section shall be voidable only by decree of a court of proper jurisdiction in an action by the state or a political subdivision which is a party thereto, as to any person that entered into the contract or took assignment thereof, with actual knowledge of the prohibited conflict. In the case of a person other than an individual, the actual knowledge must be that of an individual or body finally approving the contract for the person. An action to void any contract shall be brought within 1 year after discovery of circumstances suggesting the existence of a violation of the constitutional provision as implemented by this section. To meet the ends of justice any such decree shall provide for the reimbursement of any person for the reasonable value of all moneys, goods, material, labor, or services furnished under the contract, to the extent that the state or political subdivision has benefited thereby. This provision shall not prohibit the parties from arriving at an amicable settlement.

(2) This section does not apply to a contract for labor which is negotiated or is being negotiated pursuant to the laws of this state.

**169.124 Governmental decisions by public officials or employees; procedures; public official, public employee, or former official as attorney, agent, or representative; violations; exception. [M.S.A. 4.1701(124)]**

Sec. 124. (1) A public official or public employee shall not make or

participate in making a governmental decision, having knowledge that the decision will provide that individual, a member of that individual's immediate family, or a business with which the individual is associated financial benefits of more than a de minimus nature which are distinguishable from the benefits to the public or a broad segment of the public. This restriction shall not prevent a public official, other than a member of a legislative body, from making or participating in the making of a governmental decision to the extent that the public official's participation is legally required for the action or decision to be made, but in such event the public official shall report the occurrence to the commission. A member of a legislative body may make or participate in the making of such a decision, if the member has delivered a statement to the presiding officer of the legislative body disclosing the potential conflict and stating why, despite the potential conflict, that public official is able to vote and otherwise participate fairly, objectively, and in the public interest. A person who knowingly violates this subsection is subject to section 178.

(2) A governmental body shall establish procedures to enable public officials and public employees to avoid or be exempt from making decisions which they know or have reason to know will provide them, their immediate families, or businesses with which the individuals are associated financial benefits of more than a de minimus nature which are distinguishable from the benefits to the other members of the public or to a broad segment of the public.

(3) A public official or public employee shall not act as the attorney, agent, or representative of a person for compensation before a governmental body of which that public official or public employee is a member or employee. A person who knowingly violates this subsection is subject to section 178.

(4) A former official in the executive branch shall not act as the attorney, agent, or representative of a person for compensation before a governmental body with which that individual was an official in the executive branch on any matter with which the individual was directly involved for 1 year after leaving that governmental body, unless that governmental body is a court of record with which the official in the executive branch was associated. A person who knowingly violates this section is subject to section 175.

(5) This section does not apply to a contract for labor which is negotiated or is being negotiated pursuant to the laws of this state.

**169.126 Personal opinion of public employee. [M.S.A. 4.1701(126)]**

Sec. 126. A public employee shall not represent a personal opinion as that of the governmental body of which the public employee is an employee.

**169.127 Adoption of supplementary requirements. [M.S.A. 4.1701(127)]**

Sec. 127. A governmental body may adopt requirements to supplement this chapter if the requirements are approved by the commission. A governmental body may not adopt a requirement under this act which will impair or regulate the negotiations of a contract for labor.

**169.131 Individuals required to file statement with secretary of state or county clerk; time; violation; exception; "regular office" defined. [M.S.A. 4.1701(131)]**

Sec. 131. (1) The following individuals shall file a statement as required by section 132 with the secretary of state:

- (a) An individual holding a state elective office.
- (b) A justice or judge.

(c) A member of state board or commission provided in the Michigan constitution of 1973.

(d) A member of a state board or commission which examines or licenses a business, trade or profession or which determines rates for or otherwise regulates a business and a member of a state commission which appoints a director of a principal department of state government.

(e) A state employee of the executive branch who is exempted or excepted from civil service, except an individual serving as a member of a state board or commission or in a clerical, nonpolicy-making or nonadministrative capacity and except an employee of a state institution of higher education or a member of the armed forces of the state except the adjutant and assistant adjutants general.

(f) An appointed member of a governing board of a state institution of higher education.

(g) An elected or appointed member of a governing board of a community or junior college.

(h) A member of a county board of commissioners.

(i) A chief executive or administrative officer of a county.

(i) A member of a constitutional board or commission.

(j) A sheriff.

(k) A prosecuting attorney.

(l) A county clerk.

(m) A county treasurer.

(n) A county register of deeds.

(o) A county drain commissioner.

(p) A county road commissioner.

(q) The commissioner of public works.

(r) An elected county executive.

(s) Elected county auditors.

(2) Except as provided in section 132(3), the following individuals shall file a statement with the clerk of the county in which the individual resides:

(a) A mayor of a city, a city manager, and a city administrator.

(b) A member of a city council, common council, or city commission.

(c) A member of a land use planning commission, zoning commission, or authority of a state, region, county, township, village, or city.

(d) A township trustee and a township supervisor.

(e) A township constable.

(f) A president of a village.

(g) A member of a village council.

(h) A township clerk.

(i) A township treasurer.

(j) A member of a school board.

(k) A school superintendent.

(l) A city clerk.

(m) A member of the board of review of any city, village, or township.

(n) A member of an economic development authority.

(3) Statements shall be filed before May 1 covering the period during the

previous calendar year in which the individual held such a position. An individual who leaves office shall, within 30 days after leaving office, file a statement with the appropriate filing official as specified in subsections (1) and (2) covering that period since the previous statement was filed.

(4) An individual who files a fee or petition to appear on the ballot for election to an elective office specified in subsection (1) or (2) shall file a statement for the preceding calendar year at the same time and with the same official that the fee or petition is filed and shall, within 5 days, file a copy of the statement with the secretary of state or county clerk as specified in subsection (1) or (2). Candidates for elective office as specified in subsection (1) or (2) who qualify other than by filing a fee or petition shall, within 15 days after becoming a candidate or within 15 days after being appointed to that elective office, file a statement for the preceding calendar year with the filing official to whom the candidate's nomination by a political party was certified and a copy of the statement with the election division or the county clerk as specified in subsection (1) or (2). This subsection shall not apply to a person who has already filed a statement in that calendar year pursuant to subsection (1) or (2). A fee or petition to appear on the ballot shall not be accepted by a filing official unless a statement is properly filed.

(5) An individual appointed to an office specified in subsection (1) or (2) shall, before assuming official duties, file a statement for the preceding calendar year with the secretary of state or county clerk as specified in subsection (1) or (2) and, where confirmation is required, with the official or body that is vested with the power of confirmation within 15 days after the nomination, or at least 10 days before the official or body shall approve or reject the nomination, whichever is sooner.

(6) An individual designated in subsection (1) shall file a copy of the statement with the clerk of the county in which the individual resides within 5 days after filing with the secretary of state. The secretary of state and clerks of the counties shall make the statements available for public inspection during regular office hours. On request of the commission, the secretary of state and clerks of the counties shall provide to the commission copies of the statements filed pursuant to this act.

(7) A person who violates this section is subject to sections 175 and 180.

(8) This section does not apply to a public official listed in subsection (2) of a city, village, or township which does not employ a full-time employee compensated by other than federal funds or does not employ more than 5 full-time employees which are compensated in full by federal funds as provided by the federal comprehensive employment training act of 1973, as amended, and does not maintain a regular office, if the legislative body of the city, village, or township approves this exemption by ordinance or resolution and delivers the ordinance or resolution to the commission. "Regular office" means an office open to the public at specific prearranged times for at least 20 hours a week other than those times required by law.

**169.132 Persons required to file information; information required; "financial institution" defined; exceptions. [M.S.A. 4.1701(132)]**

Sec. 132. (1) Persons required to file under section 131 shall file the following information for themselves and what they know or have reason to know about members of their immediate families:

(a) The name and address of, and the nature of association with, any business with which the individual was associated and any entity in which a position of trustee was held.

(b) The name, address, and nature of business of a person from whom income in the value of \$1,000.00 or more was received and the nature of the services rendered. If income results from participation in a proprietorship or partnership or professional service corporation, the person may list the proprietorship or partnership or professional service corporation as the source and not the clients of the proprietorship or partnership or professional service corporation. The specific source of any income received from individuals pursuant to a confidential relationship established by law is not required.

(c) The description, including nature, location, and size of all real property in the state, the fair market value of which exceeds \$1,000.00, in which a direct or indirect financial interest was held, and, if the property was transferred during the preceding calendar year, the name and the address of the person furnishing or receiving consideration in exchange for that financial interest.

(d) The name and address of each creditor to whom the value of \$1,000.00 or more was owed by the filer or a member of the filer's immediate family. Accounts payable, debts arising out of retail installment transactions or from loans made by financial institutions in the ordinary course of business, loans from a relative within the third degree of consanguinity, and land contracts that have been properly recorded with the county clerk or the register of deeds need not be included.

(e) The original amount and the amount outstanding, the terms of repayment, and the security given for each debt required to be reported in subdivision (d). Information given under this subdivision is confidential.

(f) The name, address, and occupation or nature of business of any person from whom a gift in the value of \$100.00 or more was received and the circumstances of each gift. The definition of gift is as set forth in section 121(5).

(2) Those required to file under section 131 shall file what they know or have reason to know of the following for a business of which the filer or a member of the filer's immediate family was a partner or held more than a 10% equity interest in that preceding calendar year:

(a) The name and address of, and the nature of association with a business in which that business holds equity.

(b) The description, including nature, location, and size of all real property in the state, the fair market value of which exceeds \$1,000.00, in which a direct or indirect financial interest was held, and if the property was transferred during the preceding calendar year, the name and the address of the person furnishing or receiving consideration in exchange for that financial interest.

(c) The name and address of each creditor to whom the value of \$1,000.00 or more was owed by a business with which the individual or a member of the individual's immediate family holds more than a 10% equity interest, the original amount and the amount outstanding, the terms of repayment, and the security given for each such debt. This requirement does not apply to debts arising out of retail installment transactions, accounts payable, from loans made by financial institutions in the ordinary course of business, or land contracts that have been properly recorded with the county clerk or the register of deeds. Information given under this subdivision is confidential.

(d) The name, address, and occupation or nature of business of any person from whom a gift in the value of \$100.00 or more is received and the circumstances of each gift.

(3) The information required to be filed under subsection (1) (e) and (2) (c) shall be filed only with the secretary of state.

(4) As used in this section, "financial institution" means an institution as defined in section 5 of Act No. 319 of the Public Acts of 1969, being section 487.305 of the Michigan Compiled Laws, a federal bank or branch bank, an insurance company providing a loan on an insurance policy, a small loan company, or a state or federal savings and loan association or credit union, the federal government or any political subdivision thereof.

(5) A person need not report the res or the income of an irrevocable trust of a member of the person's immediate family.

**169.134 Recommendations of commission upon finding violation. [M.S.A. 4.1701(134)]**

Sec. 134. In addition to any other action provided under this act, the commission may do any of the following upon finding a violation of this chapter:

(a) In the case of an appointed official or employee, make a recommendation to the appointing authority with supervisory responsibility for the person whose activities were investigated.

(b) In the case of a legislator, make a recommendation to the special committee of the legislature on conflict of interest created pursuant to section 136.

(c) In the case of the attorney general or secretary of state, make a recommendation to the governor that the attorney general or secretary of state may be guilty of gross neglect of duty, corrupt conduct in office, misfeasance, or malfeasance.

(d) In the case of the governor or the lieutenant governor, make a recommendation to the legislature.

**169.135 Action on recommendations of commission. [M.S.A. 4.1701(135)]**

Sec. 135. Upon recommendation by the commission:

(a) In the case of a classified employee, the appointing authority shall initiate appropriate proceedings in accordance with the recommendation and pursuant to the rules of the civil service commission.

(b) In the case of an unclassified employee or appointee, the appointing authority shall take appropriate disciplinary action which may include dismissal.

(c) In the case of a legislator, the special committee of the legislature on conflict of interest shall conduct such further investigation it deems necessary and issue a report and recommendation within 30 days to the appropriate house of the legislature. The recommendation may be that action not be taken; that the member in question be censured; that the member in question be censured and relieved of committee assignments; or that the member in question be expelled.

(d) In the case of the attorney general or secretary of state, the governor shall act in accordance with section 10 of article 5 of the state constitution of 1963.

(e) In the case of the governor or lieutenant governor, the legislature shall act in accordance with section 7 of article 11 of the state constitution of 1963.

**169.136 Special committee of legislature on conflict of interest; creation; appointment of members; compensation and expenses; rules and procedures; advisory opinions; prohibition as to members licensed as attorneys; violation; disciplinary action. [M.S.A. 4.1701(136)]**

Sec. 136. (1) There is created a special committee of the legislature on conflict of interest to consist of 3 members of the senate and 3 members of the house of representatives, at least 1 of whom from each house shall be a member of the minority party, to be appointed in the same manner as standing committees of the senate and the house. The members of the special committee shall serve without compensation, but shall be entitled to actual and necessary expenses while on the business of the committee. The special committee may establish, by majority vote, its rules and procedures.

(2) On its own motion or upon the request of any member of the legislature, the special committee may render an advisory opinion as to whether under the facts and circumstances of a particular case a legislator is interested directly or indirectly in a contract or agreement with the state or a political subdivision thereof which shall cause a substantial conflict of interest. The special committee may insure that the identity of persons involved in any request for advisory opinions shall not be disclosed in the request, advisory opinion or otherwise.

(3) A member of the legislature who is licensed as an attorney is prohibited from appearing in any nonadversary or nonministerial proceeding before any state department, office, board, or commission of the executive branch of government.

(4) A member of the legislature wilfully violating the provisions of this chapter shall be subject to appropriate disciplinary action by the house of which he is a member.

**169.137 Ordinance or resolution. [M.S.A. 4.1701(137)]**

Sec. 137. (1) A county, city, township, village, and school district, within 18 months after the effective date of this act, shall adopt an ordinance or resolution governing the filing of statements by officials and employees in that body of government not required to file under section 131(1) and (2). The ordinance or resolution shall include the following:

- (a) A description of those officials and employees who must file.
- (b) Items to be included in the statement.
- (c) Where and when the statement is to be filed.

(2) An ordinance or rule shall not be adopted under this act unless it is approved by the commission.

(3) This section does not apply to a city, village, or township which exempts itself from section 131 pursuant to section 131(8) until 18 months after that city, village, or township becomes ineligible for its exemption under section 131(8).

CHAPTER 5

**169.141 Definitions. [M.S.A. 4.1701(141)]**

Sec. 141. As used in this chapter:

(a) "Expenditure" means an advance, conveyance, deposit, distribution, transfer of funds, loan, payment, pledge, or subscription of money or anything of value, except the payment of a membership fee otherwise reported pursuant to section 143(d), and any contract, agreement, promise, or other obligation, whether or not legally enforceable, to make an expenditure. Expenditure does



not include an expenditure for communication by a person strictly with the person's paid members or shareholders or the cost of communicating those positions from a lobbyist to lobbyist agent or vice versa.

(b) "Gift" means a payment, subscription, advance, forbearance, honorarium, or the rendering or deposit of money, services, or anything of value, the value of which exceeds \$10.00 in any 1 month period, unless consideration of equal or greater value is received therefor. Gift does not include:

- (i) A campaign contribution otherwise reported as required by law.
  - (ii) A commercially reasonable loan made in the ordinary course of business.
  - (iii) A gift received from a member of the person's immediate family, a relative within the third degree of consanguinity, or from the spouse of any such a relative.
  - (iv) A breakfast, luncheon, dinner, or other refreshments consisting of food and beverage provided for immediate consumption.
  - (v) Admissions to state regulated industries, facilities or events.
- (c) "Public official" means an official in the executive or legislative branch of state government.

**169.142 Lobbyist and lobbyist agent; filing registration form; fee; signature; contents; failure to register. [M.S.A. 4.1701(142)]**

Sec. 142. (1) Before January 15 of each year or not later than 3 days after beginning lobbying if lobbying begins after January 15, a lobbyist and lobbyist agent shall each file a registration form with the secretary of state and pay a registration fee of \$5.00. The registration form shall be signed by the person required to register. An authorized officer or agent of the lobbyist shall sign the form if the lobbyist is not an individual. The registration form shall contain the following information:

- (a) The name, permanent residence address, and office address of the lobbyist or lobbyist agent.
- (b) The name and address of each person employed, reimbursed for expenses, or compensated by the lobbyist or lobbyist agent for lobbying in this state.

(c) The name, address, and nature of business of any person who gives compensation to or reimburses the lobbyist agent for lobbying.

(2) A person who fails to register under subsection (1), shall pay a late registration fee of \$10.00 for each day the person remains not registered in violation of subsection (1). A person who is in violation by failing to register as required by this section more than 30 days is subject to section 174.

**169.143 Signed report as to lobbying activities; filing; form; contents; failure to file report; notice to public official. [M.S.A. 4.1701(143)]**

Sec. 143. (1) A lobbyist shall file a signed report before the thirtieth day of the months of January, April, July, and October of each year with the secretary of state concerning lobbying activities during the previous 3 months. The report shall be on a prescribed form and shall include the following information:

- (a) A statement updating to the end of the reporting period the information required to be filed under section 142.
- (b) An account of all expenditures in any way related to the performance of lobbying activities. The expenditures shall be reported by category, with the report showing the total amount expended in each category during the

preceding 2 months and the cumulative amount expended in each category for the current year from January 1 through the month covered by the report. Expenditures shall be reported in the following categories: (i) expenditures for food and beverage provided for public officials; (ii) advertising and mass mailing expenses including postage and printing costs related to the performance of lobbying; (iii) all other expenditures related to the performance of lobbying. Expenditures for food and beverage provided a public official shall be itemized separately if the expenditures for that public official exceed \$50.00 in any month covered by the report or \$150.00 during that calendar year from January 1 through the month covered by the report. The itemization shall include the name and title or office of the public official and the cumulative totals of those expenditures for the months covered by the report and for the year. Where more than 1 public official is provided food and beverage and a single check is rendered, the report under subdivision (b) (i) may reflect the average amount of the check for each public official. In lieu of reporting under subdivision (b) (i), a lobbyist shall report amounts expended on public officials for food and beverage where the expenditures are a result of an event to which more than 35 individuals were invited. In reporting those amounts, the lobbyist shall file a statement providing a description by category of the persons invited and the nature of each event or function held during the preceding 2 months. Expenditures made for these events shall not be counted in a public official's aggregate total for the purposes of reporting expenditures for food and beverages under this chapter.

(c) An account of every financial transaction during the preceding 3 months between the lobbyist, or anyone acting on behalf of the lobbyist, and a public official or a member of the public official's immediate family in which a value of \$500.00 or more is involved, except a financial transaction in the ordinary course of the lobbyist's business where consideration of equal or greater value is received by the lobbyist. The account shall include the date and nature of the transaction, the parties thereto, and the amount and terms thereof.

(d) An account of each contribution or membership fee of \$500.00 or more in the aggregate paid during its current fiscal year to a lobbyist whose primary purpose is lobbying. The account shall include the name and address of the source, and the occupation, employer, or principal place of business if self-employed, if the source is an individual.

(e) A brief description of the lobbying activities engaged in during the previous 3 months.

(2) A person who fails to report under subsection (1), shall pay a late filing fee of \$10.00 for each day the report remains not filed in violation of subsection (1) not to exceed \$500.00. A person who is in violation of subsection (1) more than 30 days is subject to section 174.

(3) Within a reasonable time after a lobbyist reports having had reportable activity with a named public official the commission shall so notify the public official of the occurrence and specific nature of the reporting and by whom reported.

**169.144 Records substantiating reports; obtaining and preserving; inspection; contents; violation. [M.S.A. 4.1701(144)]**

Sec. 144. (1) A lobbyist shall obtain and preserve all accounts, bills, receipts, books, papers, and documents necessary to substantiate the reports required to be made pursuant to sections 142 or 143 for 5 years after the report containing those items is filed. These records shall be made available for

inspection upon request by the commission after reasonable notice and shall include, without limitation, the following:

(a) An itemized account of all expenditures in any way related to the performance of lobbying. Single expenditures of \$100.01 or more shall be recorded separately with the record showing the date, purpose, and name and address of the recipient of the expenditures.

(b) An itemized account of all expenditures for food and beverage provided for public officials. The account shall reflect the date and amount of the expenditure and the name and title or office of the public official for whom the expenditure was made, except that when more than one public official is provided food and beverage and a single check or voucher is rendered, the account may reflect the average amount of the check for each public official. A lobbyist shall record amounts expended on public officials for food and beverage where the expenditures are a result of an event to which more than 35 individuals were invited. The lobbyist shall record the names of all public officials invited and the nature of each event or function held. Expenditures made for these events shall not be counted in a public official's aggregate total for the purposes of recording expenditures for food and beverages under this chapter.

(2) A person who knowingly violates this section is subject to section 176.

**169.145 Accounting by lobbyist agent to employing lobbyist; time; perjury; civil penalty; notice of termination. [M.S.A. 4.1701(145)]**

Sec. 145. (1) A lobbyist agent who is compensated, reimbursed, or otherwise employed by a lobbyist, and whose activities and expenditures must be reported by the employing lobbyist pursuant to section 143, shall provide to the employing lobbyist a full accounting of all lobbying and expenditures required to be reported under this chapter at least 10 days before the employing lobbyist's report is due to be filed. The accounting shall be made and signed under penalty of perjury. A person who violates this subsection is subject to a civil penalty of not more than \$1,000.00.

(2) A lobbyist or lobbyist agent shall file a notice of termination with the secretary of state within 30 days after ceasing lobbying, but this will not relieve the lobbyist of the reporting requirements of this section for that reporting period.

**169.146 Unlawful employment of lobbyist agent; unlawful gifts; sale or utilization of information copies from forms or reports; compensation of public official engaged in lobbying; penalties. [M.S.A. 4.1701(146)]**

Sec. 146. (1) A person shall not be employed as a lobbyist agent for compensation contingent in any manner upon the outcome of an administrative or legislative action. A person who knowingly violates this subsection is subject to section 177.

(2) A lobbyist or lobbyist agent or anyone acting on behalf of a lobbyist or lobbyist agent shall not give a gift to a public official or to a member of the public official's immediate family. A person who knowingly gives a gift in violation of this subsection is subject to section 176 if the value of the gift is \$3,000.00 or less, or is subject to section 177 if the value of the gift is more than \$3,000.00.

(3) Information copies from registration forms or activity reports required by this chapter or from lists compiled from the forms or reports may not be sold or utilized by any person for any commercial purpose, except for the solicitation

of campaign contributions as authorized under this act. A person who violates this subsection is subject to a civil penalty of not more than \$1,000.00.

(4) A public official, other than an individual who is appointed to a board or commission and is not an ex officio member or prohibited by law from having other employment, shall not accept compensation or reimbursement, other than from the state, for personally engaging in lobbying. A person who violates this subsection is subject to a civil penalty of not more than \$1,000.00.

**169.147 Summaries of statements and reports; preparation and publication. [M.S.A. 4.1701(147)]**

Sec. 147. The commission shall 3 times a year and annually prepare and publish summaries of the statements and reports received. The summaries shall include a list of the names of the lobbyists and lobbyist agents. The summaries shall be given wide public dissemination.

**169.149 Enactment of lobbying disclosure requirements by local governments. [M.S.A. 4.1701(149)]**

Sec. 149. A city, county, township, village, or school district may enact lobbying disclosure requirements for persons attempting to influence its legislative or administrative actions. The requirements shall be similar to the provisions of this chapter and are subject to the prior approval of the commission.

**169.150 Ordinance or resolution. [M.S.A. 4.1701(150)]**

Sec. 150. A county, city, township, village, or school district may not adopt an ordinance or resolution that is more restrictive than the provisions contained in this chapter.

CHAPTER 6

**169.171 Effect of penalties on disciplinary or impeachment proceedings. [M.S.A. 4.1701(171)]**

Sec. 171. The penalties prescribed in this act shall not limit the power of either house of the legislature to discipline its own members or impeach a public official, and shall not limit the power of any other governmental body from disciplining a public official or public employee pursuant to any other law or the state constitution of 1963.

**169.172 Statute of limitations. [M.S.A. 4.1701(172)]**

Sec. 172. (1) A criminal prosecution or civil action for violation of this act may be commenced within 4 years after the violation occurred or, in the case of fraud, within 4 years after the date on which the violation was discovered.

(2) A criminal prosecution or civil action may not be commenced after the time specified in subsection (1).

**169.173 Defense fund. [M.S.A. 4.1701(173)]**

Sec. 173. A candidate who is charged with, or is being investigated for, a violation of this act, or whose agent is so charged or investigated, may establish a defense fund for legal expenses, costs, and fees occurring as a result of the charge. Any money in a candidate's campaign committee may be transferred to a separate account entitled "defense fund". The money transferred shall be kept separate from any other money raised in defense of the candidate. If the candidate is found not guilty or the charges are subsequently dismissed, that candidate may transfer any remaining funds in the defense fund to that candidate's campaign committee. If the candidate is found guilty or pleads nolo

contendere the money in the defense fund shall be transferred to the general fund. A candidate may not transfer or use moneys from a defense fund established under this section to make a contribution or expenditure for any purpose other than the defense fund.

**169.174 Misdemeanor; penalty. [M.S.A. 4.1701(174)]**

Sec. 174. A person subject to this section is guilty of a misdemeanor and shall be fined not more than \$1,000.00.

**169.175 Misdemeanor; penalty. [M.S.A. 4.1701(175)]**

Sec. 175. A person subject to this section is guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000.00, or imprisoned for not more than 90 days, or both.

**169.176 Misdemeanor; penalty. [M.S.A. 4.1701(176)]**

Sec. 176. A person subject to this section is guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000.00, or imprisoned for not more than 90 days, or both, and if the person is other than an individual the person shall be fined not more than \$10,000.00.

**169.177 Felony; penalty. [M.S.A. 4.1701(177)]**

Sec. 177. A person subject to this section is guilty of a felony and if the person is an individual shall be punished by a fine of not more than \$2,000.00 or imprisoned for not more than 3 years, or both, and if the person is other than an individual shall be punished by a fine of not more than \$10,000.00.

**169.178 Felony; penalty. [M.S.A. 4.1701(178)]**

Sec. 178. A person subject to this section is guilty of a felony and shall be punished by a fine of not more than \$10,000.00, or imprisoned for not more than 3 years, or both.

**169.179 False statement or report; felony; penalty. [M.S.A. 4.1701(179)]**

Sec. 179. A person who files a statement or report required under this act knowing that information contained therein is false is guilty of a felony and shall be punished by a fine of not more than \$5,000.00 and imprisonment for a term of not more than 3 years, if an individual, and by a fine of not more than \$25,000.00 if other than an individual.

**169.180 Prohibiting assumption of public office or compensation from public funds. [M.S.A. 4.1701(180)]**

Sec. 180. If a person who is subject to this section is found guilty under section 175, the circuit court of that county, on application by the attorney general or the prosecuting attorney of that county, may prohibit that person from assuming the duties of a public office or from receiving compensation from public funds, or both.

**169.181 Encouraging or recruiting gubernatorial candidacy to obtain public funding for another candidate; felony; penalty. [M.S.A. 4.1701(181)]**

Sec. 181. A person who knowingly encourages or recruits an individual to become a candidate for nomination for the office of governor for the purpose of making public funding available to another candidate is guilty of a felony and shall be punished by a fine of not more than \$10,000.00 and shall repay to the state campaign fund any amount received by the candidate from the state campaign fund as a result of the violation.

**169.191 Repeal of §§4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. [M.S.A. 4.1701(191)]**

Sec. 191. Act No. 214 of the Public Acts of 1947, being sections 4.401 to 4.410 of the Compiled Laws of 1970, sections 901 to 929 of Act No. 116 of the Public Acts of 1954, as amended, being sections 168.901 to 168.929 of the Compiled Laws of 1970, Act No. 317 of the Public Acts of 1968, being sections 15.321 to 15.330 of the Compiled Laws of 1970, Act No. 318 of the Public Acts of 1968, as amended, being sections 15.301 to 15.310 of the Compiled Laws of 1970 and Act No. 196 of the Public Acts of 1973, being sections 15.341 to 15.348 of the Compiled Laws of 1970, are repealed.

**169.199 Effective dates; appointment of initial members of commission. [M.S.A. 4.1701(199)]**

Sec. 199. (1) Except as provided in subsections (2) and (3), this act shall not take effect until January 1, 1976.

(2) Sections 31, 33, 35, and 199 shall take effect immediately. The initial members of the commission shall be appointed within 2 months after sections 31 and 35 take effect.

(3) Sections 174, 175, 176, 177, 178, 179, 180, and 181 shall not take effect until July 1, 1976.

**169.200 Constitutionality. [M.S.A. 4.1701(200)]**

Sec. 200. Pursuant to article 3, section 8 of the state constitution of 1963, the state supreme court shall rule on the constitutionality of chapters 4, 5, and 6 before January 1, 1976.

Approved August 27, 1975.

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**[No. 228]**

AN ACT to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation.

*The People of the State of Michigan enact:*

**CHAPTER 1****208.1 Short title. [M.S.A. 7.558(1)]**

Sec. 1. This act shall be known and may be cited as the "single business tax act".

**208.2 Meanings of words, phrases, and terms; references to internal revenue code. [M.S.A. 7.558(2)]**

Sec. 2. (1) For the purposes of this act, the words and phrases defined in sections 3 to 10 shall have the meanings respectively ascribed to them in those sections.