

jurisdiction and control of the state owned land is first obtained. A contract for the taking of coal, oil, gas, or metallic mineral products, or for the storage of gas or other mineral products, shall not be valid unless it is approved by the state administrative board. All moneys received from this source, except moneys received from lands acquired with game and fish protection funds, the sources provided in this subsection shall be turned into the general fund of the state to be used for the purpose of defraying the expenses incurred in the administration of this act and other purposes provided by law, except that the moneys shall be turned into the game and fish protection fund and used only for the purposes provided by law if they are derived from:

(a) Direct sale of resources or other commercial income from lands acquired with game and fish protection funds.

(b) Payments of service charges by persons using areas managed for pheasants or waterfowl.

(4) Nothing in this section shall permit a contract for the taking of gravel, sand, coal, oil, gas or other metallic mineral products that does not comply with applicable local ordinances and state statutes.

This act is ordered to take immediate effect.

Approved December 28, 1976.

[No. 388]

AN ACT to regulate political activity; to regulate campaign financing; to restrict campaign contributions and expenditures; to require campaign statements and reports; to regulate anonymous contributions; to regulate campaign advertising and literature; to provide for segregated funds for political purposes; to provide for the use of public funds for political purposes; to create a state campaign fund; to provide for reversion of, or refunding of, unexpended balances; to require reports; to provide appropriations; to prescribe penalties; and to repeal certain acts and parts of acts.

The People of the State of Michigan enact:

169.201 Definitions generally. [M.S.A. 4.1703(1)]

Sec. 1. Except as otherwise defined in this act, the words and phrases defined in sections 2 to 12 shall have the meanings respectively ascribed to them in those sections for the purposes of this act.

169.202 Definitions; B. [M.S.A. 4.1703(2)]

Sec. 2. (1) "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.

(2) "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.

(3) "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 or nonprofit purposes.

169.203 Definitions; C. [M.S.A. 4.1703(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.

For purposes of sections 61 to 71, "candidate" only means in a primary election, a candidate for the office of governor; and in a general election, a candidate for the office of governor or lieutenant governor but the candidates for the office of governor and lieutenant governor of the same political party in a general election shall be considered as 1 candidate.

(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.

(4) "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.

169.204 Definitions; C. [M.S.A. 4.1703(4)]

Sec. 4. (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.

169.205 Definitions; E. [M.S.A. 4.1703(5)]

Sec. 5. (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.

169.206 Definitions; E. [M.S.A. 4.1703(6)]

Sec. 6. (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 or an expenditure for the establishment, administration, or solicitation of contributions to a fund or independent committee.

(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 nonpartisan get-out-the-vote activities. This exclusion shall not apply if a candidate or group of candidates sponsors or finances the activity 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. This exclusion shall apply to a candidate who is an elected officeholder and whose office is not on the ballot for the general election in the calendar year in which the expenditure is made or is not a candidate within the meaning of sections 3(1)(a) and 3(1)(b) and is identified by name with the activity.

169.207 Definitions; F to G. [M.S.A. 4.1703(7)]

Sec. 7. (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) "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 purchase of a ticket, payment of an attendance fee, donations or chances for prizes, or through purchase of goods or services.

(5) "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.

169.208 Definitions; I. [M.S.A. 4.1703(8)]

Sec. 8. (1) "Immediate family" means a child residing in a candidate's household, a spouse of a candidate, or an individual claimed by that candidate or that candidate's spouse as a dependent for federal income tax purposes.

(2) "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) 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).

169.209 Definitions; I to L. [M.S.A. 4.1703(9)]

Sec. 9. (1) "Independent expenditure" means an expenditure as defined in section 6 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) "In-kind contribution or expenditure" means a contribution as defined in section 4 or expenditure as defined in section 6 other than money.

(3) "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.

169.210 Definitions; M to N. [M.S.A. 4.1703(10)]

Sec. 10. (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) "Nominee" means an individual nominated to be a candidate.

169.211 Definitions; P. [M.S.A. 4.1703(11)]

Sec. 11. (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.

169.212 Definitions; Q to S. [M.S.A. 4.1703(12)]

Sec. 12. (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 and made after April 1 of the year preceding a year in which a governor is to be elected. 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 prescribed in this act.

(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.

169.215 Duties of secretary of state; filing complaint; investigation; enforcement; duties of county clerk. [M.S.A. 4.1703(15)]

Sec. 15. (1) 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, 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.

(e) Promulgate rules and issue declaratory rulings to implement this act 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.

(f) Conduct investigations as may be necessary to determine if there is reason to believe a violation of this act occurred. Investigations shall be in

accordance with the procedures set forth in Act No. 306 of the Public Acts of 1969, as amended.

(2) A citizen of the state may file a complaint with the secretary of state alleging a violation of this act. The secretary of state, upon receipt of a complaint, shall investigate the allegations in accordance with the rules promulgated under this act.

(3) If the secretary of state, upon investigation of a report filed under this act, determines that there is reason to believe a violation of this act occurred, the secretary of state shall forward the results of that investigation to the attorney general for enforcement of the criminal penalties provided by this act.

(4) 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.

169.216 Statements and reports; public inspection; reproduction; copies; prohibited use; penalty; preservation; destruction; late filing fee; compliance; notice; corrections; report of errors or omissions; deadline for filing. [M.S.A. 4.1703(16)]

Sec. 16. (1) A filing official shall make 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 third 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 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 act 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 attorney general.

(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.

169.221 Candidate committee; formation; treasurer; official depository for contributions; secondary depositories; requirements for receiving contributions or making expenditures; reporting contributions; comingling; violation; penalty. [M.S.A. 4.1703(21)]

Sec. 21. (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. A candidate shall not form more than 1 candidate committee for each office for which the person is a candidate.

(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 by law, 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.

169.222 Duties of committee treasurer; preservation and inspection of committee records; violation as misdemeanor; penalty. [M.S.A. 4.1703(22)]

Sec. 22. 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 act 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 \$20.00 or less received pursuant to section 41(3). The records of a committee shall be preserved for 5 years and shall be made available for inspection as authorized by the secretary of state. A person who knowingly violates 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.

169.223 Rules for withdrawal of funds; limitation on single expenditure from petty cash fund; violation; penalty. [M.S.A. 4.1703(23)]

Sec. 23. Subject to section 15, the secretary of state 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 which is in excess of \$50.00 but the penalty shall not be more than \$500.00.

169.224 Statement of organization; time for filing; late filing fee; contents of statement; amendments; violations; penalties; sworn statement as to receipts and expenditures; dissolution of committee. [M.S.A. 4.1703(24)]

Sec. 24. (1) A committee shall file a statement of organization with the filing officials designated in section 36 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 guilty of a misdemeanor and shall be fined not more than \$1,000.00.

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

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

(c) 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.

(d) The name of each person, other than an individual, that is a member of the committee.

(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 guilty of a misdemeanor and shall be fined not more than \$1,000.00.

(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 for each election 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. A committee other than a candidate committee may indicate in a sworn statement that the committee does not expect in a calendar year to receive or expend an amount in excess of \$500.00.

(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 secretary of state subject to section 15.

169.225 Campaign statement; filing; period covered; disclosing transactions prior to effective date of section. [M.S.A. 4.1703(25)]

Sec. 25. (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) This act shall not be construed to exempt a person from disclosing transactions which occurred before the effective date of this section according to the laws then in effect.

169.226 Campaign statement of committee other than political party committee; contents. [M.S.A. 4.1703(26)]

Sec. 26. A campaign statement of a committee, other than a political party committee, required by this act 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 before 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 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 \$20.01 or more.

(e) The total amount of contributions received during the period covered by the campaign statement from persons who contributed \$20.00 or less.

(f) The total amount of contributions of \$20.00 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 41(3).

(g) The total amount of contributions of \$20.00 or less received during the period covered by the campaign statement for each fund raising event held during that period. The following information regarding each fund raising event shall be included in the report:

(i) 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.

(ii) The full name of each person who, through making a contribution or expenditure in connection with the event, made a total contribution of \$20.01 or more, and the total of all such contributions. This requirement is in addition to, and not in lieu of, the requirements of this section relating to the recording and reporting of contributions.

(iii) Moneys received in connection with the event or activity from persons in amounts of \$20.00 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.

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

(v) The expenditures incident to the event.

(h) The full name of each person from whom contributions totaling \$20.01 or more are received during the period covered by the campaign statement, 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 \$200.01 or more.

(i) The cumulative amount contributed and the name and address of each person, except those persons or names reported under subdivision (h), who contributed a total of \$20.01 or more for that election. The occupation, employer, and principal place of business, shall be stated for each person who contributed \$200.01 or more for that election.

(j) 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.

(k) The name, address, and amount given by a person who contributed \$20.01 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 \$200.01 or more.

(l) A listing, by general category, of expenditures of \$50.00 or less made during the period covered by the campaign statement and the total of those expenditures.

(m) The full name and street address of each person to whom expenditures totaling \$50.01 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.

(n) 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.

**169.228 Interest; loans; certified statement as to out of state contributors.
[M.S.A. 4.1703(28)]**

Sec. 28. (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 a person who is liable directly, indirectly, or contingently on each loan of \$20.01 or more. The occupation, employer, and principal place of business of the lender and persons shall be stated if the loan is \$200.01 or more.

(3) Accompanying a campaign statement reporting the receipt of a contribution of \$20.01 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 \$20.01 or more of the contribution. The occupation, employer, and principal place of business shall be stated for each person who contributed \$200.01 or more.

169.229 Campaign statement filed by political party committee; contents; identification and apportionment of expenditures; contribution to candidate committee or ballot question committee. [M.S.A. 4.1703(29)]

Sec. 29. (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 \$20.01 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 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 \$200.01 or more are received in a calendar year.

(b) Accompanying a campaign statement reporting the receipt of a contribution of \$20.01 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, and whose committee has not filed a statement of organization as required in section 24, shall be a statement setting forth the full name and address of the treasurer of the committee.

(c) 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.

(d) 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.

(e) 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.

169.231 Contributions or expenditures controlled by another person. [M.S.A. 4.1703(31)]

Sec. 31. A contribution 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 contribution, and shall be regarded as a contribution attributable to both persons for purposes of contribution limits.

169.232 Report of late contributions; "late contribution" defined. [M.S.A. 4.1703(32)]

Sec. 32. (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 \$200.00 or more received after the closing date of the last campaign statement required to be filed before an election.

169.233 Campaign statement; filing schedule; late filing fee; violation; penalty; prohibitions. [M.S.A. 4.1703(33)]

Sec. 33. (1) A committee supporting or opposing a candidate shall file campaign statements as required by this act according to the following schedule:

(a) A preelection campaign statement shall be filed not later than the tenth day before an election. The closing date for a campaign statement filed under this subdivision shall be the fifteenth day before the election.

(b) A postelection campaign statement shall be filed not later than the thirtieth day following the election. The closing date for a campaign statement filed under this subdivision shall be the twentieth 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 thirtieth day following the election.

(2) A candidate committee or a committee other than a candidate committee which files a sworn statement pursuant to section 24(4) need not file a campaign statement under subsection (1)(a) unless it did receive or expend an amount in excess of \$500.00. If the committee did not receive or expend an amount in excess of \$500.00 on behalf of the campaign, the committee shall file a campaign statement under subsection (1)(b) stating that the committee did not receive or expend an amount in excess of \$500.00. If the committee receives or expends an amount in excess of \$500.00 during a period covered by a filing, the committee is then subject to the campaign filing requirements under this act.

(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 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.

(4) If a person who is subject to this section is found guilty, 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.

169.234 Campaign statement of ballot question committee; filing schedule; late filing fee; violation as misdemeanor; penalty. [M.S.A. 4.1703(34)]

Sec. 34. (1) A ballot question committee shall file a campaign statement as required by this act according to the following schedule:

(a) A preelection campaign statement, of which the closing date shall be the fifteenth day before the election, shall not be filed later than the tenth day before the election.

(b) A postelection campaign statement, the closing date of which shall be the twentieth day following the election shall not be filed later than the thirtieth day following an 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 thirtieth 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 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.

169.235 Additional campaign statement; deadline; closing date; period covered; exception; late filing fee; violation; penalty; effect of filing sworn statement. [M.S.A. 4.1703(35)]

Sec. 35. (1) In addition to any other requirements of this act to file a campaign statement, a committee shall also file a campaign statement not later than June 30 of each year. The campaign statement shall have a closing date of June 20 of that year. 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 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.

(4) A committee filing a sworn statement pursuant to section 24(4) need not file a statement in accordance with section 35(1). If a committee receives or expends more than \$500.00 during a period covered by a filing, the committee is then subject to the campaign filing requirements under this act.

169.236 Filing copies of campaign statements with secretary of state and county clerks. [M.S.A. 4.1703(36)]

Sec. 36. (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.

169.237 Campaign statement; signing; verification. [M.S.A. 4.1703(37)]

Sec. 37. A campaign statement filed by a committee shall be signed by the committee treasurer. 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.

169.238 Campaign statement; period covered. [M.S.A. 4.1703(38)]

Sec. 38. 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.

169.241 Contribution of \$20.01 or expenditure of \$50.01; written instrument; anonymous contributions; contribution of \$20.00 or less or \$20.01 or more; contribution in name of another; violations; penalties. [M.S.A. 4.1703(41)]

Sec. 41. (1) A contribution of \$20.01 or more or expenditure of \$50.01 or more shall not be made or accepted in cash. Contributions of \$20.01 or more and expenditures of \$50.01 or more, other than an in-kind contribution or expenditure, shall be made by written instrument containing the names of the payor and the payee. A person who knowingly violates 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.

(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 secretary of state.

(3) A contribution received as the result of a fund-raising event or casual services, or from the sale of political merchandise that is \$20.00 or less in the aggregate from a person in any calendar year shall not be considered an anonymous contribution. A contribution received from membership fees, dues, or subscriptions for political purposes to an independent committee or a political party committee that is \$20.00 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 \$20.01 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 subsection (2), (3), or (4) 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.

(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 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.

169.242 Acceptance of contribution by intermediary or agent; disclosure; requirements as to certain contributions of \$20.01 or more; requirements as to contribution of \$200.01 or more; requirements as to contribution from person other than committee; violations; penalties. [M.S.A. 4.1703(42)]

Sec. 42. (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 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.

(2) A contribution of \$20.01 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 \$20.01 or more of the contribution. The occupation, employer, and principal place of business shall be listed for each person who contributed \$200.01 or more of the contribution. A person who knowingly violates this subsection 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.

(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 \$20.01 or more to the contribution, and the name, address, occupation, employer, and principal place of business of each person who contributed \$200.01 or more to the contribution. A person who knowingly is in violation of this subsection 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.

169.243 Expenditure by agent or independent contractor; requirements; violation; penalty. [M.S.A. 4.1703(43)]

Sec. 43. 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 51. 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 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.

169.244 Prohibited contributions or expenditures; violation; penalty. [M.S.A. 4.1703(44)]

Sec. 44. (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 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.

169.245 Transfer, donation, or return of unexpended funds. [M.S.A. 4.1703(45)]

Sec. 45. (1) A person may transfer any unexpended funds from 1 candidate committee to another candidate committee of that person if the contribution limits prescribed in section 52 for the candidate committee receiving the funds are equal to or greater than the contribution limits for the candidate committee transferring the funds and if the candidate committees are simultaneously held by the same person.

(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.

169.246 Adjustments to dollar value contribution limits; dollar value floor for reporting; recommendations. [M.S.A. 4.1703(46)]

Sec. 46. At the beginning of every odd numbered year, the secretary of state shall recommend adjustments to and which shall be approved by the legislature

of the dollar value contribution limits provided in this act, 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 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.

169.247 Printed matter or radio or television paid advertisement having reference to election, candidate, or ballot question; names and addresses; disclaimer; exemptions; violation; penalty. [M.S.A. 4.1703(47)]

Sec. 47. 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 paying for the matter. A radio or television paid advertisement having reference to an election, a candidate, or ballot question shall include the name and address of the person paying for the advertisement. If the matter relating to a candidate is an independent expenditure which was not authorized in writing by the candidate committee of that candidate, the matter shall contain the following disclaimer: "Not authorized by the candidate committee of _____".

(candidate's name)

The size and placement of the disclaimer shall be determined by rules promulgated by the secretary of state. The rules 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 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.

169.249 Officeholder expense fund; establishment; use; contribution limitations; recording and reporting contributions and expenditures; violation; penalty. [M.S.A. 4.1703(49)]

Sec. 49. (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.

(2) The contributions and expenditures made pursuant to subsection (1) are not exempt from the contribution limitations of this act but any and all contributions and expenditures shall be recorded and shall be reported on forms provided by the secretary of state and filed not later than January 31 of each year and shall have a closing date of January 1 of that year.

(3) A person who knowingly violates 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.

169.251 Independent expenditures of \$100.01 or more; report; copies; violation; penalty. [M.S.A. 4.1703(51)]

Sec. 51. (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 totals an amount of \$100.01 or more in a calendar year 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 36.

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

169.252 Limitations on contributions; exemption of contribution from candidate's immediate family; violation; penalty. [M.S.A. 4.1703(52)]

Sec. 52. (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, with respect to a single election, are more than the following:

(a) \$1,700.00 in value for a candidate for 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 other than a state central committee shall not make contributions to the candidate committee of a candidate for state elective office which are more than 10 times the amount permitted a person other than an independent committee or political party committee in subsection (1).

(4) A state central committee of a political party shall not make contributions to the candidate committee of a candidate for state elective office other than candidates for the legislature which are more than 20 times the amount permitted a person other than an independent committee or political party committee in subsection (1). A state central committee of a political party shall not make contributions to the candidate committee of a candidate for state senator or state representative which are more than 10 times the amount permitted a person other than an independent committee or political party committee in subsection (1).

(5) A contribution from a member of a candidate's immediate family to the candidate committee of that candidate is exempt from the limitations of subsection (1).

(6) A person who knowingly violates 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.

169.253 Contribution or expenditure by dependent minor. [M.S.A. 4.1703(53)]

Sec. 53. For the purposes of sections 49 to 54 a contribution or expenditure by a dependent minor shall be reported in the name of the minor but shall be counted against the contribution limitations of the minor's parent or guardian, as set forth in section 54.

169.254 Contributions, expenditures, or volunteer personal services by corporation or by persons acting for corporation or joint stock company; independent expenditures as to ballot questions; violation; penalty. [M.S.A. 4.1703(54)]

Sec. 54. (1) Except with respect to the exceptions and conditions in subsections (2) and (3) and section 55, 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 4 (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 4 (3) (a).

(3) A corporation or joint stock company, whether incorporated under the laws of this or any other state or foreign country, except a corporation formed for political purposes, shall not make a contribution or provide volunteer personal services which services are excluded from the definition of a contribution pursuant to section 4 (3) (a), in excess of \$40,000.00, to each ballot question committee for the qualification, passage, or defeat of a particular ballot question.

(4) Nothing in this section shall preclude a corporation or joint stock company from making an independent expenditure in any amount for the qualification, passage, or defeat of a ballot question. A corporation making an independent expenditure under this subsection shall be considered a ballot question committee for the purposes of this act.

(5) A person who knowingly violates this section is guilty of a felony and shall be punished by a fine of not more than \$5,000.00 or imprisoned for not more than 3 years, or both, and if the person is other than an individual, the person shall be fined not more than \$10,000.00.

169.255 Segregated fund for political purposes; establishment by corporation or joint stock company; limitations; solicitation of contributions; prohibited practices; violation; penalty. [M.S.A. 4.1703(55)]

Sec. 55. (1) A corporation or joint stock company formed under the laws of this or another state or foreign country may make an expenditure for the establishment and administration and solicitation of contributions to a separate segregated fund to be used for political purposes. A fund established under this section shall be limited to making contributions to, and expenditures on behalf of, candidate committees, ballot question committees, political party committees, and independent committees.

(2) Contributions for a fund established by a corporation or joint stock company under this section may be solicited from any of the following persons or their spouses:

(a) Stockholders of the corporation.

(b) Officers and directors of the corporation.

(c) Employees of the corporation who have policy making, managerial, professional, supervisory, or administrative nonclerical responsibilities.

(3) Contributions for a fund established under this section by a corporation which is nonprofit may be solicited from any of the following persons or their spouses:

- (a) Members of the corporation who are individuals.
- (b) Stockholders of members of the corporation.
- (c) Officers or directors of members of the corporation.
- (d) Employees of the members of the corporation who have policy making, managerial, professional, supervisory, or administrative nonclerical responsibilities.

(4) Contributions shall not be obtained for a fund established under this section by use of coercion, physical force, or as a condition of employment or membership or by using or threatening to use job discrimination or financial reprisals.

(5) A person who knowingly violates this section is guilty of a felony and shall be punished by a fine of not more than \$5,000.00 or imprisoned for not more than 3 years, or both, and if the person is other than an individual, the person shall be fined not more than \$10,000.00.

169.256 Ordinance or resolution. [M.S.A. 4.1703(56)]

Sec. 56. 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 act.

169.261 State campaign fund; creation; administration; tax designation; appropriation; distribution of funds. [M.S.A. 4.1703(61)]

Sec. 61. (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, 1976, 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 cumulative amounts designated under subsection (2) each year shall be appropriated annually from the general fund of the state to the state campaign fund to be available beginning January 1 and continuing through December 31 of each year in which a governor is elected. 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. There is appropriated from the general fund of the state for the fiscal year ending 1977 an amount equal to the amounts designated under subsection (2) for the tax year of 1976.

(5) Before the distribution of funds under this act to qualifying primary election 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 candidates. If insufficient funds exist in the state campaign fund to provide full funding to eligible primary election candidates, the campaign funds shall be distributed to those candidates on a pro rata basis.

169.262 Candidates eligible to receive moneys; moneys to be spent and reported by candidate committee; filing statement of organization as condition to receiving moneys from state campaign fund; exemption from §§169.261 to 169.271. [M.S.A. 4.1703(62)]

Sec. 62. (1) Only a candidate who established a single candidate committee which submitted a statement of organization according to procedures established by law may receive moneys under this act. Moneys received by a candidate pursuant to this act shall be spent only through the candidate committee and shall be reported by the candidate committee according to procedures established by law.

(2) If a candidate desires to receive moneys from the state campaign fund, the candidate shall file a statement of organization indicating the intent to seek qualifying contributions or to make qualifying expenditures. Contributions received or expenditures made before the filing of a statement of organization for the office of governor shall not be considered as a qualifying contribution.

(3) A candidate who does not apply for moneys from the state campaign fund is not subject to sections 61 to 71.

169.263 Duties of secretary of state; application for state campaign fund money; determination of amount; warrant. [M.S.A. 4.1703(63)]

Sec. 63. (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 act 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. The candidate shall state in the application for state campaign fund money that the candidate and the candidate's committee agree to adhere to expenditure limitations stated in section 67.

(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.

169.264 Payments to candidates in primary election. [M.S.A. 4.1703(64)]

Sec. 64. (1) A candidate 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 any other requirements relating to the recording and reporting of contributions.

(2) An unopposed candidate for nomination 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 (6).

(4) A candidate is not entitled to moneys from the state campaign fund for a primary election if it is determined the name of the candidate is ineligible to appear on the primary election ballot pursuant to section 53 of Act No. 116 of the Public Acts of 1954, as amended, being section 168.53 of the Michigan Compiled Laws.

(5) For purposes of this act, a write-in candidate shall not be regarded as opposition, or as creating a contested primary.

(6) 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 67 (1).

(7) For purposes of this section, primary election is an election held pursuant to section 52 of Act No. 116 of the Public Acts of 1954, as amended, being section 168.52 of the Michigan Compiled Laws.

169.265 Payments to candidates in general election. [M.S.A. 4.1703(65)]

Sec. 65. (1) A major political party nominee is entitled to payment of not more than 75% of the spending limit as designated in section 67 for a general election. A candidate may, subject to law, raise the remaining 25% of the permissible expenditure limit in private contributions. An eligible candidate in a general election may elect to accept partial payment of moneys from the state campaign fund and instead raise private contributions as provided by law which, when added to the amount received from the state campaign fund, does not exceed the expenditure limit designated in section 67.

(2) A minor political party nominee 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 67, 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 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 67, 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 qualified under subsection (2) who receives more popular votes in an election than the candidate of that minor political party received at the preceding election is entitled to additional reimbursement in an 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 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 act up to 50% of the candidate's spending limit pursuant to section 67, 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).

169.266 Application of moneys against qualified campaign expenditures; "qualified campaign expenditure" defined; separate account for moneys received; payment of qualified expenditures; disposition of unexpended balance; use of payment for expenditures in subsequent election prohibited; violation; penalty. [M.S.A. 4.1703(66)]

Sec. 66. (1) A candidate may only apply the moneys received under this act against qualified campaign expenditures.

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

(h) Expenditures made for the solicitation of contributions which are exempted from the candidate's expenditure limits under section 67(2).

(3) A candidate shall keep those moneys received under this act in a separate account. The candidate's qualified expenditures may be paid from this account unless the account does not have a balance. An 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 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.

169.267 Limitations on expenditures; exceptions; violation; penalty; prohibitions. [M.S.A. 4.1703(67)]

Sec. 67. (1) Expenditures made by a candidate committee to further the nomination or election of a candidate may not exceed \$1,000,000.00 in the aggregate for 1 election.

(2) Expenditures made by a candidate committee solely for the solicitation 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 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.

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

169.268 Debt limitation; violation; penalty; prohibitions. [M.S.A. 4.1703(68)]

Sec. 68. (1) 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 act. A person who knowingly violates this subsection 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.

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

169.269 Limitations on contributions; violation; penalty. [M.S.A. 4.1703(69)]

Sec. 69. (1) A person other than an independent committee or a political party committee shall not make contributions to a candidate committee of a candidate which are more than \$1,700.00 in value for a single election.

(2) An independent committee shall not make contributions to a candidate committee 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 a candidate committee which 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 a candidate committee which are more than 1% of the candidate's expenditure limit.

(5) As used in this subsection, "immediate family" means a spouse, parent, brother, sister, son, or daughter. A candidate and members of that candidate's immediate family may not contribute in total to that person's candidate committee an amount which is more than \$25,000.00 in value for a single election.

(6) A person who knowingly violates 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.

169.270 Reporting contribution or expenditure controlled or directed by another person. [M.S.A. 4.1703(70)]

Sec. 70. 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.

169.271 Prohibited contributions; violation; penalty. [M.S.A. 4.1703(71)]

Sec. 71. (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 another candidate committee. A person who knowingly violates 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.

169.281 Repeal of §§168.901 to 168.929; effective date. [M.S.A. 4.1703(81)]

Sec. 81. (1) 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, are repealed.

(2) Subsection (1) shall not take effect until June 1, 1977.

169.282 Application of penalty provisions; effective dates of certain sections. [M.S.A. 4.1703(82)]

Sec. 82. (1) The penalty provisions of this act shall not apply to an act or omission occurring before December 1, 1977.

(2) Sections 21 to 34 and sections 36 to 55 shall not take effect until June 1, 1977.

(3) Section 35 shall not take effect until June 30, 1978.

This act is ordered to take immediate effect.

Approved December 30, 1976.