

- (ii) Flavoring.
- (iii) Coloring materials.
- (iv) Fruit juices.
- (v) Fruit adjuncts.
- (vi) Sugar.
- (vii) Carbon dioxide.
- (viii) Preservatives.

(i) "Mixed spirit drink" means a drink produced and packaged or sold by a mixed spirit drink manufacturer or an outstate seller of mixed spirit drink which contains 10% or less alcohol by volume consisting of distilled spirits mixed with nonalcoholic beverages or flavoring or coloring materials and which may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, or preservatives.

This act is ordered to take immediate effect.

Approved June 19, 1989.

Filed with Secretary of State June 20, 1989.

[No. 95]

(SB 448)

AN ACT to amend sections 1, 3, 4, 5, 6, 8, 15, 16, 17, 21, 22, 23, 24, 25, 26, 28, 29, 33, 34, 35, 36, 37, 38, 42, 44, 51, 52, 54, 61, 64, 66, 67, and 69 of Act No. 388 of the Public Acts of 1976, entitled "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," section 15 as amended by Act No. 465 of the Public Acts of 1980, sections 24 and 33 as amended by Act No. 138 of the Public Acts of 1985, section 34 as amended by Act No. 181 of the Public Acts of 1980, section 35 as amended by Act No. 215 of the Public Acts of 1980, and section 36 as amended by Act No. 205 of the Public Acts of 1980, being sections 169.201, 169.203, 169.204, 169.205, 169.206, 169.208, 169.215, 169.216, 169.217, 169.221, 169.222, 169.223, 169.224, 169.225, 169.226, 169.228, 169.229, 169.233, 169.234, 169.235, 169.236, 169.237, 169.238, 169.242, 169.244, 169.251, 169.252, 169.254, 169.261, 169.264, 169.266, 169.267, and 169.269 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Sections amended; Michigan campaign finance act.

Section 1. Sections 1, 3, 4, 5, 6, 8, 15, 16, 17, 21, 22, 23, 24, 25, 26, 28, 29, 33, 34, 35, 36, 37, 38, 42, 44, 51, 52, 54, 61, 64, 66, 67, and 69 of Act No. 388 of the Public Acts of 1976, section 15 as amended by Act No. 465 of the Public Acts of 1980, sections 24 and 33 as amended by Act No. 138 of the Public Acts of 1985, section 34 as amended by Act No. 181 of the Public Acts of 1980, section 35 as amended by Act No. 215 of the

Public Acts of 1980, and section 36 as amended by Act No. 205 of the Public Acts of 1980, being sections 169.201, 169.203, 169.204, 169.205, 169.206, 169.208, 169.215, 169.216, 169.217, 169.221, 169.222, 169.223, 169.224, 169.225, 169.226, 169.228, 169.229, 169.233, 169.234, 169.235, 169.236, 169.237, 169.238, 169.242, 169.244, 169.251, 169.252, 169.254, 169.261, 169.264, 169.266, 169.267, and 169.269 of the Michigan Compiled Laws, are amended to read as follows:

169.201 Short title; meanings of words and phrases. [M.S.A. 4.1703(1)]

Sec. 1. (1) This act shall be known and may be cited as the "Michigan campaign finance act".

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

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. Unless the officeholder is constitutionally or legally barred from seeking reelection or fails to file for reelection to that office by the applicable filing deadline, 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. However, 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 under the control and direction of the candidate named in the same statement of organization. Notwithstanding subsection (4), an individual shall form a candidate committee pursuant to section 21 when the individual becomes a candidate under subsection (1).

(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 \$500.00 or more in a calendar year or expenditures made total \$500.00 or more in a calendar year. An individual, other than a candidate, does not constitute a committee. A person, other than a committee registered under this act, making an

expenditure to a ballot question committee shall for that reason not be considered a committee for the purposes of this act unless the person solicits or receives contributions for the purpose of making an expenditure to that ballot question 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, or donation of money or anything of ascertainable monetary value, 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.

(2) Contribution includes the full purchase price of tickets or payment of an attendance fee for events such as dinners, luncheons, rallies, testimonials, and other 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; and the endorsing or guaranteeing of a loan for the amount the endorser or guarantor is liable.

(3) Contribution does not include any of the following:

(a) Volunteer personal services provided without compensation, or payments of costs incurred of less than \$500.00 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) Food and beverages, not to exceed \$100.00 in value during a calendar year, which are donated by an individual and for which reimbursement is not given.

(c) An offer or tender of a contribution if expressly and unconditionally rejected, returned, or refunded in whole or in part within 30 business days after receipt.

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 that is ordinarily elective holds an elective office. Elective office does not include the office of precinct delegate. Except for the purposes of sections 54 and 55, elective office does not include a school board member in a primary or fourth class school district.

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

Sec. 6. (1) "Expenditure" means a payment, donation, loan, 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.

(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 any of the following:

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

(b) 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.

(c) 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 offer or tender of an expenditure if expressly and unconditionally rejected or returned.

(f) An expenditure for nonpartisan voter registration or nonpartisan get-out-the-vote activities. This exclusion does not apply if a candidate or group of candidates sponsors or finances the activity or is identified by name with the activity. This exclusion does apply to an activity performed pursuant to sections 491 to 524 of the Michigan election law, 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 does 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 who is not a candidate within the meaning of sections 3(1)(a) and 3(1)(b) and who is identified by name with the activity.

169.208 Definitions; 1. [M.S.A. 4.1703(8)]

Sec. 8. (1) "Immediate family" means any child residing in a candidate's household, the candidate's spouse, or any 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 before contributing to a candidate committee of a candidate for state elective office under section 52(3) or 69(2):

(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 not to exceed the limitations of section 52(1) 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).

169.215 Duties of secretary of state; issuance, extension, and annual summary of declaratory rulings; issuance and annual summary of interpretive statements; filing complaint; investigations; informal methods of conference, conciliation, or persuasion; conciliation agreement as bar to further action; enforcement of criminal penalty; hearing; order; judicial review; civil fine; waiver of campaign statement filing; duties of county clerk. [M.S.A. 4.1703(15)]

Sec. 15. (1) The secretary of state shall do all of the following:

(a) Make available through his or her 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 the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(f) Upon receipt of a written request and the required filing, waive payment of a late filing fee if the request for the waiver is based on good cause and accompanied by adequate documentation. Any of the following reasons shall constitute good cause for a late filing fee waiver:

(i) The incapacitating physical illness, hospitalization, accident involvement, death, or incapacitation for medical reasons of a person required to file, a person whose participation is essential to the preparation of the statement or report, or a member of the immediate family of these persons.

(ii) Other unique, unintentional factors beyond the filer's control not stemming from a negligent act or nonaction so that a reasonably prudent person would excuse the filing on a temporary basis. These factors include the loss or unavailability of records due to a fire, flood, theft, or similar reason and difficulties related to the transmission of the filing to the filing official, such as exceptionally bad weather or strikes involving transportation systems.

(2) A declaratory ruling shall be issued under this section only if the person requesting the ruling has provided a reasonably complete statement of facts necessary for the ruling or if the secretary of state has permitted the person requesting the ruling an opportunity to supply supplemental facts necessary for the ruling. A request for a declaratory ruling that is submitted to the secretary of state shall be made available for public inspection within 48 hours after its receipt. An interested person may submit written comments regarding the request to the secretary of state within 10 business days after the date the request is made available to the public. Within 45 business days after receiving a declaratory ruling request, the secretary of state shall make a proposed response available to the public. An interested person may submit written comments regarding the proposed response to the secretary of state within 5 business days after the date the proposal is made available to the public. Except as otherwise provided in this section, the secretary of state shall issue a declaratory ruling within 60 business days after a request for a declaratory ruling is received. If the secretary of state refuses to issue a declaratory

ruling, the secretary of state shall notify the person making the request of the reasons for the refusal. The secretary of state may issue an interpretative statement providing an informational response to the question presented. A declaratory ruling or interpretative statement issued under this section shall not state a general rule of law, other than that which is stated in this act, until the general rule of law is promulgated by the secretary of state as a rule pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, or pursuant to judicial order.

(3) Under extenuating circumstances, the secretary of state may issue a notice extending for not more than 30 business days the period during which the secretary of state shall respond to a request for a declaratory ruling. The secretary of state shall not issue more than 1 notice of extension for a particular request. A person requesting a declaratory ruling may waive, in writing, the time limitations provided by this section.

(4) An annual summary of the declaratory rulings and interpretative statements issued by the secretary of state shall be made available to the public.

(5) A person may file a complaint with the secretary of state alleging a violation of this act. Upon receipt of a complaint, the secretary of state shall investigate the allegations pursuant to the rules promulgated under this act. If the secretary of state determines that there may be reason to believe that a violation of this act has occurred, the secretary of state shall endeavor to correct the violation or prevent a further violation by using informal methods such as a conference, conciliation, or persuasion, and may enter into a conciliation agreement with the person involved. Unless violated, a conciliation agreement is a complete bar to any further action with respect to matters covered in the conciliation agreement. If the secretary of state is unable to correct or prevent further violation by these informal methods, the secretary of state may refer the matter to the attorney general for the enforcement of any criminal penalty provided by this act or commence a hearing pursuant to subsection (6).

(6) The secretary of state may commence a hearing to determine whether a civil violation of this act has occurred. A hearing shall not be commenced during the period beginning 30 days before an election in which the committee has received or expended money and ending the day after that election except with the consent of the person suspected of committing a civil violation. The hearing shall be conducted in accordance with the procedures set forth in chapter 4 of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.271 to 24.287 of the Michigan Compiled Laws. If after a hearing the secretary of state determines that a violation of this act has occurred, the secretary of state may issue an order requiring the person to pay a civil fine equal to the amount of the improper contribution or expenditure plus not more than \$1,000.00 for each violation. A final decision and order issued by the secretary of state is subject to judicial review as provided by chapter 6 of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.301 to 24.306 of the Michigan Compiled Laws. A civil fine imposed under this section shall be deposited in the general fund. The secretary of state may bring an action in circuit court to recover the amount of a civil fine.

(7) When a report or statement is filed pursuant to this act, the secretary of state shall review the report or statement and may investigate an apparent violation of this act pursuant to the rules promulgated pursuant to this act. If the secretary of state determines that there may be reason to believe a violation of this act has occurred and

the procedures prescribed in subsection (5) have been complied with, the secretary of state may refer the matter to the attorney general for the enforcement of any criminal penalty provided by this act, or commence a hearing under subsection (6) to determine whether a civil violation of this act has occurred.

(8) Unless otherwise specified in this act, a person who violates a provision of this act is subject to a civil fine of not more than \$1,000.00 for each violation. Civil fines are in addition to, but not limited by, any criminal penalty prescribed by this act.

(9) The secretary of state may waive the filing of a campaign statement required under section 33, 34, or 35 if the closing date of the particular campaign statement falls on the same or a later date as the closing date of the next campaign statement filed by the same person, or if the period which would be otherwise covered by the next campaign statement filed by the same person is 10 days or less.

(10) The clerk of each county shall do all of the following:

(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.

(d) Upon written request, waive the payment of a late filing fee if the request for a waiver is based on good cause as prescribed in subsection (1)(g).

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.

(4) A statement of organization filed under this act shall be preserved by the filing official for 5 years from the official date of the committee's dissolution. A statement or report filed under this act by a candidate for an office with a term exceeding 4 years shall be preserved by the filing official for 1 year beyond that candidate's term of office. Any other statement or report filed under this act shall be preserved by the filing official for 5 years from the date the filing occurred. 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 shall 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 business 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 business 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 business days after the time it was required to be filed and shall be subject to late filing fees.

(8) After 9 business days and before 12 business 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 preelection statement or report due on July 25 or October 25 under section 33 which is postmarked by registered or certified mail, or sent by express mail or other overnight delivery service, at least 2 days before the deadline for filing shall be considered filed within the prescribed time regardless of when it is actually delivered. Any other statement or report required to be filed under this act which is postmarked by registered or certified mail or sent by express mail or other overnight delivery service on or before the deadline for filing shall be considered filed within the prescribed time regardless of when it is actually delivered.

169.217 Payment of late filing fee; disposition of late filing fees and copying charges; unpaid filing fee. [M.S.A. 4.1703(17)]

Sec. 17. (1) A person paying a late filing fee as a result of that person's failure to file a statement or report shall pay that fee to the filing official with whom the statement or report was required to be filed.

(2) The late filing fees collected pursuant to sections 24, 33, 34, and 35, and copying charges collected pursuant to section 16, shall be retained by and for the use of the filing officials collecting the fees or charges to cover their expenses in administering this act. A late filing fee assessed by a county clerk that remains unpaid for more than 60 days shall be considered a debt of the county and shall be collected by the county treasurer in the same manner as other county debts are collected. A late filing fee assessed by the secretary of state that remains unpaid for more than 180 days shall be referred to the department of treasury for collection.

(3) A committee, other than a candidate committee or a committee making expenditures in assistance of or in opposition to the qualification, passage, or defeat of a ballot question, required to file with the secretary of state is not required to pay a late filing fee pursuant to sections 24, 33, 34, and 35, if all of the following conditions are met:

(a) A committee required to register as a committee fails to file a statement of organization.

(b) The secretary of state sends to that committee notice of the committee's failure to file a statement of organization.

(c) At the same time or after the notice described in subdivision (b) is sent, the secretary of state sends to that committee notice of the committee's failure to file a campaign statement that was due for a period that occurred before the notice of failure to file a statement of organization was sent.

(d) Within 10 business days after the notice of failure to file a statement of organization is sent, the committee files a statement of organization.

(e) Within 10 business days after the notice of failure to file a campaign statement is sent, the committee files every campaign statement that is due.

(4) Late filing fees that would have occurred except for subsection (3) shall be assessed for each statement not filed before the eleventh business day after a notice of failure to file is sent pursuant to subsection (3).

(5) A committee other than a candidate committee that has not previously filed a statement of organization is not required to pay a late filing fee pursuant to sections 24, 33, 34, and 35, if the committee files a statement of organization and every campaign statement that is due, before the secretary of state sends a notice to that committee pursuant to subsection (3).

169.221 Candidate committee or committee other than candidate committee; treasurer; service of process; official depository for contributions; secondary depositories; requirements for accepting contributions or making expenditures; vacancy in office of treasurer; authorizing expenditure; contributions or expenditures considered received or made by candidate committee; reporting contributions; commingling prohibited; 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 candidate 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) A committee other than a candidate committee shall have a treasurer who is a qualified elector of this state if the committee conducts business through an office or other facility located in this state.

(4) If a committee is not required to have as its treasurer an individual who is a qualified elector of this state, the committee may have as its treasurer an individual who is a resident of another state. A committee with a nonresident treasurer shall file, with its statement of organization, an irrevocable written stipulation, signed by the treasurer, agreeing that legal process affecting the committee, served on the secretary of state or an agent designated by the secretary of state, shall have the same effect as if personally served on the committee. This appointment shall remain in force as long as any liability of the committee remains outstanding within this state.

(5) If the secretary of state or designated agent of the secretary of state is served with legal process pursuant to subsection (4), the secretary of state shall promptly notify the committee's treasurer by certified mail at the last known address of the committee shown on the committee's statement of organization.

(6) Except as provided by law, a candidate committee or a committee described in subsection (3) shall have 1 account in a financial institution in this state as an official depository for the purpose of depositing all contributions received by the committee in the form of or which are converted to money, checks, or other negotiable instruments and for the purpose of making all expenditures. The committee shall designate that financial institution as its official depository. The establishment of an account in a financial institution is not required until the committee receives a contribution or makes an expenditure. Secondary depositories shall be used for the sole purpose of depositing contributions and promptly transferring the deposits to the committee's official depository.

(7) Except as provided by law, a committee described in subsection (4) shall have 1 account in a financial institution as its official depository for the purpose of depositing all contributions received by the committee in the form of or which are converted to money, checks, or other negotiable instruments and for the purpose of making all expenditures. The committee shall designate that financial institution as its official depository. The establishment of an account in a financial institution is not required until the committee receives a contribution or makes an expenditure. Secondary depositories shall be used for the sole purpose of depositing contributions and promptly transferring the deposits to the committee's official depository.

(8) A contribution shall not be accepted and an expenditure shall not be made by a committee that 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.

(9) 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.

(10) 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.

(11) 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 although the contribution may not be deposited in the official depository by the reporting deadline.

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

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

169.222 Duties of committee treasurer or other designated individual; preservation and inspection of committee records; violation; civil fine. [M.S.A. 4.1703(22)]

Sec. 22. A committee treasurer or other individual designated on the statement of organization as responsible for the committee's record keeping, report preparation, or report filing 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 treasurer or other individual designated as responsible for the committee's record keeping, report preparation, or report filing who knowingly violates this section is subject to a civil fine of not more than \$1,000.00.

169.223 Rules for withdrawal of funds; limitation on single expenditure from petty cash fund; violation; civil fine. [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 fine of 3 times the amount by which the expenditure exceeds \$50.00, but the fine shall not exceed \$1,000.00.

169.224 Statement of organization; time for filing; late filing fee; violation as misdemeanor; contents of statement; amendment; statement as to receipts or expenditures; filing statement indicating dissolution of committee; exception. [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 filing official shall maintain a statement of organization filed by a committee until 5 years after the official date 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 business day the statement remains not filed in violation of this subsection. The late filing fee shall not exceed \$300.00. A person who violates 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 punishable by a fine of 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 if 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 if available, the telephone number of the treasurer or other individual designated as responsible for the committee's record keeping, report preparation, or report filing.

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

(d) The full name of, the office including district number or jurisdiction sought by, and the county residence of each candidate, and a brief statement identifying the substance of each ballot question supported or opposed by the committee. If the ballot question supported or opposed by the committee is not statewide, the committee shall identify the county in which the greatest number of registered voters eligible to vote on the ballot question reside.

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

(3) If any of the information required in a statement of organization is changed, an amendment shall be filed when the next campaign statement is required to be filed.

(4) When filing a statement of organization, a committee, other than an independent committee, a political committee, or a political party committee, may indicate in a written statement signed by the treasurer of the committee that the committee does not expect for each election to receive an amount in excess of \$1,000.00 or expend an amount in excess of \$1,000.00.

(5) When filing a statement of organization, an independent committee, a political committee, or a political party committee may indicate in a written statement signed by the treasurer of the committee that the committee does not expect in a calendar year to receive or expend an amount in excess of \$1,000.00.

(6) 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 under the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(7) A candidate committee which files a written statement pursuant to subsection (4) shall not be required to file a dissolution statement pursuant to subsection (6) if the committee failed to receive or expend an amount in excess of \$1,000.00 and 1 of the following applies:

(a) The candidate was defeated in an election and has no outstanding campaign debts or assets.

(b) The candidate vacates an elective office and has no outstanding campaign debts or assets.

169.225 Campaign statement; filing; period covered. [M.S.A. 4.1703(25)]

Sec. 25. 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 filed pursuant to this act, 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 on the date on which the committee was formed.

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

Sec. 26. (1) A campaign statement of a committee, other than a political party committee, required by this act shall contain all of 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. 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 an in-kind contribution by the third party. 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 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 pursuant to section 41(3).

(g) 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 total amount of all contributions of \$20.01 or more.

(iii) The total amount of all contributions of \$20.00 or less.

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

(v) The expenditures incident to the event.

(h) The full name of each individual from whom contributions totaling \$20.01 or more are received during the period covered by the campaign statement, together with the individual's street address, the amount contributed, the date on which each contribution was received, and the cumulative amount contributed by that individual. The occupation, employer, and principal place of business shall be stated if the individual's cumulative contributions are \$200.01 or more.

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

(j) The name and street address of each person, other than an individual, from whom contributions are received during the period covered by the campaign statement, together with an itemization of the amounts contributed, the date on which each contribution was received, and the cumulative amount contributed by that person.

(k) The name, address, and amount given by an individual 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 individual contributed \$200.01 or more of the total amount contributed by a person who is other than a committee or an individual.

(l) The cumulative total of expenditures of \$50.00 or less made during the period covered by the campaign statement except for expenditures made to or on behalf of another committee, candidate, or ballot question.

(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; the itemization regardless of amount of each expenditure made to or on behalf of another committee, candidate, or ballot question; and the cumulative amount of expenditures for or against that candidate or ballot question for an election cycle. 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.

(2) A candidate committee or ballot question committee shall report all cumulative amounts required by this section on a per election cycle basis. Except for subdivision (m), an independent committee or political committee shall report all cumulative amounts required by this section on a calendar year basis.

169.228 Interest; loans; certified statement to accompany campaign statement reporting certain contributions; applicability of subsection (3). [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 with an outstanding balance made or received shall be set forth in a separate schedule providing the date and amount of the loan, the date and amount of each payment, the amount of cumulative payments, the amount of the outstanding balance, and whether the loan payments were made by money, services, property, or other means. The committee shall provide the name and address of the lender and each person who is liable directly, indirectly, or contingently on each loan of \$20.01 or more. The occupation and employer, if any, of the lender and person shall be stated if the loan is \$200.01 or more. If a loan is paid off within a reporting period, this activity need not be reported on a separate schedule. However, if a loan is forgiven, it shall be detailed on a separate schedule.

(3) Accompanying a campaign statement reporting the receipt of a contribution of \$20.01 or more from a 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 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. This subsection does not apply if the contributing person is registered as a committee under section 24.

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

Sec. 29. (1) A campaign statement filed by a political party committee shall contain all of the following information:

(a) The full name of each person from whom contributions totaling \$20.01 or more in value are 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, if any, 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 that 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 cycle.

(e) The filer's name, address, and telephone number, if available, if any, and the full name, address, and telephone number, if available, of the committee treasurer.

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

(3) A contribution to or on behalf of a candidate committee or ballot question committee listed under subsection (1) (c) 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 contribution.

(4) An independent expenditure listed under subsection (1)(c) shall note either 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.

169.233 Campaign statements; filing schedule; report; late filing fee; violation as misdemeanor; penalty; prohibitions; filing incomplete or inaccurate statement or report; civil fine. [M.S.A. 4.1703(33)]

Sec. 33. (1) A committee, other than an independent committee or a political committee required to file with the secretary of state, 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 eleventh day before an election. The closing date for a campaign statement filed under this subdivision shall be the sixteenth 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) For the purposes of subsection (1):

(a) A candidate committee shall file a preelection campaign statement and a postelection campaign statement for each election in which the candidate seeks nomination or election, except if an individual becomes a candidate after the closing date for the preelection campaign statement only the postelection campaign statement is required for that election.

(b) A committee other than a candidate committee shall file a campaign statement for each period during which expenditures are made for the purpose of influencing the nomination or election of a candidate or for the qualification, passage, or defeat of a ballot question.

(3) An independent committee or a political committee required to file with the secretary of state shall file campaign statements as required by this act according to the following schedule:

(a) In an odd numbered year:

(i) Not later than January 31 of that year with a closing date of December 31 of the previous year.

(ii) Not later than July 25 with a closing date of July 20.

(iii) Not later than October 25 with a closing date of October 20.

(b) In an even numbered year:

(i) Not later than April 25 of that year with a closing date of April 20 of that year.

(ii) Not later than July 25 with a closing date of July 20.

(iii) Not later than October 25 with a closing date of October 20.

(4) Notwithstanding subsection (3) or section 51, if an independent expenditure is made within 45 days before a special election by an independent committee or a political committee required to file a campaign statement with the secretary of state, a report of the expenditure shall be filed by the committee with the secretary of state within 48 hours after the expenditure. The report shall be made on a form provided by the secretary of state and shall include the date of the independent expenditure, the amount of the expenditure, a brief description of the nature of the expenditure,

and the name and address of the person to whom the expenditure was paid. The brief description of the expenditure shall include either the name of the candidate and the office sought by the candidate or the name of the ballot question and shall state whether the expenditure supports or opposes the candidate or ballot question. This subsection does not apply if the committee is required to report the independent expenditure in a campaign statement that is required to be filed before the date of the election for which the expenditure was made.

(5) A candidate committee or a committee other than a candidate committee which files a written statement under section 24(5) or (6) need not file a campaign statement under subsection (1) or (3) unless it received or expended an amount in excess of \$1,000.00. If the committee receives or expends an amount in excess of \$1,000.00 during a period covered by a filing, the committee is then subject to the campaign filing requirements under this act.

(6) A committee, candidate, treasurer, or other individual designated as responsible for the committee's record keeping, report preparation, or report filing who fails to file a statement as required by this section shall pay a late filing fee of \$25.00 for each business day the statement remains unfiled. The late filing fee shall not exceed \$500.00. If a candidate, treasurer, or other individual designated as responsible for the committee's record keeping, report preparation, or report filing fails to file 2 statements required by this section or section 35 and both of the statements remain unfiled for more than 30 days, that candidate, treasurer, or other designated individual is guilty of a misdemeanor, punishable by a fine of not more than \$1,000.00, or imprisonment for not more than 90 days, or both.

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

(8) If a treasurer or other individual designated as responsible for a committee's record keeping, report preparation, or report filing knowingly files an incomplete or inaccurate statement or report required by this section, that treasurer or other designated individual is subject to a civil fine of not more than \$1,000.00.

169.234 Campaign statement of ballot question committee; filing schedule; late filing fees; failure to file statement as misdemeanor; penalty; filing incomplete or inaccurate statement or report; civil fine. [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 sixteenth day before the election, shall not be filed later than the eleventh 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 supporting or opposing a statewide ballot question shall file a campaign statement, of which the closing date shall be the twenty-eighth

day after 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 after the deadline.

(3) If a ballot question committee supporting or opposing a statewide ballot question fails to file a preelection statement under this section, that committee or its treasurer shall pay a late filing fee for each business day the statement remains not filed in violation of this section, not to exceed \$1,000.00, pursuant to the following schedule:

(a) First day—\$25.00.

(b) Second day—\$50.00.

(c) Third day—\$75.00.

(d) Fourth day and for each subsequent day that the statement remains unfilled—\$100.00.

(4) If a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing of a ballot question committee supporting or opposing a statewide ballot question fails to file a statement, other than a preelection statement, under this section, that committee, treasurer, or other designated individual shall pay a late filing fee of \$25.00 for each business day the campaign statement remains not filed in violation of this section, not to exceed \$1,000.00.

(5) If a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing of a ballot question committee supporting or opposing other than a statewide ballot question fails to file a statement under this section, that committee, treasurer, or other designated individual shall pay a late filing fee of \$25.00 for each business day the campaign statement remains not filed in violation of this section, not to exceed \$1,000.00.

(6) If a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing of a ballot question committee fails to file a statement as required by subsection (1) or (2) for more than 7 days, that treasurer or other designated individual is guilty of a misdemeanor, punishable by a fine of not more than \$1,000.00, or imprisonment for not more than 90 days, or both.

(7) If a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing of a ballot question committee knowingly files an incomplete or inaccurate statement or report required by this section, that treasurer or other designated individual is subject to a civil fine of not more than \$1,000.00.

169.235 Additional campaign statement; filing; deadline; period covered; waiver; exception; late filing fees; receipts or expenditures subjecting committee to campaign filing requirements; failure to file as misdemeanor; penalty; filing incomplete or inaccurate statement or report; civil fine. [M.S.A. 4.1703(35)]

Sec. 35. (1) In addition to any other requirements of this act for filing a campaign statement, a committee, other than an independent committee or a political committee required to file with the secretary of state, shall also file a campaign statement not later than January 31 of each year. The campaign statement shall have

a closing date of December 31 of the previous year. The period covered by the campaign statement filed pursuant to this subsection shall begin the day after the closing date of the previous campaign statement. A campaign statement filed pursuant to this subsection shall be waived if a postelection campaign statement has been filed which has a filing deadline within 30 days of the closing date of the campaign statement required by this subsection.

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

(3) A committee, candidate, treasurer, or other individual designated as responsible for the record keeping, report preparation, or report filing for a candidate committee of a candidate for state elective office or a judicial office who fails to file a campaign statement under this section shall pay a late filing fee of \$25.00 for each business day the campaign statement remains not filed in violation of this section. The late filing fee shall not exceed \$500.00. A committee, treasurer, or other individual designated as responsible for the record keeping, report preparation, or report filing for a committee other than a candidate committee of a candidate for state elective office or a judicial office who fails to file a campaign statement under this section shall pay a late filing fee of \$25.00 for each business day the committee statement remains not filed in violation of this section. The late filing fee shall not exceed \$500.00.

(4) A committee filing a written statement pursuant to section 24(5) or (6) need not file a statement in accordance with subsection (1). If a committee receives or expends more than \$1,000.00 during a time period prescribed by section 24(5) or (6), the committee is then subject to the campaign filing requirements under this act and shall file a campaign statement for the period beginning the day after the closing date of the last postelection campaign statement or an annual campaign statement which is waived pursuant to subsection (1), whichever occurred earlier.

(5) If a candidate, treasurer, or other individual designated as responsible for the record keeping, report preparation, or report filing fails to file 2 statements required by this section or section 33 and both of the statements remain unfiled for more than 30 days, that candidate, treasurer, or other designated individual is guilty of a misdemeanor, punishable by a fine of not more than \$1,000.00, or imprisonment for not more than 90 days, or both.

(6) If a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing for a committee required to file a campaign statement under subsection (1) knowingly files an incomplete or inaccurate statement or report required by this section, that treasurer or other designated individual is subject to a civil fine of not more than \$1,000.00.

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, who shall reproduce the copy and transmit the reproduction to 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 with the clerk of the county in which the greatest number of registered voters eligible to vote on the ballot question reside. 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 shall be filed with the secretary of state. The secretary of state shall reproduce a copy of the campaign statement of a political party committee that is a county committee and file the copy with the clerk of the county where the county committee operates.

(4) A copy of a campaign statement of a committee supporting or opposing a candidate for the office of school board, where the office is to be voted on in more than 1 county but not statewide, shall be filed with the clerk of the county in which the greatest number of registered voters eligible to vote on the office reside.

(5) A copy of the campaign statement of any other committee not covered under subsection (1), (2), (3), or (4) shall be filed with the secretary of state, 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 or other individual designated as responsible for the record keeping, report preparation, or report filing for that committee. A verification statement shall be part of the campaign statement and shall state that the person who signed the statement used all reasonable diligence in preparation of the statement, and to that person's knowledge the statement 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 ending on the closing date as specified in this act.

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 punishable by a fine of not more than \$1,000.00, or imprisonment for not more than 90 days, or both.

(2) A contribution of \$20.01 or more from a 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 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. The certified statement shall also state that the contribution was not made from an account containing funds prohibited by section 54. A person who knowingly violates this subsection is guilty of a misdemeanor punishable, if the person is an individual, by a fine of not more than \$1,000.00, or imprisonment for not more than 90 days, or both, or, if the person is not an individual, by a fine of not more than \$10,000.00. This subsection does not apply if the contributing person is registered as a committee under section 24.

(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 violates this subsection is guilty of a misdemeanor punishable, if the person is an individual, by a fine of not more than \$1,000.00, or imprisonment for not more than 90 days, or both, or, if the person is other than an individual, by a fine of not more than \$10,000.00.

169.244 Prohibited contributions or expenditures; delivery or return of contribution; joint fund-raiser; expenses; disposition of contributions; violation as misdemeanor; 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.

(3) An individual, other than a committee treasurer or the individual designated as responsible for the record keeping, report preparation, or report filing for a committee, who obtains possession of 1 committee's contribution for the purpose of delivering the contribution to another committee shall deliver the contribution to that committee, that committee's treasurer, or that committee's agent, or return the contribution to the payor, not later than 10 business days after obtaining possession of the contribution.

(4) Two or more persons, other than individuals, may hold a joint fund-raiser if the receipts and expenses of the fund-raiser are shared proportionately. If an officeholder expense fund and the candidate committee of that officeholder hold a joint fund-raiser, the candidate committee shall pay the expenses of the fund-raiser and all corporate money received for the fund-raiser shall be deposited in the account of the officeholder expense fund. All noncorporate contributions shall be deposited in a secondary depository designated to receive contributions prior to their split between the candidate committee and officeholder expense fund.

(5) A person who knowingly violates this section is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00, or imprisonment for not more than 90 days, or both.

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

Sec. 51. 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, in 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.

**169.252 Limitations on contributions; definition; exemption of contribution from candidate's immediate family; contribution for particular election cycle; violation as misdemeanor; penalty.
[M.S.A. 4.1703(52)]**

Sec. 52. (1) Except as provided in subsection (6), 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 an election cycle are more than the following:

(a) \$3,400.00 for a candidate for state elective office other than the office of state legislator.

(b) \$1,000.00 for a candidate for state senator.

(c) \$500.00 for a candidate for state representative.

(2) For the purpose of subsection (1), "with respect to an election cycle" means 1 of the following:

(a) For a general election, the period beginning the day following the last general election in which the office appeared on the ballot and ending on the day of the next general election in which the office next appears on the ballot.

(b) For a special election, the period beginning the day a special general election is scheduled or the date the office becomes vacant, whichever is earlier, and ending on the day of the special general election.

(3) 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 cycle are more than 10 times the amount permitted a person other than an independent committee or political party committee in subsection (1).

(4) 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).

(5) 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).

(6) 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).

(7) Consistent with the provisions of this section, a contribution designated in writing for a particular election cycle shall be considered made for that election cycle. A contribution made after the close of a particular election cycle and designated in writing for that election cycle shall be made only to the extent that the contribution does not exceed the candidate committee's net outstanding debts and obligations from the election cycle so designated. If a contribution is not designated in writing for a particular election cycle, the contribution shall be considered made for the election cycle that corresponds to the date of the written instrument.

(8) A candidate committee, a candidate, or a treasurer or agent of a candidate committee shall not accept a contribution with respect to an election cycle that exceeds the limitations in subsection (1), (3), (4), or (5).

(9) For the purposes of this act, a contribution made or received before the effective date of the amendatory act that added this subsection shall be considered to be made with respect to an election cycle.

(10) A person who knowingly violates this section is guilty of a misdemeanor punishable, if the person is an individual, by a fine of not more than \$1,000.00, or imprisonment for not more than 90 days, or both, or, if the person is not an individual, by a fine of not more than \$10,000.00.

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 subsection (2) 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) 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.

(4) A person who knowingly violates this section is guilty of a felony punishable, if the person is an individual, by a fine of not more than \$5,000.00 or imprisonment for not more than 3 years, or both, or, if the person is not an individual, by a fine of not more than \$10,000.00.

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) An individual whose tax liability under the income tax act of 1967, 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 be credited 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.

(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.

169.264 Payments to candidates in primary election; requirements; return of funds. [M.S.A. 4.1703(64)]

Sec. 64. (1) A candidate in a primary election may obtain funds 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 both of the following:

(a) That 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) That 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) A candidate is not entitled to funds 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. A candidate who does not file nominating petitions for the office of governor or who

files an insufficient petition for that office shall return all funds received from the state campaign fund for that primary election.

(3) A candidate shall not receive from the state campaign fund for a primary more than 66% of the candidate's expenditure limit designated in section 67(1).

(4) For purposes of this section, primary election is the election described in section 52 of Act No. 116 of the Public Acts of 1954, as amended, being section 168.52 of the Michigan Compiled Laws.

169.266 Application of funds against qualified campaign expenditures; "qualified campaign expenditure" defined; separate account for funds 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 funds 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 \$5,000.00 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 funds 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 funds 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 punishable, if the person is an individual, by a fine of not more than \$2,000.00, or imprisonment for not more than 3 years, or both, or, if the person not an individual, 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 \$1,500,000.00 in the aggregate for 1 election.

(2) Expenditures made by a candidate committee 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 endorsement 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 punishable by a fine of not more than \$1,000.00, or imprisonment 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.

169.269 Limitations on contributions; applicability of § 169.252(2) and (7); notices; violation; penalty. [M.S.A. 4.1703(69)]

Sec. 69. (1) Except as provided in subsection (6), 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 \$3,400.00 in value for an election cycle.

(2) An independent committee shall not make contributions to a candidate committee which, for that election cycle 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 for an election cycle are more than \$750,000.00.

(4) A political party committee that is a congressional district or county committee shall not make contributions to a candidate committee which for an election cycle are more than \$30,000.00.

(5) A candidate committee, a candidate, or a treasurer or agent shall not accept a contribution with respect to an election cycle that exceeds a limitation in subsections (1) to (4).

(6) 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 \$50,000.00 in value for an election cycle.

(7) Section 52(2) and 52(7) apply to determining when an election cycle begins and ends and to which election cycle a particular contribution shall be attributed.

(8) The candidate committee of a candidate for governor that does not make application for state campaign funds and that accepts from the candidate and the candidate's immediate family contributions that total for an election cycle more than \$340,000.00 shall notify the secretary of state in writing within 48 hours after receipt of this amount. Within 2 business days after receipt of this notice, the secretary of state shall send notice to all candidates who are either seeking the same nomination, in the case of a primary election, or election to that same office, in the case of a general election, informing those candidate committees of all of the following:

(a) That the expenditure limits provided in section 67 are waived for the remainder of that election for those notified candidate committees that receive state campaign funds under this act.

(b) That the expenditure limits of section 67 are not waived for the purpose of determining the amount of public funds available to a candidate under section 64 or 65.

(9) A person who knowingly violates this section is guilty of a misdemeanor punishable, if the person is an individual, by a fine of not more than \$1,000.00, or imprisonment for not more than 90 days, or both, or, if the person is not an individual, by a fine of not more than \$10,000.00.

Effective date of § 169.233.

Section 2. Section 33 of Act No. 388 of the Public Acts of 1976, as amended by this amendatory act, shall take effect January 1, 1990.

This act is ordered to take immediate effect.

Approved June 20, 1989.

Filed with Secretary of State June 21, 1989.

[No. 96]

(HB 4684)

AN ACT to amend Act No. 222 of the Public Acts of 1975, entitled as amended "An act to establish the Michigan higher education student loan authority for the purpose of providing loans to eligible students and to parents of students; to prescribe its powers and duties; to authorize the authority to borrow money and issue bonds which are subject to or exempt from federal income taxation and to provide for the disposition of those funds; to exempt the bonds from taxation; to authorize the authority to acquire loans made to eligible students or to parents of students; and to authorize persons, corporations, and associations to make gifts to the authority," as amended, being sections 390.1151 to 390.1165 of the Michigan Compiled Laws, by adding section 4a.

The People of the State of Michigan enact:

Section added; higher education loan authority act.

Section 1. Act No. 222 of the Public Acts of 1975, as amended, being sections 390.1151 to 390.1165 of the Michigan Compiled Laws, is amended by adding section 4a to read as follows: