



STATE OF MICHIGAN
RUTH JOHNSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

MEMORANDUM

DATE: January 17, 2014
TO: Michigan County Clerks
FROM: Michigan Department of State, Bureau of Elections
SUBJECT: **Legislative Changes to the Michigan Campaign Finance Act (MCFA)**

Several bills recently signed into law by the Governor have made significant changes to the Michigan Campaign Finance Act (MCFA).

P.A. 252 of 2013 (Senate Bill 661)
P.A. 258 of 2013 (Senate Bill 440)
P.A. 259 of 2013 (Senate Bill 441)

Please read this memo carefully to be fully informed of the changes.

The changes to the MCFA in these new public acts have immediate effect and may affect committee filings and other disclosure requirements this year. The changes impact all committee types; Candidate Committees, Political and Independent Committees (PACs), Ballot Question Committees and Political Party Committees on both the state and local level.

The Bureau of Elections is updating the Department's web site and is working to implement the changes as provided in the new public acts for 2013 in the MERTS software and paper forms. Committees will receive additional information for complying with the new public acts in the coming weeks.

Covered in this memorandum:

- [Voluntary Electronic Filing at the County Level](#)
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Voluntary Electronic Filing at the County Level (Section 18a)

PA 441 of 2013 was signed into law by the Governor on December 27, 2013 with immediate effect. The bill amends the Michigan Campaign Finance Act (MCFA) by adding a new section; section 18a to allow counties to adopt an electronic filing and internet disclosure system that is either developed by or approved by the Secretary of State.

The new section provides that the new system would allow local committees to file electronically and provide access to the filings on the Internet. The Secretary of State cannot charge the county for the software for the system. County Clerks have the option of adopting the system or remaining with the current paper system.

If a County Clerk opts to participate, the County Clerk can set the threshold amount for participating committees as either \$5,000 or \$1,500. The threshold applies to committees that spend or receive in excess of the threshold in the previous year or expect to spend or receive in excess of the threshold in the current calendar year.

The Statement of Organization may not be filed electronically. The Statement of Organization must be signed by the candidate and treasurer as applicable and filed with the filing official verifying that accuracy and completeness of each statement or report filed electronically.

Once a committee meets the threshold, it has 10 business days to notify the County Clerk that the threshold has been exceeded and the committee must then file the next statement electronically.

When and how will this new section be implemented?

These are questions that we are working on resolving. However, as you can imagine, this will be a complex program to implement and would require input from county clerks all over the State before moving forward to design a statewide system. It is our intent to provide more detailed information in the next several months flushing out some of the details. In the meantime, we encourage you to consider what you as a county clerk would expect to see in the program. Comments and suggestions are welcome. Please email them to us at Disclosure@Michigan.gov.

Electronic Filing Threshold Lowered from \$20,000.00 to \$5,000.00 (Section 18) – State Level Committees Only

The electronic filing threshold for state level committees has been lowered to \$5,000.00 from \$20,000.00. Now committees that spend or receive \$5,000 or more in a calendar year or expect to spend or receive \$5,000 or more in a calendar year are required to file electronically. The threshold was previously \$20,000. The first statement affected by the new threshold is the Annual that is due on January 31, 2014. This information is provided for informational purposes only.

Increase in the Food and Beverage Contribution Exemption Amount from \$100.00 to \$1,000.00 (Section 4)

The donation of food and beverage to a committee up to \$1,000 in a calendar year where no reimbursement is given is exempt from the definition of a contribution. This means that a person can donate up to \$1000.00 per calendar year in food and beverage to the committee and it is not considered a contribution. The previous threshold was \$100.

Disclosure of PAC Contributions \$5.00 or less (Section 26)

Contributions of \$5.00 or less by an individual to a Political or Independent committee (PAC) may be reported on any written document that contains the required information. No signature is needed. All of the same information as required on a campaign statement is required; name, address, date amount and if the cumulative contribution from the contributor is over \$100.00, the occupation, employer and principal place of business. The change simply allows these contributions to be disclosed in any written form.

New Filing Requirements for Candidate Committees, Political Party Committees and PACs registered on the local level in Off-Election Years (Section 33)

Candidate Committees, Political Party Committees and PACs registered at the local level are now required to file two (2) additional campaign statements in years in which there is no election for the candidate the committee is supporting or opposing. The additional campaign statements are outlined below.

| STATEMENT | CLOSING DATE | DUE DATE |
|-------------------|--------------|------------|
| JULY QUARTERLY | JULY 20 | JULY 25 |
| OCTOBER QUARTERLY | OCTOBER 20 | OCTOBER 25 |

Statement deadlines that fall on a holiday or weekend move to the next business day.

While all Political Party Committees register at the state level, they are mentioned here for informational purposes only.

Contribution Limits Raised/Doubled for 2014 and must be Automatically Adjusted (Sections 52, 52a and 69)

The contribution limits for all offices/committees indicated below have been doubled. See chart below for new contributions limits. These limits take immediate effect and apply to any contributions received after the effective date of the amendment December 27, 2013.

| Office/Population | Previous Limit per Election Cycle for an Individual and political committee | New Limit per Election Cycle for an Individual and political committee | New Limit per Election Cycle for an Independent committee with status |
|--|--|---|--|
| State Representative and Districts with a population up to 85,000. | \$500.00 | \$1,000.00 | \$10,000.00 |
| State Senate and Districts with a population up to 85,001 – 250,000. | \$1,000.00 | \$2,000.00 | \$20,000.00 |
| Statewide Offices and Districts with a population over 250,000. | \$3,400.00 | \$6,800.00 | \$68,000.00 |
| Gubernatorial Committee accepting public funding. | \$3,400.00 | \$6,800.00 | \$68,000.00 |

The contribution limits for caucus committees have been doubled. See chart below for new contributions limits. These limits take immediate effect and apply to any contributions received after the effective date of the amendment December 27, 2013.

| | | | |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| All Caucus Committees | \$20,000.00 per calendar year | \$40,000.00 per calendar year | \$40,000.00 per calendar year |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|

In addition, Section 46 has been amended to require the Secretary of State to adjust the contribution limit thresholds according to the increase or decrease in the Detroit Consumer Price index. The adjustments to the totals will begin in 2019 and must be adjusted automatically every 4 years.

Changes to the Identification Requirements/Certain Robo-calls Included (Section 47)

Section 47 has been amended to require mass mailings and prerecorded telephone calls or robo-calls as defined in the law to contain an identification statement. In addition, the amendment clarifies that communications with or without express advocacy wording must contain the identification requirement and under what conditions identification information is required.

All communications that contain words of express advocacy (such as “VOTE FOR,” “ELECT,” “SUPPORT,” “CAST YOUR BALLOT FOR,” “SMITH FOR GOVERNOR,” “VOTE AGAINST,” “DEFEAT,” or “REJECT”) must contain the identification statement required by Section 47. In addition, the amendment specifies that the identification statement requirement is only required on communications that omit words of express advocacy if the communication meets all of the following conditions.

1. The communication does not contain the words of express advocacy such as “VOTE FOR”, “ELECT”, “SUPPORT”, “CAST YOUR BALLOT FOR”, “SMITH FOR GOVERNOR”, “VOTE AGAINST”, “DEFEAT”, OR “REJECT”, but
2. The communication references a clearly identified candidate or ballot question, and
3. The communication is disseminated within 60 days of a General Election in which the candidate or ballot question is on the ballot, or
4. The communication is disseminated within 30 days of a Primary Election in which the candidate or ballot question is on the ballot, and
5. The communication is targeted to the relevant electorate (i.e., the electoral district where the candidate or ballot question will appear on the ballot), and
6. The communication is by means of radio, television, mass mailing, or prerecorded telephone message.

Mass mailing means: A mailing by US mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30-day period.

Prerecorded telephone message shall contain the name, telephone number, address or other contact information of the person paying for the message.

Change for Solicit-able Class for Separate Segregated Funds (Section 55)

Section 55 was amended to add “members of members” to the list of solicit-able persons for a non-profit corporation’s Separate Segregate Fund (SSF). An example of the implication of this amendment is to allow credit unions to solicit and accept contributions from their individual members or account holders.

Questions

Please feel free to contact the Michigan Department of State’s Bureau of Elections for assistance or questions concerning the Michigan Campaign Finance Act:

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