



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

MEMORANDUM

DATE: January 17, 2014
TO: Committees Registered on the Local Level
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)

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 along with your local County Clerk's Office to implement the changes as provided in the new public acts for 2013.

Covered in this memorandum:

- [**New Filing Requirements for Candidate Committees and PACs Registered at the Local Level in Off-Election Years**](#)
- [**Contribution Limits Raised/Doubled**](#)
- [**Increase in the Food and Beverage Contribution Exemption Amount from \\$100.00 to \\$1,000.00**](#)
- [**Changes to the Identification Requirements/Certain Robo-Calls Included**](#)
- [**Change for Solicit-able Class for Separate Segregated Funds**](#)
- [**Disclosure of PAC Contributions \\$5.00 or less**](#)
- [**Questions**](#)

New Filing Requirements for Candidate Committees and PACs Registered at the Local Level in Off-Election Years (Section 33)

Candidate 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

Q/As:

When will the first of these new statements be owed by committees that file on the Local Level?

Many committees are required to file the pre-election and post-election statements this year. These committees are not required to file the July and October Quarterly Campaign Statements in 2014. In addition, the statements can be waived if the committee possesses the Reporting Waiver. So committees that maintain and/or obtain a Reporting Waiver do not owe any campaign statements.

The new statements are owed by committees that do not support or oppose a candidate on the ballot in 2014, but nonetheless owe campaign statements beginning in 2014. Under the following examples, the committee would owe these new campaign statements:

- Incumbent Candidate Committees whose candidate is not on the ballot and where the committee does not maintain a Reporting Waiver.
- Committees of unsuccessful candidates from previous election cycles who do not maintain a Reporting Waiver.
- Committees of candidates, who are no longer in office or running for election, but choose to keep the committee active and who do not maintain a Reporting Wavier.
- PACs that do not support or oppose candidates in 2014 and do not maintain a Reporting Waiver.

Are there late filing fees for not filing the statements timely?

Yes. Late filing fees apply to these statements and can reach as much as \$1,000.00 per campaign statement.

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
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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.

Q/As:

Do the new contribution limits take effect immediately?

Yes. The committee can begin receiving up to the new contribution limits immediately.

Can a person that reached the limit under the previous threshold now give up to the new limit?

Yes, with the new limit, the person can give up to the new limit during the election cycle even though they may have contributed the limit under the old thresholds.

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.

Q/As:

How do we record and report these types of donations?

To record the donations simply keep a written record of the donations. Once the person has donated more than \$1,000.00, begin recording the donations as an in-kind contribution. The amount given to the committee over \$1,000.00 must be reported as an in-kind contribution on the campaign statement that includes the date of the donation that is over the \$1,000.00 threshold. The committee never reports the first \$1,000.00 regardless of the donor going over the threshold. Only the amount in excess of the \$1,000.00 is reported.

Can the donations be used for fund raisers?

Yes. There is nothing in the MCFA that limits the use of the food and beverage donations.

Can the beverages contain alcohol?

Yes. There is nothing in the MCFA that limits the use of the type or form of food and beverage donations.

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 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.

Q/As:

Must all robo-calls identify the person paying for it?

No. Only those calls that contain words of express advocacy, or omit express advocacy words and phrases but are made within the specified time frame and meet the requirements described above are required to contain the identification statement. This means that some calls are not required to identify the person paying for the robo-call.

Can a committee place an identifier on a communication even if it is not required?

Yes. A committee can opt to provide an identification statement on the communication. The committee must take care to ensure that if required, the identification statement contains all of the necessary information.

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.

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 information otherwise required by the MCFA. 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.

Q/As:

Does this provision apply only to individuals contributing to a PAC?

Yes. A political or independent committee (PAC) can choose to report contributions of \$5.00 or less from individuals on a separate written document. This provision does not apply to persons other than individuals and does not apply to Candidate Committees, Political Party Committees or Ballot Question Committees.

What kinds of formats are acceptable?

A variety of formats are acceptable. This would include type written documents, Excel, Word. All filings must be filed on 8 1/2" by 11" size for reproduction. The document must be clear and of a type size that when reproduced for public display is legible.

What if the contributor eventually goes over the \$5.00 threshold?

The committee is required to report the cumulative contributions and if the contributor exceeds the \$100.00 in a calendar year, the occupation and employer information is required. At any point if the contributor contributes a single contribution over \$5.00, the information is required to be provided on the forms prescribed by the Secretary of State if the filer files on paper or electronically if the filer files electronically.

Do we still have to report the cumulative contribution?

Yes. The requirement to report the cumulative contribution remains in place.

How do we make sure our balances reflect these contributions?

The committee can opt to continue to report this information on the paper forms or electronically as appropriate. In this way, the totals would be reflected in the balances of the committee. A committee that opts to disclose these contributions in a paper form separate from the campaign statement can create an adjustment entry in their filing to ensure the balances of the committee filing are accurate.

Questions

Please feel free to contact your local County Clerk's office or the Michigan Department of State's Bureau of Elections for assistance or questions concerning the Michigan Campaign Finance Act:

Michigan Department of State, Bureau of Elections

Telephone: (517) 373-2540

E-mail: disclosure@michigan.gov

Web site: www.michigan.gov/elections