

HOUSE BILL No. 4759

May 27, 2003, Introduced by Reps. Law, Anderson, Hopgood, Adamini, Murphy, Gillard, Elkins, Wojno, Tobocman, Accavitti, Clack, Gleason and Condino and referred to the Committee on Government Operations.

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 52, 54, and 55 (MCL 169.252, 169.254, and 169.255), section 52 as amended by 2001 PA 250 and sections 54 and 55 as amended by 1995 PA 264.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 52. (1) Except as provided in subsection (5) or (11)
2 and subject to subsection (8), a person other than an independent
3 committee or a political party committee shall not make
4 contributions to a candidate committee of a candidate for
5 elective office that, with respect to an election cycle, are more
6 than the following:

7 (a) \$3,400.00 for a candidate for state elective office other
8 than the office of state legislator, or for a candidate for local
9 elective office if the district from which he or she is seeking

1 office has a population of more than 250,000.

2 (b) \$1,000.00 for a candidate for state senator, or for a
3 candidate for local elective office if the district from which he
4 or she is seeking office has a population of more than 85,000 but
5 250,000 or less.

6 (c) \$500.00 for a candidate for state representative, or for
7 a candidate for local elective office if the district from which
8 he or she is seeking office has a population of 85,000 or less.

9 (2) Except as otherwise provided in this subsection and
10 subsection (12), an independent committee shall not make
11 contributions to a candidate committee of a candidate for
12 elective office that, in the aggregate for that election cycle,
13 are more than 10 times the amount permitted a person other than
14 an independent committee or political party committee in
15 subsection (1). A house political party caucus committee or a
16 senate political party caucus committee is not limited under this
17 subsection in the amount of contributions made to the candidate
18 committee of a candidate for the office of state legislator,
19 except as follows:

20 (a) A house political party caucus committee or a senate
21 political party caucus committee shall not pay a debt incurred by
22 a candidate if that debt was incurred while the candidate was
23 seeking nomination at a primary election and the candidate was
24 opposed at that primary.

25 (b) A house political party caucus committee or a senate
26 political party caucus committee shall not make a contribution to
27 or make an expenditure on behalf of a candidate if that candidate

1 is seeking nomination at a primary election and the candidate is
2 opposed at that primary.

3 (3) A political party committee other than a state central
4 committee shall not make contributions to the candidate committee
5 of a candidate for elective office that are more than 10 times
6 the amount permitted a person other than an independent committee
7 or political party committee in subsection (1).

8 (4) A state central committee of a political party shall not
9 make contributions to the candidate committee of a candidate for
10 state elective office other than a candidate for the legislature
11 that are more than 20 times the amount permitted a person other
12 than an independent committee or political party committee in
13 subsection (1). A state central committee of a political party
14 shall not make contributions to the candidate committee of a
15 candidate for state senator, state representative, or local
16 elective office that are more than 10 times the amount permitted
17 a person other than an independent committee or political party
18 committee in subsection (1).

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

22 (6) Consistent with the provisions of this section, a
23 contribution designated in writing for a particular election
24 cycle is considered made for that election cycle. A contribution
25 made after the close of a particular election cycle and
26 designated in writing for that election cycle shall be made only
27 to the extent that the contribution does not exceed the candidate

1 committee's net outstanding debts and obligations from the
2 election cycle so designated. If a contribution is not
3 designated in writing for a particular election cycle, the
4 contribution is considered made for the election cycle that
5 corresponds to the date of the written instrument.

6 (7) A candidate committee, a candidate, or a treasurer or
7 agent of a candidate committee shall not accept a contribution
8 with respect to an election cycle that exceeds the limitations in
9 subsection (1), (2), (3), (4), (11), or (12).

10 (8) The contribution limits in subsection (1) for a candidate
11 for local elective office are effective on the effective date of
12 the amendatory act that provides for those contribution limits,
13 however, only contributions received by that candidate on and
14 after that date shall be used to determine if the contribution
15 limit has been reached.

16 (9) A person who knowingly violates this section is guilty of
17 a misdemeanor punishable, if the person is an individual, by a
18 fine of not more than \$1,000.00 or imprisonment for not more than
19 90 days, or both, or, if the person is not an individual, by a
20 fine of not more than \$10,000.00.

21 (10) For purposes of the limitations provided in
22 subsections (1) and (2), all contributions made by political
23 committees or independent committees established by any
24 corporation, **limited liability company**, joint stock company,
25 domestic dependent sovereign, or labor organization, including
26 any parent, subsidiary, branch, division, department, or local
27 unit thereof, shall be considered to have been made by a single

1 independent committee. By way of illustration and not
2 limitation, all of the following apply as a result of the
3 application of this requirement:

4 (a) All of the political committees and independent
5 committees established by a for profit corporation, **limited**
6 **liability company**, or joint stock company, by a subsidiary of the
7 for profit corporation, **limited liability company**, or joint stock
8 company, or by any combination thereof, are treated as a single
9 independent committee.

10 (b) All of the political committees and independent
11 committees established by a single national or international
12 labor organization, by a labor organization of that national or
13 international labor organization, by a local labor organization
14 of that national or international labor organization, or by any
15 other subordinate organization of that national or international
16 labor organization, or by any combination thereof, are treated as
17 a single independent committee.

18 (c) All of the political committees and independent
19 committees established by an organization of national or
20 international unions, by a state central body of that
21 organization, by a local central body of that organization, or by
22 any combination thereof, are treated as a single independent
23 committee.

24 (d) All of the political committees and independent
25 committees established by a nonprofit corporation, by a related
26 state entity of that nonprofit corporation, by a related local
27 entity of that nonprofit corporation, or by any combination

1 thereof, are treated as a single independent committee.

2 (11) The limitation on a political committee's contributions
3 under subsection (1) does not apply to contributions that are
4 part of 1 or more bundled contributions delivered to the
5 candidate committee of a candidate for statewide elective office
6 and that are attributed to the political committee as prescribed
7 in section 31. A political committee shall not make
8 contributions to a candidate committee of a candidate for
9 statewide elective office that are part of 1 or more bundled
10 contributions delivered to that candidate committee, that are
11 attributed to the political committee as prescribed in section
12 31, and that, in the aggregate for that election cycle, are more
13 than the amount permitted a person other than an independent
14 committee or political party committee in subsection (1).

15 (12) The limitation on an independent committee's
16 contributions under subsection (2) does not apply to
17 contributions that are part of 1 or more bundled contributions
18 delivered to the candidate committee of a candidate for statewide
19 elective office and that are attributed to the independent
20 committee as prescribed in section 31. An independent committee
21 shall not make contributions to a candidate committee of a
22 candidate for statewide elective office that are part of 1 or
23 more bundled contributions delivered to that candidate committee,
24 that are attributed to the independent committee as prescribed in
25 section 31, and that, in the aggregate for that election cycle,
26 are more than 10 times the amount permitted a person other than
27 an independent committee or political party committee in

1 subsection (1).

2 Sec. 54. (1) Except with respect to the exceptions and
3 conditions in subsections (2) and (3) and section 55, and to
4 loans made in the ordinary course of business, a corporation,
5 **limited liability company**, joint stock company, domestic
6 dependent sovereign, or labor organization shall not make a
7 contribution or expenditure or provide volunteer personal
8 services that are excluded from the definition of a contribution
9 pursuant to section 4(3)(a).

10 (2) An officer, director, stockholder, attorney, agent, or
11 any other person acting for a labor organization, a domestic
12 dependent sovereign, or a corporation, **limited liability company**,
13 or joint stock company, whether incorporated **or formed** under the
14 laws of this or any other state or foreign country, except
15 corporations **or limited liability companies** formed for political
16 purposes, shall not make a contribution or expenditure or provide
17 volunteer personal services that are excluded from the definition
18 of a contribution pursuant to section 4(3)(a).

19 (3) A corporation, **limited liability company**, joint stock
20 company, domestic dependent sovereign, or labor organization may
21 make a contribution to a ballot question committee subject to
22 this act. A corporation, **limited liability company**, joint stock
23 company, domestic dependent sovereign, or labor organization may
24 make an independent expenditure in any amount for the
25 qualification, passage, or defeat of a ballot question. A
26 corporation, **limited liability company**, joint stock company,
27 domestic dependent sovereign, or labor organization that makes an

1 independent expenditure under this subsection is considered a
2 ballot question committee for the purposes of this act.

3 (4) A person who knowingly violates this section is guilty of
4 a felony punishable, if the person is an individual, by a fine of
5 not more than \$5,000.00 or imprisonment for not more than
6 3 years, or both, or, if the person is not an individual, by a
7 fine of not more than \$10,000.00.

8 Sec. 55. (1) A corporation organized on a for profit or
9 nonprofit basis, **a limited liability company**, a joint stock
10 company, a domestic dependent sovereign, or a labor organization
11 formed under the laws of this or another state or foreign country
12 may make an expenditure for the establishment and administration
13 **of** and solicitation of contributions to a separate segregated
14 fund to be used for political purposes. A separate segregated
15 fund established under this section shall be limited to making
16 contributions to, and expenditures on behalf of, candidate
17 committees, ballot question committees, political party
18 committees, political committees, and independent committees.

19 (2) Contributions for a separate segregated fund established
20 by a corporation, organized on a for profit basis, **a limited**
21 **liability company**, or a joint stock company under this section
22 may be solicited from any of the following persons or their
23 spouses:

24 (a) Stockholders of the corporation or **joint stock** company.

25 (b) Officers and directors of the corporation or **joint stock**
26 company.

27 (c) Employees of the corporation or company who have policy

1 making, managerial, professional, supervisory, or administrative
2 nonclerical responsibilities.

3 **(d) Members or managers of the limited liability company.**

4 (3) Contributions for a separate segregated fund established
5 under this section by a corporation organized on a nonprofit
6 basis may be solicited from any of the following persons or their
7 spouses:

8 (a) Members of the corporation who are individuals.

9 (b) Stockholders of members of the corporation.

10 (c) Officers or directors of members of the corporation.

11 (d) Employees of the members of the corporation who have
12 policy making, managerial, professional, supervisory, or
13 administrative nonclerical responsibilities.

14 (e) Employees of the corporation who have policy making,
15 managerial, professional, supervisory, or administrative
16 nonclerical responsibilities.

17 (4) Contributions for a separate segregated fund established
18 under this section by a labor organization may be solicited from
19 any of the following persons or their spouses:

20 (a) Members of the labor organization who are individuals.

21 (b) Officers or directors of the labor organization.

22 (c) Employees of the labor organization who have policy
23 making, managerial, professional, supervisory, or administrative
24 nonclerical responsibilities.

25 (5) Contributions for a separate segregated fund established
26 under this section by a domestic dependent sovereign may be
27 solicited from an individual who is a member of any domestic

1 dependent sovereign.

2 (6) Contributions shall not be obtained for a separate
3 segregated fund established under this section by use of coercion
4 or physical force, by making a contribution a condition of
5 employment or membership, or by using or threatening to use job
6 discrimination or financial reprisals. A corporation organized
7 on a for profit or nonprofit basis, **a limited liability company,**
8 a joint stock company, a domestic dependent sovereign, or a labor
9 organization shall not solicit or obtain contributions for a
10 separate segregated fund established under this section from an
11 individual described in subsection (2), (3), (4), or (5) on an
12 automatic or passive basis, including, but not limited to, a
13 payroll deduction plan or reverse checkoff method. A corporation
14 organized on a for profit or nonprofit basis, **a limited liability**
15 **company,** a joint stock company, a domestic dependent sovereign,
16 or a labor organization may solicit or obtain contributions for a
17 separate segregated fund established under this section from an
18 individual described in subsection (2), (3), (4), or (5) on an
19 automatic basis, including but not limited to a payroll deduction
20 plan, only if the individual who is contributing to the fund
21 affirmatively consents to the contribution at least once in every
22 calendar year.

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

1 (8) If a corporation, **limited liability company**, joint stock
2 company, domestic dependent sovereign, or labor organization that
3 obtains contributions for a separate segregated fund from
4 individuals described in subsection (2), (3), (4), or (5) pays to
5 1 or more of those individuals a bonus or other remuneration for
6 the purpose of reimbursing those contributions, then that
7 corporation, **limited liability company**, joint stock company,
8 domestic dependent sovereign, or labor organization is subject to
9 a civil fine equal to 2 times the total contributions obtained
10 from all individuals for the separate segregated fund during that
11 calendar year.