

HOUSE BILL No. 6656

November 13, 2008, Introduced by Rep. Meisner and referred to the Committee on Ethics and Elections.

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending sections 3, 5, 7, 10, 11, and 12 (MCL 169.203, 169.205, 169.207, 169.210, 169.211, and 169.212), section 3 as amended by 1989 PA 95, section 5 as amended by 1999 PA 237, sections 7 and 12 as amended by 2001 PA 250, and section 11 as amended by 1996 PA 590, and by adding sections 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 103, 105, 107, 108, and 109; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Candidate" means an individual ~~+(a) who files~~ WHO
2 **MEETS 1 OR MORE OF THE FOLLOWING CRITERIA:**

3 **(A) FILES** a fee, **AN** affidavit of incumbency, or **A** nominating
4 petition for an elective office. ~~+(b) whose nomination~~

5 **(B) IS NOMINATED** as a candidate for elective office by a

1 political party caucus or convention **AND THE NOMINATION** is
 2 certified to the appropriate filing official. ~~; (c) who receives~~

3 **(C) RECEIVES** a contribution, makes an expenditure, or gives
 4 consent for another person to receive a contribution or make an
 5 expenditure with a view to bringing about the individual's
 6 nomination or election to an elective office, whether or not the
 7 specific elective office for which the individual will seek
 8 nomination or election is known at the time the contribution is
 9 received or the expenditure is made. ~~; or (d) who is~~

10 **(D) IS** an officeholder who is the subject of a recall vote.
 11 ~~Unless~~

12 **(E) HOLDS AN ELECTIVE OFFICE, UNLESS** the officeholder is
 13 constitutionally or legally barred from seeking reelection or fails
 14 to file for reelection to that office by the applicable filing
 15 deadline. ~~; an elected officeholder shall be~~ **AN INDIVIDUAL**
 16 **DESCRIBED IN THIS SUBDIVISION IS** considered to be a candidate for
 17 reelection to that same office for the purposes of this act only.

18 ~~For purposes of sections 61 to 71, "candidate" only means, in~~
 19 ~~a primary election, a candidate for the office of governor and, in~~
 20 ~~a general election, a candidate for the office of governor or~~
 21 ~~lieutenant governor. However, the candidates for the office of~~
 22 ~~governor and lieutenant governor of the same political party in a~~
 23 ~~general election shall be considered as 1 candidate.~~

24 (2) "Candidate committee" means the committee designated in a
 25 candidate's filed statement of organization as that individual's
 26 candidate committee. A candidate committee shall be under the
 27 control and direction of the candidate named in the same statement

1 of organization. Notwithstanding subsection ~~(4)~~-(5), an individual
2 shall form a candidate committee ~~pursuant to~~ UNDER section 21 ~~when~~
3 **IF** the individual becomes a candidate under subsection (1).

4 (3) "CERTIFIED CANDIDATE" MEANS A CANDIDATE SEEKING ELECTION
5 TO THE OFFICE OF GOVERNOR, STATE SENATOR, OR STATE REPRESENTATIVE
6 WHO CHOOSES TO PARTICIPATE UNDER THE PUBLIC CAMPAIGN LAW AND WHO IS
7 CERTIFIED BY THE SECRETARY OF STATE UNDER SECTION 97.

8 (4) ~~(3)~~"Closing date" means the date through which a campaign
9 statement is required to be complete.

10 (5) ~~(4)~~"Committee" means a person who receives contributions
11 or makes expenditures for the purpose of influencing or attempting
12 to influence the action of the voters for or against the nomination
13 or election of a candidate, or the qualification, passage, or
14 defeat of a ballot question, if contributions received total
15 \$500.00 or more in a calendar year or expenditures made total
16 \$500.00 or more in a calendar year. An individual, other than a
17 candidate, does not constitute a committee. A person, other than a
18 committee registered under this act, making an expenditure to a
19 ballot question committee, shall **NOT**, for that reason, ~~not~~ be
20 considered a committee for the purposes of this act unless the
21 person solicits or receives contributions for the purpose of making
22 an expenditure to that ballot question committee.

23 Sec. 5. (1) "Domestic dependent sovereign" means an Indian
24 tribe that has been acknowledged, recognized, restored, or
25 reaffirmed as an Indian tribe by the secretary of the interior
26 ~~pursuant to chapter 576, 48 Stat. 984, 25 U.S.C. 461 to 463, 464 to~~
27 ~~465, 466 to 470, 471 to 472, 473, 474 to 475, 476 to 478, and 479,~~

1 ~~commonly referred to as the Indian reorganization act~~ **UNDER THE**
2 **INDIAN REORGANIZATION ACT, 25 USC 461 TO 479**, or has otherwise been
3 acknowledged by the United States government as an Indian tribe.

4 (2) "Election" means a primary, general, special, or millage
5 election held in this state or a convention or caucus of a
6 political party held in this state to nominate a candidate.
7 Election includes a recall vote.

8 (3) "Election cycle" means 1 of the following:

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

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

17 (4) "Elective office" means a public office filled by an
18 election. A person who is appointed to fill a vacancy in a public
19 office that is ordinarily elective holds an elective office.
20 Elective office does not include the office of precinct delegate.
21 Except for the purposes of sections 47, 54, and 55, elective office
22 does not include a school board member in a school district that
23 has a pupil membership of 2,400 or less enrolled on the most recent
24 pupil membership count day. However, elective office includes a
25 school board member in a school district that has a pupil
26 membership of 2,400 or less, if a candidate committee of a
27 candidate for the office of school board member in that school

1 district receives an amount in excess of \$1,000.00 or expends an
2 amount in excess of \$1,000.00. Elective office does not include a
3 federal office except for the purposes of section 57.

4 Sec. 7. (1) "Filed" means the receipt by the appropriate
5 filing official of a statement or report required to be filed under
6 this act.

7 (2) "Filer" means a person required to file a statement or
8 report under this act.

9 (3) "Filing official" means the official designated under this
10 act to receive required statements and reports.

11 (4) **"FUND" MEANS THE PUBLIC CAMPAIGN FUND ESTABLISHED IN**
12 **SECTION 92.**

13 (5) ~~(4)~~—"Fund raising event" means an event such as a dinner,
14 reception, testimonial, rally, auction, or similar affair through
15 which contributions are solicited or received by purchase of a
16 ticket, payment of an attendance fee, making a donation, or
17 purchase of goods or services.

18 (6) **"FUNDING LAW" MEANS THE PUBLIC CAMPAIGN FUNDING LAW**
19 **ALTERNATIVE CAMPAIGN FINANCE PROVISIONS CONTAINED IN SECTIONS 91 TO**
20 **109.**

21 (7) ~~(5)~~—"Gift" means a payment, subscription, advance,
22 forbearance, rendering, or deposit of money, services, or anything
23 of value, unless consideration of equal or greater value is given
24 in exchange.

25 (8) ~~(6)~~—"Honorarium" means a payment of money to a person
26 holding elective office as consideration for an appearance, a
27 speech, an article, or any activity related to or associated with

1 the performance of duties as an elected official. An honorarium
2 does not include any of the following:

3 (a) Reimbursement for the cost of transportation,
4 accommodations, or meals for the person.

5 (b) Wages, salaries, other employee compensation, and expenses
6 authorized to be paid by this state or a political subdivision of
7 this state to the person holding elective office.

8 (c) An award.

9 Sec. 10. (1) "Major political party" means a political party
10 qualified to have its name listed on the general election ballot
11 whose candidate for governor received 25% or more of the popular
12 vote cast in the preceding gubernatorial election. If only 1
13 political party received 25% or more of the popular vote cast for
14 governor in the preceding gubernatorial election, then the
15 political party with the second highest vote ~~shall be deemed~~ **IS** a
16 major **POLITICAL** party.

17 (2) "Minor political party" means a political party qualified
18 to have its name listed on the general election ballot but ~~which~~
19 **THAT** does not qualify as a major **POLITICAL** party.

20 (3) "Nominee" means an individual nominated to be a candidate.

21 (4) **"NONPARTICIPATING CANDIDATE" MEANS A CANDIDATE SEEKING**
22 **ELECTION TO THE OFFICE OF GOVERNOR, STATE SENATOR, OR STATE**
23 **REPRESENTATIVE WHO IS NOT A PARTICIPATING CANDIDATE.**

24 Sec. 11. (1) **"PARTICIPATING CANDIDATE" MEANS A CANDIDATE WHO**
25 **IS SEEKING ELECTION TO THE OFFICE OF GOVERNOR, STATE SENATOR, OR**
26 **STATE REPRESENTATIVE, WHO CHOOSES TO PARTICIPATE UNDER THE FUNDING**
27 **LAW, AND WHO IS SEEKING TO BE A CERTIFIED CANDIDATE.**

1 (2) ~~(1)~~—"Person" means a business, individual, proprietorship,
2 firm, partnership, joint venture, syndicate, business trust, labor
3 organization, company, corporation, association, committee, or any
4 other organization or group of persons acting jointly.

5 (3) ~~(2)~~—"Political committee" means a committee that is not a
6 candidate committee, political party committee, independent
7 committee, or ballot question committee.

8 (4) ~~(3)~~—"Political merchandise" means goods such as bumper
9 stickers, pins, hats, beverages, literature, or other items sold by
10 a person at a fund raiser or to the general public for publicity or
11 for the purpose of raising ~~funds~~ **MONEY** to be used in supporting or
12 opposing a candidate for nomination for or election to an elective
13 office or in supporting or opposing the qualification, passage, or
14 defeat of a ballot question.

15 (5) ~~(4)~~—"Political party" means a political party ~~which~~ **THAT**
16 has a right under law to have the names of its candidates listed on
17 the ballot in a general election.

18 (6) ~~(5)~~—"Political party committee" means a state central,
19 district, or county committee of a political party ~~which~~ **THAT** is a
20 committee. Each state central committee shall designate the
21 official party county and district committees. There shall not be
22 more than 1 officially designated political party committee per
23 county and per congressional district.

24 (7) ~~(6)~~—"Public body" means 1 or more of the following:

25 (a) A state agency, department, division, bureau, board,
26 commission, council, authority, or other body in the executive
27 branch of state government.

1 (b) The legislature or an agency, board, commission, or
2 council in the legislative branch of state government.

3 (c) A county, city, township, village, intercounty, intercity,
4 or regional governing body; a council, school district, special
5 district, or municipal corporation; or a board, department,
6 commission, or council or an agency of a board, department,
7 commission, or council.

8 (d) Any other body that is created by state or local authority
9 or is primarily funded by or through state or local authority,
10 ~~which~~ **IF THE** body exercises governmental or proprietary authority
11 or performs a governmental or proprietary function.

12 Sec. 12. (1) "Qualifying contribution" means a contribution ~~of~~
13 ~~money made by a written instrument by an individual to the~~
14 ~~candidate committee of a candidate for the office of governor that~~
15 ~~is \$100.00 or less and made after April 1 of the year preceding a~~
16 ~~year in which a governor is to be elected. Not more than \$100.00 of~~
17 ~~an individual's total aggregate contribution may be used as a~~
18 ~~qualifying contribution in a calendar year. Qualifying contribution~~
19 ~~does not include a subscription, loan, advance, deposit of money,~~
20 ~~in kind contribution or expenditure, or anything else of value~~
21 ~~except as prescribed in this act. Qualifying contribution does not~~
22 ~~include a contribution by an individual who resides outside of this~~
23 ~~state. For purposes of this subsection, an individual is considered~~
24 ~~to reside in this state if he or she is considered a resident of~~
25 ~~this state under the Michigan election law, 1954 PA 116, MCL 168.1~~
26 ~~to 168.992. THAT MEETS ALL OF THE FOLLOWING CRITERIA:~~

27 (A) IS IN THE AMOUNT OF \$5.00 IN CASH OR IN THE FORM OF A

1 CHECK OR MONEY ORDER MADE PAYABLE TO THE FUND IN SUPPORT OF A
2 PARTICIPATING CANDIDATE.

3 (B) IS MADE BY A REGISTERED VOTER WITHIN THE DISTRICT FROM
4 WHICH THE PARTICIPATING CANDIDATE IS SEEKING OFFICE.

5 (C) IS MADE DURING THE DESIGNATED QUALIFYING PERIOD.

6 (D) IS OBTAINED WITH THE KNOWLEDGE AND APPROVAL OF THE
7 PARTICIPATING CANDIDATE.

8 (E) IS ACKNOWLEDGED BY A WRITTEN RECEIPT THAT IDENTIFIES THE
9 NAME AND ADDRESS OF THE DONOR ON FORMS PROVIDED BY THE SECRETARY OF
10 STATE.

11 (2) "QUALIFYING PERIOD" MEANS 1 OF THE FOLLOWING, AS
12 APPLICABLE:

13 (A) FOR A CANDIDATE FOR THE OFFICE OF GOVERNOR, THE QUALIFYING
14 PERIOD BEGINS JANUARY 1 OF THE ELECTION YEAR AND ENDS AT 5 P.M. ON
15 JUNE 16 OF THE ELECTION YEAR UNLESS THE CANDIDATE IS WITHOUT MAJOR
16 POLITICAL PARTY AFFILIATION, IN WHICH CASE THE PERIOD ENDS AT 5
17 P.M. ON JULY 31 OF THE ELECTION YEAR.

18 (B) FOR A CANDIDATE FOR THE OFFICE OF STATE SENATOR OR STATE
19 REPRESENTATIVE, THE QUALIFYING PERIOD BEGINS MARCH 1 OF THE
20 ELECTION YEAR AND ENDS AT 5 P.M. ON JUNE 16 OF THE ELECTION YEAR
21 UNLESS THE CANDIDATE IS WITHOUT MAJOR POLITICAL PARTY AFFILIATION,
22 IN WHICH CASE THE PERIOD ENDS AT 5 P.M. ON JULY 31 OF THE ELECTION
23 YEAR.

24 (3) "SEED MONEY CONTRIBUTION" MEANS A CONTRIBUTION MADE TO A
25 CANDIDATE, INCLUDING A CONTRIBUTION FROM THE CANDIDATE OR A MEMBER
26 OF THE CANDIDATE'S IMMEDIATE FAMILY, THAT MEETS 1 OF THE FOLLOWING
27 REQUIREMENTS, AS APPLICABLE:

1 (A) FOR A CANDIDATE FOR THE OFFICE OF GOVERNOR, IS A
2 CONTRIBUTION OF NO MORE THAN \$500.00 PER INDIVIDUAL.

3 (B) FOR A CANDIDATE FOR THE OFFICE OF STATE SENATOR OR STATE
4 REPRESENTATIVE, IS A CONTRIBUTION OF NO MORE THAN \$100.00 PER
5 INDIVIDUAL.

6 (4) ~~(2)~~—"Senate political party caucus committee" means an
7 independent committee established by a political party caucus of
8 the state senate under section 24a.

9 (5) ~~(3)~~—"State elective office" means a statewide elective
10 office or the office of state legislator.

11 (6) ~~(4)~~—"Statewide elective office" means the office of
12 governor, lieutenant governor, secretary of state, or attorney
13 general, justice of the supreme court, member of the state board of
14 education, regent of the university of Michigan, member of the
15 board of trustees of Michigan state university, or member of the
16 board of governors of Wayne state university.

17 SEC. 91. (1) THIS SECTION AND SECTIONS 92 TO 109 SHALL BE
18 KNOWN AND MAY BE CITED AS THE "PUBLIC CAMPAIGN FUNDING LAW".

19 (2) THE PUBLIC CAMPAIGN FUNDING LAW ESTABLISHES AN ALTERNATIVE
20 CAMPAIGN FINANCING OPTION AVAILABLE TO A CERTIFIED CANDIDATE. THIS
21 ALTERNATIVE CAMPAIGN FINANCING OPTION IS AVAILABLE TO A CANDIDATE
22 FOR AN ELECTION FOR THE OFFICE OF GOVERNOR, STATE SENATOR, OR STATE
23 REPRESENTATIVE HELD IN THIS STATE AFTER JANUARY 1, 2010.

24 (3) THE SECRETARY OF STATE AND THE DEPARTMENT OF TREASURY
25 SHALL ADMINISTER THE PUBLIC CAMPAIGN FUNDING LAW. THE STATE
26 TREASURER SHALL ADMINISTER THE FUND UNDER THIS ACT.

27 SEC. 92. (1) THE PUBLIC CAMPAIGN FUND IS ESTABLISHED TO

1 FINANCE THE ELECTION CAMPAIGNS OF CERTIFIED CANDIDATES. THE FUND
2 SHALL PAY ADMINISTRATIVE COSTS OF THE DEPARTMENTS OF TREASURY AND
3 STATE AND ENFORCEMENT COSTS OF THE DEPARTMENT OF STATE RELATED TO
4 THE PUBLIC CAMPAIGN FUNDING LAW.

5 (2) THE FUND IS A SPECIAL, DEDICATED, NONLAPSING FUND.
6 INTEREST GENERATED BY THE FUND IS CREDITED TO THE FUND.

7 (3) THE STATE TREASURER SHALL DEPOSIT ALL OF THE FOLLOWING
8 INTO THE FUND:

9 (A) THE QUALIFYING CONTRIBUTIONS REMAINING UNSPENT AFTER A
10 CANDIDATE HAS BEEN CERTIFIED, WHEN THAT MONEY IS SUBMITTED TO THE
11 STATE TREASURER.

12 (B) REVENUE UNDER SECTION 93.

13 (C) SEED MONEY CONTRIBUTIONS REMAINING UNSPENT AFTER A
14 CANDIDATE HAS BEEN CERTIFIED, WHEN THAT MONEY IS SUBMITTED TO THE
15 STATE TREASURER.

16 (D) MONEY THAT WAS DISTRIBUTED TO A CERTIFIED CANDIDATE AND
17 THAT REMAINS UNSPENT AFTER THE GENERAL ELECTION.

18 (E) MONEY THAT WAS DISTRIBUTED TO A CERTIFIED CANDIDATE AND
19 THAT IS UNSPENT BECAUSE THE CANDIDATE DOES NOT REMAIN A CANDIDATE
20 THROUGHOUT THE GENERAL ELECTION CYCLE.

21 (F) A VOLUNTARY DONATION MADE DIRECTLY TO THE FUND.

22 (G) A FINE COLLECTED UNDER SECTION 108.

23 (4) ON OR BEFORE THE SEPTEMBER 1 IMMEDIATELY BEFORE AN
24 ELECTION YEAR, THE SECRETARY OF STATE SHALL PUBLISH AN ESTIMATE OF
25 MONEY IN THE FUND AVAILABLE FOR DISTRIBUTION TO CERTIFIED
26 CANDIDATES DURING THE UPCOMING YEAR'S ELECTIONS.

27 SEC. 93. (1) AN INDIVIDUAL WHOSE TAX LIABILITY UNDER THE

1 INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.1 TO 206.532, FOR A
2 TAXABLE YEAR IS \$3.00 OR MORE MAY OPT NOT TO HAVE \$3.00 CREDITED TO
3 THE FUND. IN THE CASE OF A JOINT RETURN OF HUSBAND AND WIFE HAVING
4 AN INCOME TAX LIABILITY OF \$6.00 OR MORE, EACH SPOUSE MAY OPT NOT
5 TO HAVE \$3.00 CREDITED TO THE FUND. THE STATE TREASURER SHALL
6 CREDIT TO THE FUND \$3.00 FOR EACH INDIVIDUAL WHO DOES NOT EXERCISE
7 HIS OR HER OPTION.

8 (2) THE TAX DESIGNATION AUTHORIZED IN THIS SECTION SHALL BE
9 CLEARLY AND UNAMBIGUOUSLY PRINTED ON THE FIRST PAGE OF THE STATE
10 INDIVIDUAL INCOME TAX RETURN.

11 (3) AN AMOUNT EQUAL TO THE CUMULATIVE AMOUNTS CREDITED UNDER
12 SUBSECTION (1) EACH YEAR SHALL BE APPROPRIATED ANNUALLY FROM THE
13 GENERAL FUND OF THIS STATE TO THE FUND TO BE AVAILABLE BEGINNING
14 JANUARY 1 AND CONTINUING THROUGH DECEMBER 31 OF EACH ELECTION YEAR.

15 SEC. 94. (1) TO BE ELIGIBLE FOR CERTIFICATION, A PARTICIPATING
16 CANDIDATE SHALL MEET BOTH OF THE FOLLOWING REQUIREMENTS:

17 (A) HE OR SHE SHALL ONLY COLLECT AND SPEND SEED MONEY
18 CONTRIBUTIONS DURING THE QUALIFYING PERIOD.

19 (B) HE OR SHE SHALL NOT MAKE OR CAUSE AN EXPENDITURE TO BE
20 MADE FROM PRIVATE MONEY DEPOSITED TO HIS OR HER CANDIDATE COMMITTEE
21 DURING THE CURRENT ELECTION CYCLE AND BEFORE FILING A DECLARATION
22 OF INTENT UNDER SUBSECTION (3).

23 (2) A CERTIFIED CANDIDATE SHALL NOT COLLECT OR SPEND A SEED
24 MONEY CONTRIBUTION AFTER CERTIFICATION.

25 (3) A PARTICIPATING CANDIDATE SHALL FILE A DECLARATION OF
26 INTENT TO SEEK CERTIFICATION UNDER SECTION 97 AND TO COMPLY WITH
27 THE REQUIREMENTS OF THE PUBLIC CAMPAIGN FUNDING LAW. USING FORMS

1 AND PROCEDURES DEVELOPED BY THE SECRETARY OF STATE, THE CANDIDATE
2 SHALL FILE THE DECLARATION OF INTENT WITH THE SECRETARY OF STATE
3 BEFORE OR DURING THE QUALIFYING PERIOD, EXCEPT AS OTHERWISE
4 PROVIDED BY RULE FOR A SPECIAL ELECTION, VACANCY, RECOUNT,
5 WITHDRAWAL, OR REPLACEMENT. A PARTICIPATING CANDIDATE SHALL FILE A
6 DECLARATION OF INTENT BEFORE HE OR SHE COLLECTS SEED MONEY OR A
7 QUALIFYING CONTRIBUTION.

8 SEC. 95. (1) AFTER BECOMING A CANDIDATE AND BEFORE BECOMING A
9 CERTIFIED CANDIDATE, A PARTICIPATING CANDIDATE SHALL NOT ACCEPT A
10 CONTRIBUTION EXCEPT FOR A SEED MONEY CONTRIBUTION.

11 (2) A PARTICIPATING CANDIDATE SHALL LIMIT THE CANDIDATE'S SEED
12 MONEY CONTRIBUTIONS TO THE FOLLOWING AMOUNTS, AS APPLICABLE:

13 (A) FOR A CANDIDATE FOR THE OFFICE OF GOVERNOR, \$100,000.00.

14 (B) FOR A CANDIDATE FOR THE OFFICE OF STATE SENATOR,
15 \$10,000.00.

16 (C) FOR A CANDIDATE FOR THE OFFICE OF STATE REPRESENTATIVE,
17 \$5,000.00.

18 (2) A PARTICIPATING CANDIDATE SHALL OBTAIN QUALIFYING
19 CONTRIBUTIONS DURING THE QUALIFYING PERIOD THAT MEET THE FOLLOWING
20 CRITERIA, AS APPROPRIATE:

21 (A) FOR A CANDIDATE FOR THE OFFICE OF GOVERNOR, AT LEAST 5,000
22 VERIFIED REGISTERED VOTERS OF THIS STATE MUST SUPPORT THE CANDIDACY
23 BY PROVIDING A QUALIFYING CONTRIBUTION TO THAT CANDIDATE.

24 (B) FOR A CANDIDATE FOR THE OFFICE OF STATE SENATOR, AT LEAST
25 500 VERIFIED REGISTERED VOTERS FROM THAT SENATORIAL DISTRICT MUST
26 SUPPORT THE CANDIDATE BY PROVIDING A QUALIFYING CONTRIBUTION TO
27 THAT CANDIDATE.

1 (C) FOR A CANDIDATE FOR THE OFFICE OF STATE REPRESENTATIVE, AT
2 LEAST 250 VERIFIED REGISTERED VOTERS FROM THAT REPRESENTATIVE
3 DISTRICT MUST SUPPORT THE CANDIDATE BY PROVIDING A QUALIFYING
4 CONTRIBUTION TO THAT CANDIDATE.

5 (3) A PAYMENT, GIFT, OR ANYTHING OF VALUE SHALL NOT BE GIVEN
6 IN EXCHANGE FOR A QUALIFYING CONTRIBUTION.

7 SEC. 96. A PARTICIPATING CANDIDATE SHALL SUBMIT A QUALIFYING
8 CONTRIBUTION AND EXPENDITURE REPORT TO THE SECRETARY OF STATE AFTER
9 THE QUALIFYING PERIOD IN COMPLIANCE WITH RULES PROMULGATED BY THE
10 SECRETARY OF STATE.

11 SEC. 97. (1) UPON RECEIPT OF A QUALIFYING CONTRIBUTION AND
12 EXPENDITURE REPORT BY A PARTICIPATING CANDIDATE, THE SECRETARY OF
13 STATE SHALL DETERMINE IF THE CANDIDATE HAS MET ALL OF THE FOLLOWING
14 REQUIREMENTS FOR CERTIFICATION:

15 (A) SIGNED AND FILED A DECLARATION OF INTENT TO PARTICIPATE
16 UNDER THE PUBLIC CAMPAIGN FUNDING LAW.

17 (B) SUBMITTED THE APPROPRIATE NUMBER OF VALID QUALIFYING
18 CONTRIBUTIONS.

19 (C) DID NOT ACCEPT CONTRIBUTIONS, EXCEPT FOR SEED MONEY
20 CONTRIBUTIONS.

21 (D) SUBMITTED THE APPROPRIATE SEED MONEY CONTRIBUTION AND
22 EXPENDITURE REPORT REQUIRED UNDER SECTION 94.

23 (E) DID NOT MAKE OR CAUSE AN EXPENDITURE TO BE MADE FROM
24 PRIVATE MONEY DEPOSITED IN HIS OR HER CANDIDATE COMMITTEE DURING
25 THE CURRENT ELECTION CYCLE AND BEFORE FILING A DECLARATION OF
26 INTENT TO PARTICIPATE UNDER THE FUNDING LAW.

27 (F) OTHERWISE MET THE REQUIREMENTS FOR PARTICIPATION UNDER THE

1 PUBLIC CAMPAIGN FUNDING LAW.

2 (2) THE SECRETARY OF STATE SHALL CERTIFY A PARTICIPATING
3 CANDIDATE WHO COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS
4 SOON AS POSSIBLE AND NO LATER THAN 3 DAYS AFTER THE REQUIREMENTS OF
5 SUBSECTION (1) ARE MET. THE SECRETARY OF STATE SHALL NOTIFY A
6 CANDIDATE WHO HAS NOT COMPLIED WITH THE REQUIREMENTS OF THIS
7 SECTION THAT HE OR SHE IS BEING DENIED CERTIFICATION AND EACH
8 REASON FOR THAT DENIAL AS SOON AS POSSIBLE AND NO LATER THAN 3 DAYS
9 AFTER THE SUBMISSION OF A QUALIFYING CONTRIBUTION AND EXPENDITURE
10 REPORT.

11 (3) UPON CERTIFICATION OR DENIAL OF CERTIFICATION, A CANDIDATE
12 SHALL PROMPTLY GIVE TO THE SECRETARY OF STATE ANY UNSPENT SEED
13 MONEY CONTRIBUTIONS. AS SOON AS PRACTICAL AFTER RECEIPT, THE
14 SECRETARY OF STATE SHALL TRANSMIT ALL UNSPENT SEED MONEY
15 CONTRIBUTIONS TO THE STATE TREASURER FOR DEPOSIT INTO THE FUND.

16 SEC. 98. (1) A CERTIFIED CANDIDATE SHALL LIMIT THE CERTIFIED
17 CANDIDATE'S CAMPAIGN EXPENDITURES AND OBLIGATIONS, INCLUDING
18 OUTSTANDING OBLIGATIONS, TO THE MONEY DISTRIBUTED TO THE CERTIFIED
19 CANDIDATE FROM THE FUND. A CERTIFIED CANDIDATE SHALL NOT ACCEPT A
20 CONTRIBUTION AFTER THE CONCLUSION OF THE QUALIFYING PERIOD UNLESS
21 SPECIFICALLY AUTHORIZED BY THE SECRETARY OF STATE.

22 (2) A CERTIFIED CANDIDATE SHALL USE THE MONEY UNDER SUBSECTION
23 (1) ONLY FOR CAMPAIGN-RELATED PURPOSES. THE SECRETARY OF STATE
24 SHALL PUBLISH PROCEDURES OUTLINING PERMISSIBLE CAMPAIGN-RELATED
25 EXPENDITURES.

26 SEC. 99. (1) THE SECRETARY OF STATE SHALL DIRECT THE STATE
27 TREASURER TO DISTRIBUTE TO CERTIFIED CANDIDATES MONEY FROM THE FUND

1 IN AMOUNTS DETERMINED UNDER SECTION 100 IN THE FOLLOWING MANNER:

2 (A) WITHIN 3 DAYS AFTER CERTIFICATION, FOR CANDIDATES
3 CERTIFIED BEFORE JUNE 16 OF THE ELECTION YEAR, MONEY FROM THE FUND
4 SHALL BE DISTRIBUTED AS IF THE CANDIDATES ARE IN AN UNCONTESTED
5 PRIMARY ELECTION.

6 (B) WITHIN 3 DAYS AFTER JUNE 16 OF THE ELECTION YEAR, FOR
7 PRIMARY ELECTION CERTIFIED CANDIDATES, MONEY FROM THE FUND SHALL BE
8 DISTRIBUTED ACCORDING TO WHETHER THE CANDIDATE IS IN A CONTESTED OR
9 UNCONTESTED PRIMARY ELECTION, REDUCED BY ANY AMOUNTS PREVIOUSLY
10 DISTRIBUTED UNDER SUBDIVISION (A).

11 (C) WITHIN 3 DAYS AFTER THE PRIMARY ELECTION, FOR GENERAL
12 ELECTION CERTIFIED CANDIDATES, MONEY FROM THE FUND SHALL BE
13 DISTRIBUTED ACCORDING TO WHETHER THE CANDIDATE IS IN A CONTESTED
14 GENERAL ELECTION. MONEY SHALL NOT BE DISTRIBUTED TO A CANDIDATE IN
15 AN UNCONTESTED GENERAL ELECTION.

16 (2) THE STATE TREASURER SHALL DISTRIBUTE MONEY FROM THE FUND
17 TO CERTIFIED CANDIDATES UNDER THIS SECTION BY A MECHANISM THAT IS
18 EXPEDITIOUS, ENSURES ACCOUNTABILITY, AND SAFEGUARDS THE INTEGRITY
19 OF THE FUND.

20 SEC. 100. (1) ON OR BEFORE JULY 1, 2010, AND ON OR BEFORE JULY
21 1 OF EACH SECOND YEAR AFTER 2010, THE SECRETARY OF STATE SHALL
22 DETERMINE THE AMOUNT OF MONEY TO BE DISTRIBUTED TO EACH CERTIFIED
23 CANDIDATE BASED UPON THE TYPE OF ELECTION AND OFFICE AS FOLLOWS:

24 (A) FOR CONTESTED PRIMARY ELECTIONS, THE AMOUNT OF MONEY TO BE
25 DISTRIBUTED IS THE AVERAGE AMOUNT OF CAMPAIGN EXPENDITURES MADE BY
26 EACH CANDIDATE DURING ALL CONTESTED PRIMARY ELECTION RACES FOR THE
27 2 PRIMARY ELECTIONS IMMEDIATELY BEFORE THE CURRENT PRIMARY

1 ELECTION, AS REPORTED IN THE INITIAL FILING PERIOD AFTER THE
2 PRIMARY ELECTION FOR THE RESPECTIVE OFFICES OF GOVERNOR, STATE
3 SENATOR, AND STATE REPRESENTATIVE.

4 (B) FOR UNCONTESTED PRIMARY ELECTIONS, THE AMOUNT OF MONEY
5 DISTRIBUTED IS THE AVERAGE AMOUNT OF CAMPAIGN EXPENDITURES MADE BY
6 EACH CANDIDATE DURING ALL UNCONTESTED PRIMARY ELECTION RACES, OR
7 FOR CONTESTED RACES IF THAT AMOUNT IS LOWER, FOR THE 2 PRIMARY
8 ELECTIONS IMMEDIATELY BEFORE THE CURRENT PRIMARY ELECTION, AS
9 REPORTED IN THE INITIAL FILING PERIOD AFTER THE PRIMARY ELECTION
10 FOR THE RESPECTIVE OFFICES OF GOVERNOR, STATE SENATOR, AND STATE
11 REPRESENTATIVE.

12 (C) FOR CONTESTED GENERAL ELECTIONS, THE AMOUNT OF MONEY
13 DISTRIBUTED IS THE AVERAGE AMOUNT OF CAMPAIGN EXPENDITURES MADE BY
14 EACH CANDIDATE DURING ALL CONTESTED GENERAL ELECTION RACES FOR THE
15 2 GENERAL ELECTIONS IMMEDIATELY BEFORE THE CURRENT GENERAL ELECTION
16 AS REPORTED IN THE INITIAL FILING PERIOD AFTER THE GENERAL ELECTION
17 FOR THE RESPECTIVE OFFICES OF GOVERNOR, STATE SENATOR, AND STATE
18 REPRESENTATIVE.

19 (2) IF THE 2 ELECTION CYCLES IMMEDIATELY BEFORE THE CURRENT
20 ELECTION CYCLE DO NOT CONTAIN SUFFICIENT ELECTORAL DATA, THE
21 SECRETARY OF STATE SHALL USE INFORMATION FROM THE MOST RECENT
22 RELEVANT ELECTIONS.

23 SEC. 101. (1) THE SECRETARY OF STATE SHALL REVIEW ALL OF THE
24 FOLLOWING TO MAKE THE DETERMINATION REQUIRED BY SUBSECTION (2):

25 (A) EACH CAMPAIGN STATEMENT FILED BY THE CANDIDATE COMMITTEE
26 OF A CERTIFIED CANDIDATE.

27 (B) ALL INDEPENDENT EXPENDITURE REPORTS FILED UNDER SECTION 51

1 THAT REPORT AN INDEPENDENT EXPENDITURE ADVOCATING THE ELECTION OF
2 THE CERTIFIED CANDIDATE OR THE DEFEAT OF THE CERTIFIED CANDIDATE'S
3 OPPONENTS.

4 (C) ALL DOCUMENTS THAT SHOW VERIFIABLE EXPENDITURES FOR
5 ELECTIONEERING COMMUNICATIONS ADVOCATING THE ELECTION OF THE
6 CERTIFIED CANDIDATE OR THE DEFEAT OF THE CERTIFIED CANDIDATE'S
7 OPPONENTS.

8 (2) FROM THE DOCUMENTS REVIEWED UNDER SUBSECTION (1), THE
9 SECRETARY OF STATE SHALL DETERMINE WHETHER THE AMOUNT DISTRIBUTED
10 TO EACH CERTIFIED CANDIDATE UNDER SECTION 100 IS LESS THAN THE SUM
11 OF THE FOLLOWING:

12 (A) THE GREATER OF THE FOLLOWING:

13 (i) TOTAL EXPENDITURES OF THE CANDIDATE COMMITTEE OF THE
14 CERTIFIED CANDIDATE, INCLUDING, BUT NOT LIMITED TO, IN-KIND
15 EXPENDITURES.

16 (ii) TOTAL CONTRIBUTIONS TO THE CANDIDATE COMMITTEE OF THE
17 CERTIFIED CANDIDATE, INCLUDING, BUT NOT LIMITED TO, IN-KIND
18 CONTRIBUTIONS.

19 (B) TOTAL DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE OF THE
20 CERTIFIED CANDIDATE.

21 (C) THE TOTAL OF ALL INDEPENDENT EXPENDITURES ADVOCATING THE
22 ELECTION OF THE CERTIFIED CANDIDATE OR THE DEFEAT OF THE CERTIFIED
23 CANDIDATE'S OPPONENTS.

24 (3) IF THE SECRETARY OF STATE DETERMINES THAT THE AMOUNT
25 DISTRIBUTED UNDER SECTION 100 HAS BEEN EXCEEDED AS DESCRIBED IN
26 SUBSECTION (2), THE SECRETARY OF STATE SHALL IMMEDIATELY ISSUE TO
27 EACH OPPOSING CERTIFIED CANDIDATE AN ADDITIONAL AMOUNT FROM THE

1 FUND, SUBJECT TO SUBSECTION (6), EQUAL TO THE EXCESS.

2 (4) THE SECRETARY OF STATE SHALL REVIEW ALL DOCUMENTS THAT
3 SHOW EITHER OF THE FOLLOWING MADE AFTER THE CLOSING DATE OF THE
4 MOST RECENT PREELECTION CAMPAIGN STATEMENT OF THE CANDIDATE
5 COMMITTEE OF A CERTIFIED CANDIDATE TO MAKE THE DETERMINATION UNDER
6 SUBSECTION (5):

7 (A) A VERIFIABLE CONTRIBUTION TO THE CERTIFIED CANDIDATE.

8 (B) A VERIFIABLE INDEPENDENT EXPENDITURE ADVOCATING THE
9 ELECTION OF THE CERTIFIED CANDIDATE OR THE DEFEAT OF THE CERTIFIED
10 CANDIDATE'S OPPONENTS.

11 (5) FROM THE DOCUMENTS REVIEWED UNDER SUBSECTION (4), THE
12 SECRETARY OF STATE SHALL DETERMINE WHETHER THE TOTAL OF ALL
13 VERIFIABLE CONTRIBUTIONS AND EXPENDITURES EXCEEDS THE TOTAL OF ALL
14 OF THE FOLLOWING, AND IF SO SHALL IMMEDIATELY ISSUE TO EACH
15 OPPOSING CERTIFIED CANDIDATE AN ADDITIONAL AMOUNT FROM THE FUND,
16 SUBJECT TO SUBSECTION (6), EQUAL TO THE EXCESS:

17 (A) PARTICIPATING CONTRIBUTIONS TO THE CERTIFIED CANDIDATE.

18 (B) DISTRIBUTIONS TO THE CERTIFIED CANDIDATE UNDER SECTION 100
19 AND THIS SECTION.

20 (6) AN ADDITIONAL AMOUNT PROVIDED TO AN OPPOSING CERTIFIED
21 CANDIDATE UNDER THIS SECTION SHALL NOT EXCEED 3 TIMES THE AMOUNT
22 ORIGINALLY DISTRIBUTED UNDER SECTION 100.

23 SEC. 103. (1) A CERTIFIED CANDIDATE OR PARTICIPATING JUDICIAL
24 CANDIDATE SHALL REPORT EACH CONTRIBUTION AND EXPENDITURE,
25 OBLIGATION, AND RELATED ACTIVITY TO THE SECRETARY OF STATE
26 ACCORDING TO PROCEDURES DEVELOPED BY THE SECRETARY OF STATE. UPON
27 THE FILING OF A FINAL REPORT AFTER THE GENERAL ELECTION, THE

1 CANDIDATE SHALL RETURN UNSPENT MONEY TO THE SECRETARY OF STATE FOR
2 DEPOSIT IN THE FUND.

3 (2) IN DEVELOPING THE PROCEDURES UNDER SUBSECTION (1), THE
4 SECRETARY OF STATE SHALL UTILIZE EXISTING CAMPAIGN REPORTING
5 PROCEDURES, WHENEVER PRACTICABLE. THE SECRETARY OF STATE SHALL
6 ENSURE TIMELY PUBLIC ACCESS TO CAMPAIGN FINANCE DATA AND SHALL
7 UTILIZE ELECTRONIC MEANS OF REPORTING AND STORING INFORMATION. THE
8 SECRETARY OF STATE SHALL DEVELOP AND MAKE AVAILABLE TO A CERTIFIED
9 OR PARTICIPATING JUDICIAL CANDIDATE THE NECESSARY SOFTWARE FOR
10 FILING THE REPORTS REQUIRED UNDER THE PUBLIC CAMPAIGN FUNDING LAW
11 BY ELECTRONIC MEANS.

12 SEC. 105. (1) A CANDIDATE WHO IS DENIED CERTIFICATION AS A
13 CERTIFIED CANDIDATE OR THE OPPONENT OF A CANDIDATE WHO IS GRANTED
14 CERTIFICATION AS A CERTIFIED CANDIDATE MAY CHALLENGE A
15 CERTIFICATION DECISION BY THE SECRETARY OF STATE. A CHALLENGE SHALL
16 BE CONDUCTED IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:

17 (A) THE CHALLENGER SHALL APPEAL TO THE SECRETARY OF STATE
18 WITHIN 3 DAYS AFTER THE CERTIFICATION DECISION. THE CHALLENGER
19 SHALL APPEAL IN WRITING AND SHALL STATE THE REASONS FOR THE APPEAL.

20 (B) WITHIN 5 DAYS AFTER AN APPEAL IS PROPERLY MADE AND AFTER
21 NOTICE IS GIVEN TO THE CHALLENGER AND EACH OPPONENT, THE SECRETARY
22 OF STATE SHALL HOLD A HEARING. THE CHALLENGER HAS THE BURDEN OF
23 PROVIDING EVIDENCE TO DEMONSTRATE THAT THE SECRETARY OF STATE'S
24 DECISION WAS IMPROPER. THE SECRETARY OF STATE SHALL RULE ON THE
25 APPEAL WITHIN 3 DAYS AFTER THE COMPLETION OF THE HEARING.

26 (C) A CHALLENGER OR CANDIDATE MAY APPEAL THE DECISION OF THE
27 SECRETARY OF STATE UNDER SUBDIVISION (B) BY COMMENCING AN ACTION IN

1 THE COURT OF CLAIMS.

2 (D) A CANDIDATE WHOSE DETERMINATION BY THE SECRETARY OF STATE
3 AS A CERTIFIED CANDIDATE IS REVOKED ON APPEAL SHALL RETURN TO THE
4 SECRETARY OF STATE THE UNSPENT MONEY DISTRIBUTED FROM THE FUND.

5 (E) IF THE SECRETARY OF STATE OR COURT OF CLAIMS FINDS THAT AN
6 APPEAL WAS MADE FRIVOLOUSLY OR TO CAUSE DELAY OR HARDSHIP, THE
7 SECRETARY OF STATE OR COURT MAY REQUIRE THE MOVING PARTY TO PAY
8 COSTS OF THE SECRETARY OF STATE, COURT, AND EACH OPPOSING PARTY, IF
9 ANY.

10 (2) THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306,
11 MCL 24.201 TO 24.328, APPLIES TO PROCEEDINGS UNDER THIS SECTION.

12 SEC. 107. THE SECRETARY OF STATE SHALL ADOPT RULES UNDER THE
13 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
14 24.328, TO ENSURE EFFECTIVE ADMINISTRATION OF THE FUNDING LAW. THE
15 SECRETARY OF STATE SHALL ADOPT RULES INCLUDING, BUT NOT LIMITED TO,
16 PROCEDURES FOR ALL OF THE FOLLOWING:

17 (A) OBTAINING QUALIFYING CONTRIBUTIONS.

18 (B) CERTIFICATION UNDER SECTION 97.

19 (C) CIRCUMSTANCES INVOLVING A SPECIAL ELECTION, VACANCY,
20 RECOUNT, WITHDRAWAL, OR REPLACEMENT.

21 (D) COLLECTION OF MONEY FOR THE FUND.

22 (E) DISTRIBUTION OF MONEY TO A CERTIFIED CANDIDATE.

23 (F) RETURN OF AN UNSPENT FUND DISBURSEMENT.

24 (G) COMPLIANCE WITH THE PUBLIC CAMPAIGN FUNDING LAW.

25 SEC. 108. (1) A PERSON WHO VIOLATES A PROVISION OF THE PUBLIC
26 CAMPAIGN FUNDING LAW IS SUBJECT TO A CIVIL FINE NOT TO EXCEED
27 \$10,000.00 PER VIOLATION. THIS SANCTION IS RECOVERABLE IN A CIVIL

1 ACTION. A FINE PAID UNDER THIS SECTION SHALL BE DEPOSITED IN THE
2 FUND.

3 (2) IN ADDITION TO A FINE, FOR GOOD CAUSE SHOWN, A CERTIFIED
4 CANDIDATE FOUND IN VIOLATION OF THE PUBLIC CAMPAIGN FUNDING LAW MAY
5 BE REQUIRED TO REIMBURSE THE FUND FOR MONEY DISTRIBUTED TO THE
6 CERTIFIED CANDIDATE FROM THE FUND.

7 (3) IF THE SECRETARY OF STATE MAKES A DETERMINATION THAT A
8 VIOLATION OF THE PUBLIC CAMPAIGN FUNDING LAW HAS OCCURRED, THE
9 SECRETARY OF STATE SHALL ASSESS A FINE AND TRANSMIT THE FINDING TO
10 THE ATTORNEY GENERAL FOR A DECISION REGARDING PROSECUTION.

11 (4) A PERSON WHO KNOWINGLY VIOLATES THE PUBLIC CAMPAIGN
12 FUNDING LAW OR RULES PROMULGATED BY THE SECRETARY OF STATE OR WHO
13 KNOWINGLY MAKES A FALSE STATEMENT IN A REPORT REQUIRED BY THE
14 PUBLIC CAMPAIGN FUNDING LAW IS GUILTY OF A MISDEMEANOR PUNISHABLE,
15 IF THE PERSON IS AN INDIVIDUAL, BY A FINE OF NOT MORE THAN
16 \$1,000.00 OR IMPRISONMENT FOR NOT MORE THAN 90 DAYS, OR BOTH, OR,
17 IF THE PERSON IS NOT AN INDIVIDUAL, BY A FINE OF NOT MORE THAN
18 \$10,000.00. IF THE PERSON DESCRIBED IN THIS SUBSECTION IS A
19 CERTIFIED CANDIDATE, THAT PERSON SHALL REIMBURSE THE FUND THE MONEY
20 DISTRIBUTED TO THE CERTIFIED CANDIDATE.

21 (5) THE PENALTIES AND REMEDIES UNDER THE PUBLIC CAMPAIGN
22 FUNDING LAW ARE CUMULATIVE AND INDEPENDENT AND THE USE OF PENALTIES
23 OR REMEDIES, OR BOTH, UNDER THE PUBLIC CAMPAIGN FUNDING LAW DOES
24 NOT PROHIBIT THE PROSECUTION OF, OR AN ACTION TO RECOVER DAMAGES
25 FOR, CONDUCT PROSCRIBED UNDER THE PUBLIC CAMPAIGN FUNDING LAW OR
26 ANOTHER APPLICABLE LAW.

27 SEC. 109. ON OR BEFORE JANUARY 30, 2011, AND ON OR BEFORE

1 JANUARY 30 IN EVERY SECOND YEAR AFTER 2011, THE SECRETARY OF STATE
2 SHALL PREPARE FOR THE COMMITTEES OF BOTH HOUSES OF THE LEGISLATURE
3 WITH JURISDICTION OVER MATTERS RELATING TO CAMPAIGNS AND ELECTIONS
4 A REPORT DOCUMENTING, EVALUATING, AND MAKING RECOMMENDATIONS
5 RELATING TO THE ADMINISTRATION, IMPLEMENTATION, AND ENFORCEMENT OF
6 THE PUBLIC CAMPAIGN FUNDING LAW AND THE FUND.

7 Enacting section 1. Sections 61 to 69 of the Michigan campaign
8 finance act, 1976 PA 388, MCL 169.261 to 169.269, are repealed.