

# State Law Resources

## Michigan: Campaign Finance and Ballot Measure Guide

### Disclosure

*These resources are current as of 11/17/20. We do our best to periodically update these resources and welcome any comments or questions regarding new developments in the law. Please email us at [advocacy@afj.org](mailto:advocacy@afj.org).*

### WHAT'S IN THIS GUIDE

The following changes/additions have been made since the previous version of this guide:

- Updated information on contribution limits
- Updated information on corporate contributions addressed in the 2017 Amendment to the Michigan Campaign Finance Act

This guide summarizes key aspects of state campaign finance law and regulations. It is not intended to provide legal advice or to serve as a substitute for legal advice.

In some jurisdictions, city and/or county regulations may also apply to certain political activities. Check with the appropriate local jurisdiction before undertaking any activity.

Nonprofit corporations can support and oppose ballot measures in Michigan two different ways: by contributing to independent ballot measure committees general treasury money that was not earmarked specifically for the ballot measure; or by creating a ballot measure committee and soliciting funds specifically for a ballot measure. While Michigan has banned direct corporate contributions to candidates, some non-501(c)(3) nonprofits may be able to spend money to support or oppose candidates a variety of ways by following the rules below.



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# Contribution Limits and Source Restrictions\*

Per election cycle.\*\*

| From  | To Candidates <sup>1</sup> |                  |   |  | To Committees |            | To Ballot Measures          |
|---|----------------------------|------------------|---|--|---------------|------------|-----------------------------|
|   | Governor                   | Other State-Wide | Legislative   | Municipal                                    | PACs          | Parties    | Ballot Initiative Committee |
| <b>Individuals</b><br><a href="#">MCL 169.252(1)</a>          | \$7,150                    | \$7,150          | \$1,050 House<br>\$2,100 Senate<br>(per 2-year cycle)   | \$1,050-\$7,150<br>depending on population   | Unlimited     | Unlimited  | Unlimited                   |
| <b>Political Committees</b><br><a href="#">MCL 169.252(1)</a> | \$7,150                    | \$7,150          | \$1,050 House<br>\$2,100 Senate<br>(per 2-year cycle)   | \$1,050-\$7,150<br>depending on population   | Unlimited     | Unlimited  | Unlimited                   |
| <b>Independent PACs</b><br><a href="#">MCL 169.252(2)</a>     | \$71,500                   | \$71,500         | \$10,500 House<br>\$21,000 Senate<br>(per 2-year cycle) | \$10,500-\$71,500<br>depending on population | Unlimited     | Unlimited  | Unlimited                   |
| <b>Corporations</b><br><a href="#">MCL 169.254</a>            | Prohibited                 | Prohibited       | Prohibited  | Prohibited                                   | Prohibited*** | Prohibited | Prohibited                  |

A person may not contribute more than \$41,975.00 in a calendar year to a House or Senate Caucus Committee. MCL 169.252a(1).

\* The Michigan Secretary of State has opined that Bitcoin and other forms of cryptocurrency cannot be considered valid contributions under MCL 169.204 and therefore may not be accepted by a candidate committee as a contribution. Op. of Mich. Sec. of State (November 28, 2018).

\*\* All contribution limits are calculated per election cycle. MCL 169.252(1). "Election Cycle" is defined as "(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 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 called or the date the office becomes vacant, whichever is earlier, and ending on the day of the special general election." MCL 169.205(3).

Beginning January 1, 2019, and every four years after, the Secretary of State will index the contribution limits provided above based on the percentage increase or decrease in the consumer price index for the preceding August. MCL 169.246(2).

\*\*\* Corporations are permitted to make contributions to independent expenditure political committees. MI Chamber of Commerce et al v. Land, 725 F Supp 2d 665 (W.D. Mich 2010).

## Aggregation

There is no aggregate limit for individuals giving to candidates or committees in a given election cycle.

## Legislative Session

There are no restrictions regarding specific times of year when contributions may or may not be given.

## Bundling

PACs may make expenditures to solicit an unlimited amount of money for each candidate, as long as the individual contributions are sent directly to the candidate and not to the PAC, and as long as the individual contributions conform to the limits set under [MCL 169.252\(1\)](#) (set forth in the chart above). The PACs' expenditures count toward the PACs' respective contribution limits to particular candidates. [Declaratory Ruling 2-02-CI \(June 14, 2002\)](#).

## Corporate Contributions

Corporations and unions are prohibited from making direct contributions to candidates. [MCL 169.254](#). Corporations and labor unions are, however, permitted to make contributions to a ballot question committee or an independent expenditure committee and are not required to file a report or register as an independent expenditure committee unless the entity solicits or receives contributions for the purpose of making a contribution to that ballot question committee or independent expenditure committee. MCL 169.203(4); MCL 169.254(4). MCLS §§ 169.203(4) and 169.254 were amended in 2017 to reflect this change.

Corporations, joint stock companies, domestic dependent sovereign, or labor organizations must register as an independent expenditure committee if it solicits or receives contributions in excess of \$500 for the purpose of advocating for the election or defeat of a candidate, or the qualification, passage, or defeat of a ballot question and is subject to the reporting requirements of MCL 169.251. [MCL 169.254](#) was amended in 2019 to reflect this change.

## SEPARATE SEGREGATED FUND

Corporations and labor organizations continue to be permitted to spend funds to establish and solicit contributions into a separate fund for political purposes. The separate fund may only receive contributions from certain qualified contributors, and may only make contributions to, and expenditures on behalf of, candidate committees, ballot question committees, political party committees, PACs, and other separate segregated funds. [MCL 169.255\(1\)](#). Once the Separate Segregated Fund receives contributions or makes expenditures of \$500 or more in a calendar year for the purpose of influencing voters for or against the nomination or election of a state or local candidate in Michigan, or the qualification, passage or defeat of a ballot question in Michigan, the fund has met the definition of "committee" and must register as such.

- If a corporation or labor union obtains contributions on an automatic basis, including a payroll deduction plan, the contributor must affirmatively consent to the contribution. Affirmative consent does not expire until revoked by the individual providing such consent. [MCL 169.255\(6\)](#).
- If the corporation is non-profit, it may solicit contributions from any of the following persons or their spouses:
  1. Members who are individuals;
  2. Employees of the corporation who have policy making, managerial, professional, supervisory, or administrative non-clerical responsibilities;
  3. Stockholders or members of the corporation;
  4. Officers or directors of members of the corporation; and
  5. Employees of the members of the corporation who have policy making, managerial, professional, supervisory, or administrative non-clerical responsibilities. [MCL 169.255\(3\)](#).
- Labor unions may solicit corporations into a separate fund from any of the following persons or their spouses:
  1. Individual members of the union;
  2. Officers or directors of the union; and

Employees of the union who have policy making, managerial, professional, supervisory, or administrative nonclerical responsibilities. [MCL 169.255\(4\)](#).

## In-kind contributions

In-kind contributions are defined under Michigan law as non-monetary contributions, and are subject to the same limitations as monetary contributions. [MCL 169.209\(4\)](#).

In-kind contributions do not include:

1. Volunteer personal services provided without compensation, or individuals' expenditures less than \$500 in a calendar year their personal, unreimbursed travel expenses while serving as a volunteer. [MCL 169.204\(3\)\(a\)](#).
2. Food and beverages donated by an individual less than \$1,000 in value during a calendar year. [MCL 169.204\(3\)\(b\)](#).
3. An offer or tender of a contribution rejected, returned, or refunded within 30 business days after receipt. MCL 169.204(c).
4. Contributions or expenditures for establishment or administration of a separate segregated fund if that contribution or expenditure was made by a connected organization of that separate segregated fund as authorized under section 55. MCL 169.204(d).
5. An independent expenditure. MCL 169.204(e).

In-kind contributions or expenditures shall be listed at fair market value and shall be reported as both contributions and expenditures. [MCL 169.226\(1\)\(b\)](#).

Payment of a loan by a third party must be recorded and reported as an in-kind contribution by the third party. [MCL 169.226\(1\)\(b\)](#).

## Earmarking

A PAC may not solicit or accept “earmarked” contributions with the agreement or arrangement that the committee will transfer the contribution to a particular Candidate Committee. [MCL 169.244\(1\)](#).

# Communications

Michigan regulates and places spending caps and bans on express advocacy while requiring disclaimers for issue advocacy.

## Issue Advocacy vs. Express Advocacy

The Michigan Campaign Finance Act defines “expenditures” as any payment, donation, or loan that promotes or opposes the “the nomination or election of a candidate, or the qualification, passage, or defeat of a ballot question.” [MCL 169.206\(1\)](#).

Michigan campaign finance law regulates “express advocacy” communications. The Michigan Department of State has explicitly adopted the U.S. Supreme Court’s “express advocacy” standard, as set forth in *Buckley v. Valeo*. See [MCL 169.206\(2\)\(j\)](#); [Declaratory Ruling I-04-CI \(April 20, 2004\)](#) and [3-02-CI \(August 26, 2002\)](#).

**DISCLAIMERS:** In addition, non-express advocacy communications made by radio, television, mass mailing, or prerecorded telephone message are required to carry disclaimers (see below) if they refer to a “clearly identified candidate or ballot question” within the 60 days before a general election or 30 days before a primary election in which the candidate or ballot question appears on a ballot and is targeted to the relevant electorate where that candidate or ballot question will appear on the ballot. MCL 169.247(5).

- For these purposes, “mass mailing” means mailing by the U.S. Mail or fax of more than 500 pieces of mail of an identical or substantially similar nature within any 30-day period. [MCL 169.210\(2\)](#).

The Campaign Finance Act requires the reporting of independent expenditures that involve communications only if the communication expressly advocates for the election or defeat of a candidate or passage or defeat of a ballot question. [MCL 169.251](#). A PAC is not required to report money spent on communications if the communication does not explicitly support or oppose a candidate or ballot question by name or clear inference. See [Michigan Department of State Bureau of Elections, Independent Committee and Political Committee Manual](#).

## Membership Communications

Shareholders and employee communications to a nonprofit’s paid membership, for profit’s shareholders, or to those within a PAC’s solicitable class that use the “magic words” of express advocacy (such as “vote for” or “vote against”) are not considered contributions or expenditures under the reporting requirements. [MCL 169.206\(2\)\(a\)](#).

# Independent Expenditures

## DEFINITION

An “independent expenditure” is defined as an expenditure made by a person, committee, or organization that is “not made in cooperation, consultation, or concert with, or at the request or suggestion of” another person, committee, or organization and “is not a contribution to a committee.” [MCL 169.209\(2\)](#).

Corporations and labor unions may make contributions related to ballot questions as well as contributions to influence candidate elections. See [MCL 169.254\(4\)](#) and section on Corporate Contributions, above.

## REGISTRATION REQUIREMENTS

Entities (other than individuals) spending \$500 or more in a calendar year on independent expenditures must register as an Independent Expenditure Political Committee. [MCL 169.203\(4\)](#). An Independent Expenditure Committee shall not make a contribution to a candidate committee, independent committee, political committee, political party committee, or house or senate political party caucus committee. [MCL 169.224b\(4\)](#).

## BALLOT QUESTION REPORTING

Individuals and entities other than PACs that spend more than \$100 in a calendar year to make independent expenditures expressly advocating the election or defeat of a candidate or the qualification, passage, or defeat of a ballot question must file a report within 10 days of making the independent expenditure. [MCL 169.251](#). The individual or entity must submit a separate Independent Expenditure Report each time the \$100 threshold for reporting independent expenditures is exceeded.

- The report must be filed with the clerk of the county where the corporation or individual resides in, and it must be made on an [Unregistered-Independent Expenditure Form](#) provided by the Michigan Secretary of State.
- The report must include the name, address, occupation, employer, and principal place of business of each person who contributed more than \$100 to the expenditure.
- The report must also include the date of the expenditure, a brief description of the expenditure, the amount, the name and address of the person to whom it was paid, and the name and address of the entity or individual filing the report.

## BALLOT QUESTION COMMITTEE REGISTRATION

Non-profit corporations that receive or spend \$500 or more in a calendar year to support or oppose a ballot proposal must, within 10 days after receiving or spending \$500 or more, register as a “ballot question committee” under the Michigan Campaign Finance Act and must submit periodic campaign finance reports. [MCL 169.203\(4\)](#), [MCL 169.251](#).

A PAC making an independent expenditure must follow the regular PAC reporting regime. In addition, if a PAC makes an independent expenditure within 45 days before a special election, and the PAC is not otherwise required to submit a campaign statement before the date of the election, it must file a campaign statement with the Secretary of State within 48 hours. [MCL 169.233\(5\)](#).

In addition to the other required disclaimer information, described below, independent expenditures for printed material must state: “Not authorized by any candidate committee.” Independent expenditures for radio or TV ads must state: “Not authorized by any candidate.” [MCL 169.247\(1\)](#), [\(2\)\(a\)](#).

## Disclaimers

### GENERAL

Michigan law requires that all paid advertisements referring to an election, a candidate or a ballot question must identify the name and address of their sponsor. All express advocacy and any regulated non-express advocacy (see Express Advocacy vs. Issue Advocacy, above) printed materials and TV and radio ads (except those paid for by a candidate’s campaign) must state that they were paid for “with regulated funds.” Further, independent expenditures must state that they are not authorized by a candidate. [MCL 169.247](#).

Disclaimers described must also include language indicating it was paid for “with regulated funds,” unless the printed material or ad was paid for by a candidate’s campaign. [MCL 169.247\(4\)](#).

The disclaimer must be “clearly visible to and readable by an observer.” [MICH. ADMIN. CODE R. 169.36\(1\)](#).

### PRINTED MATERIAL

Printed materials referring to an election, a candidate or a ballot measure must state the name and address of the person paying for the materials. [MCL 169.247\(1\)](#).

Printed materials that are an independent expenditure must state: “Not authorized by any candidate committee.”

Individuals other than a candidate who pay for printed materials referring to an election, a candidate or a ballot measure are not subject to this requirement if they are acting independently and are not doing so as an agent for a candidate or committee. [MCL 169.247\(1\)](#).

Communications between a separate segregated fund (established under Section 55 of the MCFA) and individuals who can be solicited for contributions to that fund are exempt from the identification requirement. [MCL 169.247\(1\)](#).

Campaign materials that are too small to include the disclaimer are exempt from

the requirements. [MICH. ADMIN. CODE R. 169.36\(3\)](#). For a list of exempted items, see Michigan Department of State Bureau of Elections, Independent Committee and Political Committee Manual, Appendix J (“[Identification Requirements](#)”).

## RADIO AND TV ADS

Any radio or television paid advertisement that refers to an election, a candidate, or a ballot question must identify the name of the individual, committee, or other entity paying for the advertisement. [MCL 169.247\(2\)](#).

If the radio or television advertisement relates to a candidate and is an independent expenditure, the advertisement must state “Not authorized by any candidate.” [MCL 169.247\(2\)\(a\)](#).

If the radio or television advertisement relates to a candidate and is paid for by an entity other than the candidate – but is not an independent expenditure – the advertisement must include language indicating that it was “Authorized by [name of candidate or candidate committee].” [MCL 169.247\(2\)](#).

**Note:** The identification requirements of the Act do not apply to videotapes produced by political candidates and distributed on a public-access channel if use of the public-access video taping equipment and the public-access time is free. The identification requirements only apply to paid political advertisements. See Michigan Department of State Bureau of Elections, Independent Committee and Political Committee Manual, Appendix J (“[Identification Requirements](#)”).

TV disclaimers may be either printed or spoken so long as the identification or disclaimer is “clear” and “unequivocal.” [MICH. ADMIN. CODE R. 169.36\(1\)](#).

## SAMPLE DISCLAIMERS

Printed material that is an independent expenditure by a PAC:

- “Paid by [name of PAC], [address] with regulated funds. Not authorized by any candidate committee.”

Printed material that is an in-kind contribution by a PAC:

- “Paid by [name of PAC], [address] with regulated funds.”

Radio or TV ad that is an independent expenditure by a PAC:

- “Paid for by [name of PAC] with regulated funds. Not authorized by any candidate.”

Radio or TV ad that is an in-kind expenditure by a PAC:

- “Paid for by [name of PAC] with regulated funds. Authorized by [name of candidate or name of candidate committee].”

# Coordination

Coordination between PACs and candidates or candidate committees for purposes of express advocacy is permissible. Coordination is regulated through the aforementioned laws regarding PAC expenditures ([MCL 169.206](#)) and disclaimers ([MCL 169.247](#)).

In a 2013 advisory opinion, the Secretary of State gave its interpretation of the 2010 decision in *Michigan Chamber of Commerce v. Land*, 725 F. Supp. 2d 665 (W.D. Mich. 2010), stating that an expenditure is considered “coordinated” if (1) is made in concert or cooperation with or at the request or suggestion of a candidate, the candidate’s authorized political committee, or their agents, or a political party committee or its agents as provided by federal law<sup>1</sup>; (2) is made at the direction or under the control of another person as is provided by the Michigan statute; or (3) doesn’t satisfy these conduct standards but nonetheless “constitutes quid pro quo corruption or reasonably fosters the appearance of quid pro quo corruption.” Op. of Mich. Sec. of State (July 10, 2013).

Michigan law does not regulate the coordination of issue ads between PACs and candidates or candidate committees. In an August 2002 declaratory ruling, the Michigan Department of State explained:

- The “bifurcated treatment of contributions and expenditures has left a middle ground that has yet to be addressed in Michigan – the issue ad that is produced with the active participation of the candidate or candidate committee. Under this scenario, a third party ... produces an issue ad with the cooperation of the candidate committee, but the ad does not expressly advocate the candidate’s election or defeat. ... [W]e conclude that we do not have the authority to regulate issue ads.”
- The Department’s letter also indicated that it is not equipped to investigate issue ad coordination because it “is limited in creating a factual record from which it might argue that a candidate has exercised direction or control over the creation of an issue ad.” [Declaratory Ruling 3-02-CI \(August 26, 2002\)](#).

Two or more PACs are expressly permitted to hold a joint fundraiser if the receipts and expenses of the fundraiser are shared proportionately between the entities. MCLS 169.244(4). Prior to a joint fundraiser, the entities must execute a written agreement that describes what each committee’s “contribution and expenditure share will be.” The shares must be expressed as percentages, and each committee’s expenditure must equal the committee’s contribution share. For example, the written agreement could read “Committee A will receive 40 percent of the contributions and will make 40 percent of the expenditures necessary to hold the fundraiser.” For more information see [Letter of Interpretation 7-86-CI \(October 22, 1986\)](#).

<sup>1</sup> See 2 U.S.C. 431(17).

# Registration and Reporting Requirements

**Note:** Michigan has two types of PACs: Political Committees and Independent Committees. For purposes of this legal summary, the term “PAC” applies to both types of committees, unless specified otherwise. Both are committees that can be formed under Michigan law to collect contributions with the intention of supporting one or more candidates or supporting or opposing ballot questions. Neither type of committee may accept contributions from a person holding an interest in one of the three casinos located in Detroit. See Secretary of State, “[Committee Types](#).”

## Threshold for Registration

PAC status is triggered when any person or group of people (other than an individual) receives contributions totaling \$500 or more in a calendar year or makes expenditures of \$500 or more per calendar year for the purpose of influencing an election. [MCL 169.203\(4\)](#).

## Types of PACs

### INDEPENDENT COMMITTEES

An Independent Committee may give a candidate ten times the amount an individual is permitted to give to that candidate. [MCL 169.252\(2\)](#).

To qualify as an Independent Committee, a PAC must satisfy the following three criteria:

1. Register as an independent or political committee at least six months before the election for which it expects to accept contributions or make expenditures at the maximum contribution limit;
2. Receive contributions from at least 25 persons; and
3. Make expenditures\* to support or oppose at least three candidates.

\* Expenditures are subject to contribution limits set forth in the chart above, with contribution limits for Individuals applying until the committee qualifies as an Independent Committee (see next bulletpoint for further discussion). [MCL 169.208\(3\)](#).

The Independent Committee must make expenditures supporting or opposing three candidates in the same calendar year that it receives the 25 contributions. An Independent Committee must adhere to contribution limits applicable to an individual until the committee meets all of the criteria listed above. [MCL 169.208\(3\)](#).

After a Political Committee qualifies as an Independent Committee, it may retain the term

“Political Committee” in its name, even though it is for all legal purposes an Independent Committee.

## POLITICAL COMMITTEES

A Political Committee is an entity that has triggered PAC status, but does not qualified as a Candidate Committee, Political Party Committee, House or Senate Political Party Caucus Committee, Independent Committee, Independent Expenditure Committee or Ballot Question Committee. [MCL 169.211\(3\)](#). A Political Committee may contribute to candidates, but only in the amounts permissible for an individual donor. See [MCL 169.252\(1\)](#).

A PAC that wants to change from a Political Committee to an Independent Committee must amend its Statement of Organization

**Note:** A PAC changing from Political Committee to Independent Committee must satisfy the three criteria after it files its amended Statement of Organization and before it contributes to any campaign committees at the higher contribution limits. Until it has filed the amended Statement of Organization and has satisfied all three criteria, the PAC is restricted to the contribution limits applicable for individuals. [MCL 169.208\(3\)](#).

## BALLOT QUESTION COMMITTEES

The Michigan Campaign Finance Act does not categorize Ballot Question Committees as “PACs” (only Political Committees and Independent Committees are considered to be PACs). Ballott Question Committees are discussed in a separate section, below.

## Affiliated Entities

A PAC’s name is required to include the name of the entity sponsoring the committee, or anyone with whom the committee is affiliated. An entity, other than an individual or a committee, sponsors or is affiliated with a PAC if it establishes, directs, controls, or financially supports the administration of the committee. An entity does not financially support the administration of a committee by merely making a contribution to the committee. [MCL 169.224\(3\)](#).

Corporations may pay to establish and administer a PAC (in the form of a separate segregated fund), and they may solicit contributions for the PAC. [MCL 169.255\(1\)](#). See the “Corporate Contributions” section, above, on the restricted class a corporation or union may solicit for contributions to its affiliated PAC.

## PAC Recordkeeping and Administration

### BANK ACCOUNTS

A Michigan PAC is required to have one bank account in a financial institution in Michigan.

This Michigan bank account must serve as an official depository for the purpose of depositing all financial contributions to the PAC and for the purpose of making all expenditures.

Secondary bank accounts in other states are permitted, so long as they are only used to deposit contributions. Once deposited in a secondary account, the contributions must be promptly transferred to the official depository. [MCL 169.221\(6\)](#).

## TREASURER

A PAC must have a treasurer before it is permitted to accept contributions or make expenditures. When the office of treasurer in a candidate committee is vacant, the candidate is the treasurer until the candidate appoints a new treasurer. [MCL 169.221\(8\)](#).

PACs are not permitted to make any expenditure without the authorization of the treasurer or the treasurer's designee. [MCL 169.221\(9\)](#).

If a PAC conducts its business from an office located in Michigan, it must have a treasurer who is an eligible voter in Michigan. [MCL 169.221\(3\)](#).

If the PAC does not conduct its business from an office located in Michigan, its treasurer may be a resident of another state. If the PAC appoints a nonresident treasurer, however, it must include with its statement of organization an irrevocable written stipulation, signed by the treasurer, agreeing that any legal process affecting the PAC, can be served on the secretary of state of Michigan. [MCL 169.221\(4\)](#).

## PAC Solicitations

A PAC is permitted to solicit contributions from any individual, unless the PAC is established as a separate segregated fund of a corporation or labor union, in which case it is limited to its restricted class, as described in the "Corporate Contributions" section, above. See [MCL 169.255](#).

A PAC may not solicit or accept anonymous contributions. [MCL 169.241\(2\)](#).

A PAC may not solicit or accept "earmarked" contributions with the agreement or arrangement that the committee will transfer the contribution to a particular Candidate Committee. [MCL 169.244\(1\)](#).

## PAC Reporting

### ITEMIZATION

PACs are required under Michigan law to itemize all contributions and all expenditures over \$50. [MCL 169.226](#).

Michigan prohibits anonymous contributions.

### CONTENTS OF REPORTS

A PAC's contribution and expenditure report must include:

1. The PAC's name, address, and telephone number;

2. The full name, residential and business addresses, and telephone numbers of the PAC's treasurer or other individuals designated as responsible for the committee's record keeping, report preparation, or report filing;
3. The total contributions received during the reporting period;
4. The name and address of each individual who contributed to the PAC, the amount and date of each contribution, and the total contributed by that individual during the calendar year;
5. If the person contributed a total of more than \$100 during the calendar year, the report must include the individual's occupation, employer, and principal place of business;
6. The name and address of every entity that contributed to the PAC, an itemization of each entity's contributions, the date on which each contribution was received, and the total contributed by that entity during the calendar year;
7. The name and address of every individual who contributed to the entity's contribution, the amount that individual contributed, their year-to-date total, and, if they contributed more than \$100 during the calendar year, their occupation, employer and principal place of business;

The total expenditures made during the reporting period:

- The cumulative total of expenditures of \$50 or less made during the reporting period, except for expenditures made to or on behalf of another committee, candidate, or ballot question;
- An itemized list of all expenditures over \$50, including the name and street address of the person to whom the expenditures were made, together with the amount and purpose of each expenditure;
- The cumulative amount and an itemization of all expenditures made to or on behalf of another committee, candidate, or ballot question;
- An itemized list of all expenditures made during the reporting period for election-day busing of voters to the polls, get-out-the-vote activities, slate cards, challengers, poll watchers, and poll workers;
- The balance of cash on hand at the beginning and the end of the reporting period; and
- Information regarding fund-raising events:
  - The report must include the type of event, the date it was held, address and name of the location, the approximate number of individuals in attendance, the total amount of all contributions, the gross receipts of the event, and any expenditures related to the event. [MCL 169.226](#).

## REPORTING SCHEDULE

PACs are required to file quarterly campaign statements, regardless of whether the committee had any activity during the reporting period according to the following schedule:

- January 31 for reporting period through December 31
- April 25 for reporting period through April 20
- July 25 for reporting period through July 20
- October 25 for reporting period through October 20

If one of these due dates falls on a weekend or holiday, the Department of State will post the changed due date, if any, on its [website](#). [MCL 169.233\(3\)](#).

## LATE CONTRIBUTIONS

- **Candidate Committees:** “late contributions” means contributions from the same contributor with a cumulative total of \$500<sup>2</sup> or more received after the closing date of the last campaign statement required to be filed before an election.
- **PACs, Ballot Question Committees and Political Party Committees:** “late contribution” means contributions from the same contributor with a cumulative total of \$2500<sup>3</sup> or more received after the closing date of the last campaign statement to be filed before an election.

A committee, other than a candidate committee, is required to file a report of a late contribution for an election during which the committee made expenditures for the purpose of influencing the nomination or election of a candidate or for the qualification, passage, or defeat of a ballot question after the closing date of the last campaign statement required to be filed before an election.<sup>4</sup> [MCL 169.232\(7\)](#).

All statewide PACs and county-based PACs must report all “late contributions” received by the committee to the Secretary of State or the county filing officials respectively, within 48 hours of receiving that contribution . The report must include the full name, street address, occupation, employer, and principal place of business of the contributor. [MCL 169.232](#).

## Independent Expenditures During Special Elections

If a PAC makes an independent expenditure within 45 days before a special election, and if the special election falls before the deadline for the next campaign statement (under the above schedule), the PAC is required to report the expenditure to the secretary of state within 48 hours. [MCL 169.233\(5\)](#).

<sup>2</sup> This contribution threshold applies to contributions made on or after July 3, 2012. For contributions made before July 3, 2012, “late contribution” means a contribution of \$200.00 or more received after the closing date of

<sup>3</sup> This contribution threshold applies to contributions made on or after July 3, 2012. For contributions made before July 3, 2012, “late contribution” means a contribution of \$200.00 or more received after the closing date of the last campaign statement required to be filed before an election.

<sup>4</sup> This provision is retroactive to January 1, 2010.

## REPORTING WAIVERS

A PAC is eligible for a reporting waiver if, in its Statement of Organization, the PAC indicates that it does not expect to receive or spend more than \$1,000 in a calendar year and does not actually receive or expend more than \$1,000 in a calendar year.

A PAC automatically loses its reporting waiver if it exceeds \$1,000 threshold. [MCL 169.233\(6\)](#).

## ELECTRONIC FILING

All PACs are encouraged to file electronically. However, electronic filing is mandatory for PACs that are required to file with the Secretary of State, received or spent \$5,000 or more in the previous calendar year, or expect to receive or spend more than \$5,000 in the current calendar year. [MCL 169.218\(2\), \(3\)](#).

If a PAC was not required to file a campaign statement electronically only because it did not meet the \$5,000.00 threshold, but later reaches the threshold, it must notify the Secretary of State within 10 business days of reaching the threshold and file all subsequent statements and reports electronically. [MCL 169.218\(4\)](#).

PACs can file electronically at [www.mertsplus.com](http://www.mertsplus.com).

## FILING AUTHORITY

PAC statements and reports must be filed with the Department of the Secretary of State. [MCL 169.236\(6\)](#). The only exceptions are:

- If a PAC is only supporting local candidates within one county, they must file their statement with the clerk of that county. [MCL 169.236\(4\)](#).
- If a PAC is supporting or opposing a candidate for local office, where the candidate is to be voted on in more than one county but not statewide, the PAC is required only to file a copy of the campaign statement with the clerk of the county in which the greatest number of registered voters eligible to vote on the office reside. [MCL 169.236\(4\)](#).

## Independent Expenditure Reporting for non-PACs

Individuals and entities (including nonprofits), other than PACs, that spend more than \$100 in a calendar year for an independent expenditure expressly advocating the election or defeat of a candidate or the qualification, passage, or defeat of a ballot question must file a report within 10 days of making that expenditure. [MCL 169.251](#).

The report must be filed with the clerk of the county of residence of the corporation or individual and must be made on an [Independent Expenditure Form](#) provided by the Michigan Secretary of State.

- The report must include the name, address, occupation, employer, and principal place of business of each person who contributed more than \$100 to the expenditure.

- The report must also 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, and the name and address of the nonprofit corporation or individual filing the report.

## Public Access to Disclosure Reports

The Michigan Department of State has established a Michigan Electronic Reporting and Tracking System (MERTS) to enable the electronic filing and public irretrievability of campaign finance reports. See [www.mertsplus.com](http://www.mertsplus.com).

All PAC reports are posted online in a searchable database called the [Campaign Finance Reporting Searchable Database](#).

## Terminating a PAC

To terminate, a PAC must file a statement with the office where its Statement of Organization was filed. [MCL 169.224\(7\)](#). This will typically be the Secretary of State's office.

This statement must include a campaign statement covering the period between the closing date of the previous report filed and the date of dissolution. [MICH. ADMIN. CODE R. 169.28\(2\)](#).

A PAC may not dissolve if it has any assets, outstanding debts, or unpaid late filing fees. [MICH. ADMIN. CODE R. 169.28\(3\)](#).

**Note:** A practical implication of the above rules is that a PAC that meets the registration threshold through a single contribution may register the PAC and then dissolve the PAC on the same day if no further political activity is anticipated for the year.

# Enforcement and Penalties

There is no private cause of action for the enforcement of the campaign finance act. See [MCL 169.215\(17\)](#), and [Forster v. Delton School Dist., 176 Mich. App 582 \(1989\)](#).

In general, violations of the Michigan Campaign Finance Act are subject to a civil fine no greater than \$1,000.00 for each violation. [MCL 169.215\(15\)](#).

In addition to the civil fine, there may be a criminal penalty (typically a misdemeanor) and a requirement to pay additional fees. [MCL 169.215\(15\)-\(16\)](#).

## Procedure for Investigation and Enforcement

An individual, committee, corporation, or other entity is permitted to file a complaint alleging any violation of the campaign finance act with the Secretary of State. [MCL 169.215\(5\)](#).

This complaint must state the name, address, and telephone number of the complainant and must include their signature. [MCL 169.215\(6\)](#).

The complaint must also include the complainant's certification that each factual contention of the complaint is supported by evidence or is likely to be supported by evidence after a reasonable opportunity for further inquiry. [MCL 169.215\(6\)](#).

If another individual, corporation, committee, or other entity believes that the complainant has made a false certification regarding the evidence in their complaint, they may file responding complaint to that effect.

Within 5 business days after a complaint is filed, the Secretary of State must provide notice and a copy of the complaint to the individual, corporation, committee, or other entity against whom the complaint is filed.

Within 15 business days after this notice is mailed, the individual, corporation, committee, or other entity against whom the complaint is filed may submit a response to the Secretary of State. The Secretary of State, however, can extend this deadline for an additional 15 business days for good cause.

The Secretary of State must then provide a copy of the response received to the complainant. Within 10 business days after the response is mailed, the complainant may submit a rebuttal statement to the Secretary of State (this period for submitting a rebuttal statement may also be extended an additional 10 business days for good cause). [MCL 169.215\(5\)](#).

Subsequent to the above procedure, the Secretary of State must investigate the allegations. If the violation involves the secretary of state, his or her immediate family, or

a campaign or committee with which he or she is connected, the secretary of state shall refer the matter to the Attorney General to determine whether a violation has occurred. [MCL 169.215\(9\)](#).

If, after a hearing, the Secretary of State determines the law was violated, the state may issue a civil fine equal to the amount of the improper contribution or expenditure plus not more than \$1,000 for each violation. [MCL 169.215\(11\)](#).

The Secretary of State's determination is subject to judicial review and appeal through the state administrative process. [MCL 169.215\(12\)](#).

If, upon conducting an investigation, the Secretary of State believes a criminal violation has occurred, he or she may refer the matter to the attorney general for enforcement. [MCL 169.215\(13\)](#).

Michigan's Attorney General does not have the exclusive authority to enforce the criminal provisions of the campaign finance act; the enforcement of such provisions may be prosecuted by the Attorney General or by county prosecuting attorneys. Op Atty Gen, December 9, 1999, No. 7040.

# Ballot Question Committees

## Definition

A “ballot question committee” is an entity or group of individuals that receives contributions or makes expenditures of \$500 or more in a calendar year for the purpose of influencing the qualification, passage or defeat of a ballot question and not for the purpose of influencing the nomination or election of a candidate. [MCL 169.202\(3\)](#), [169.203\(4\)](#).

Corporations that receive or spend more than \$500 in a calendar year to support or oppose a ballot proposal must, within 10 days after receiving or spending \$500 or more, register as a “ballot question committee” under the Michigan Campaign Finance Act and must submit periodic campaign finance reports. [MCL 169.203\(4\)](#).

## Registration

Ballot election committees for statewide or multi-county proposals are required to file a [Statement of Organization](#) with the Secretary of State within 10 days of being formed. It must include:

- The name, street address, and if available, the telephone number of the committee and the treasurer (or whomever is responsible for the committee’s record keeping and report preparation and filing);
- The name and address of the financial institution where the official and secondary bank accounts are located or are intended to be located; 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. [MCL 169.224\(1\)-\(2\)](#).

## Reporting

A ballot question committee is required to report all cumulative amounts of contributions and expenditures on a per-election-cycle basis. [MCL 169.226\(2\)](#).

Statements are required on the following schedule:

- **Pre-election statement:** due 11 days before an election, current through the 16th day before the election.

- **Post-election statement:** due 30 days after the election, current through the 20th day after the election.
- **Campaign statements not later than the following dates every year:** (i) April 25th current through April 20th of that year; and (ii) July 25th current through July 20th of that year;
- In every odd numbered year, a campaign statement not later than October 25th current through October 20th.
- In addition, ballot question committees supporting or opposing a statewide ballot question are required to file a campaign statement no later than 35 days after the ballot question is certified as qualified to be on the ballot (closing on the 28th day after the qualification of the initiative). [MCL 169.234\(1\)-\(2\)](#).

## Filing Authority

A ballot question committee supporting or opposing a statewide ballot question must file all statements and reports 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 county, but not statewide, must only file reports 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 must file a copy of the campaign statement required under this act only with the clerk of that county. [MCL 169.236\(2\)](#).

# Contact Information for State and Local Authorities

**Secretary of State and the Bureau of Elections:  
Michigan Department of State  
Beauru of Elections**  
PO Box 20126  
Lansing, MI 48901-0726

**You May Also Contact the Bureau By:**  
Phone: (517) 373-2540  
Fax: (517) 241-4785

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## FOR FURTHER ASSISTANCE

For assistance regarding these resources or for more information about federal law, please contact our attorney one-on-one counseling service:

Email: [advocacy@afj.org](mailto:advocacy@afj.org)  
Telephone: 1-866-NPLOBBY  
(675-6229)