



April 24, 2012

Honorable Pete Lund, Chairman
House Committee on Redistricting and Elections

RE: Testimony on Senate Bill 750 and Senate Bill 824

Chairman Lund and Committee Members:

One can look at Senate Bill 750 in one of two ways. Either the members of the Michigan Senate unanimously believe that the citizens of Michigan should have much less timely access to information on who is spending money in state politics, or, nobody in the Senate knew what effect they were creating when they voted for SB 750. Either way you look at it, SB 750 is a remarkably bad bill.

The change it proposes to make to Section 33 (3) of the Michigan Campaign Finance Act would create a reporting blackout for 1,200 state political action committees stretching from three months before state general elections until three months after those elections. That is a grand gesture of contempt for the principle of government transparency and the citizens' right to know who is driving our politics.

I urge you to amend this bill. Make all political action committees subject to the same reporting schedule as the caucus PACs, as spelled out in Section 33 (4) of the Campaign Finance Act. If you will not do that, retreat to the politicians' Hippocratic Oath: First, do no harm. If you pass this bill as it is today you will be wearing its stench well beyond your years as legislators.

Senate Bill 824 is an extremely bad bill as well, because of its new treatment of late contributions – those donations that come to a political committee after the pre-election reports have been filed, up until Election Day. Currently, committees must report every new late contribution of \$200, or more, within 48 hours.

Under the new paradigm of SB 824, late donations to candidate committees aren't subject to 48-hour reporting unless they aggregate to \$500 from a donor. Donations to PACs, parties or ballot committees don't have to be reported in 48 hours unless they aggregate to \$2,500 from a donor. That means much less accountability, not more.

In addition, SB 824 would have it that any committee that paid a fine after January 1, 2010 for failure to file a late contribution report on time will be given a refund of that fine. That measure would put violators above the law by retroactively removing the penalties prescribed by law. That is shameful.

Gongwer News Service reports that Department of State personnel estimate the cost of refunding late contribution fines would be \$117,000. The Secretary of State would recoup \$1,325 through this bizarre claw-back scheme.

It is hard to imagine that the State's fiscal health is robust enough to support this kind of perverse nonsense.

Finally, SB 824 would eliminate the requirement for non-candidate committees to file late contribution reports unless their expenditures support or oppose the nomination or election of a candidate, or the passage or defeat of a ballot question.

I refer to this provision as 'The Money Launderers' Friend.

One can easily imagine a scenario where the Committee for God & Country, which is engaged in defeating candidates and passing ballot issues, would report receiving a late contribution of \$5 million from the Puppet-Masters' Club. But the Puppet-Masters' Club would not be required to report whose late contributions allowed it to aggregate the \$5 million it gave to C4G&C, because it is not directly engaged in defeating candidates or passing ballot questions. It just passes money to those who are. With this provision in place, citizens would have to wait until months after an election to learn whose money drove the outcome.

Each element of SB 824 that deals with the reinvention of late contributions should be removed from this bill. To do otherwise is a great ethical failure.

Thank you for the opportunity to testify about these badly flawed bills. I would be delighted to help you fix them.

Rich Robinson, Executive Director
Michigan Campaign Finance Network