

HOUSE BILL NO. 4643

May 21, 2019, Introduced by Reps. Filler, Sabo, Cherry, Wittenberg, Hammoud, Ellison, Tate, Hood, Rabhi, Pohutsky, Kennedy, Sowerby, Yancey, Hope, Brann, Stone, Cynthia Johnson, Kupp, Alexander, Garza, Coleman, Brixie, Manoogian, Camilleri, Brenda Carter, Hertel, Elder, Haadsma, Sneller, Hoadley, Gay-Dagnogo, Jones, Witwer, Anthony, Huizenga, Afendoulis, Calley, LaGrand, Albert, Byrd, Chirkun, Shannon, Pagan, Liberati, Tyrone Carter, Bolden, Warren, Neeley, Cambensy, Robinson, Lasinski, Guerra, Koleszar, Meerman, Marino, Schroeder, Kahle, Mueller, Greig, Garrett, Peterson and Yaroch and referred to the Committee on Elections and Ethics.

A bill to regulate political activity; to require state senators to file financial statements and reports; to prescribe the powers and duties of certain state officers and agencies; to impose fees; to prescribe penalties and civil sanctions; and to provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "state
2 senator financial disclosure act".

3 Sec. 2. As used in this act:



1 (a) "Bureau of elections" means the bureau provided for by
2 section 32 of the Michigan election law, 1954 PA 116, MCL 168.32.

3 (b) "Earned income" means salaries, tips, or other
4 compensation, and net earnings from self-employment for the taxable
5 year.

6 (c) "Immediate family of an individual" means a dependent
7 child or spouse of that individual or a person claimed by that
8 individual or that individual's spouse as a dependent for federal
9 income tax purposes.

10 (d) "Income" means money or any thing of value received, or to
11 be received as a claim on future services, whether in the form of a
12 fee, salary, expense, allowance, forbearance, forgiveness,
13 interest, dividend, royalty, rent, capital gain, or any other form
14 of recompense that is considered income under the internal revenue
15 code of 1986, 26 USC 1 to 9834.

16 (e) "Principal residence" means that term as defined under
17 section 7dd of the general property tax act, 1893 PA 206, MCL
18 211.7dd.

19 (f) "State official" means a state senator.

20 Sec. 3. If an individual is a state official at any time
21 during a calendar year, that individual shall file with the bureau
22 of elections by May 1 of the following year a report that meets the
23 requirements of section 4. This subsection does not apply to an
24 individual who was a state official only on the first day of the
25 calendar year.

26 Sec. 4. (1) Except as provided in section 5, a report required
27 under section 3 must include a complete statement of all of the
28 following:

29 (a) The full name, mailing address, and occupation of the



1 individual filing the report.

2 (b) The name of each member of the immediate family of the
3 individual filing the report.

4 (c) The name, address, and principal activity of each employer
5 of the individual and of each member of the immediate family of the
6 individual filing the report during the calendar year covered by
7 the report.

8 (d) Both of the following, as applicable:

9 (i) The source and type of earned income received during the
10 preceding calendar year by the individual filing the report if the
11 total earned income from that source equals \$5,000.00 or more
12 during that calendar year.

13 (ii) The source and type of earned income received during the
14 preceding calendar year by each member of the immediate family of
15 the individual filing the report if the total earned income from
16 that source equals \$5,000.00 or more during that calendar year.

17 (e) The source and type of all other income not reported under
18 subdivision (d) that is received during the preceding calendar year
19 by the individual filing the report or a member of the immediate
20 family of that individual if the total income from that source
21 equals \$5,000.00 or more during that calendar year.

22 (f) Excluding a primary residence, the address of each parcel
23 of real property held during the preceding calendar year by the
24 individual filing the report or a member of the immediate family of
25 that individual if the real property had a fair market value of
26 \$50,000.00 or more at any time the real property was held during
27 the preceding calendar year. An individual filing a report may
28 exclude the street number of a parcel of real property listed under
29 this subdivision.



1 (g) A description of any stocks, bonds, commodities, futures,
2 shares in mutual funds, or other forms of securities held by the
3 individual filing the report or a member of the immediate family of
4 that individual during the preceding calendar year, if the total
5 aggregate value of a security had a fair market value of \$10,000.00
6 or more at any time the security was held during the preceding
7 calendar year.

8 (h) A description of any interest in 1 of the following types
9 of assets, if the interest in the asset has a value of \$10,000.00
10 or more at any time the asset was held during the preceding
11 calendar year:

12 (i) A qualified or nonqualified annuity.

13 (ii) A benefit under a qualified or nonqualified plan of
14 deferred compensation.

15 (iii) An account in, or benefit payable under, any pension,
16 profit-sharing, stock bonus, or other qualified retirement plan.

17 (iv) An individual retirement account or trust.

18 (v) A benefit under a plan or arrangement that is established
19 under section 401, 403, 408, 408A, or 457 of the internal revenue
20 code of 1986, 26 USC 401, 403, 408, 408A, and 457, or a similar
21 provision of the internal revenue code of 1986, 26 USC 1 to 9834.

22 (i) The identity of all compensated positions held by the
23 individual filing the report or a member of the immediate family of
24 that individual during the preceding calendar year as an officer,
25 director, member, trustee, partner, proprietor, representative,
26 employee, or consultant of a corporation, limited liability
27 company, limited partnership, partnership, or other business
28 enterprise; of a nonprofit organization; of a labor organization;
29 or of an educational or other institution other than this state, if



1 the total compensation received from a position equals \$1,000.00 or
2 more during that calendar year. A position reported under this
3 subdivision must include the title of the position, the name of the
4 entity within which the position exists, and the principal activity
5 of the entity.

6 (j) If the individual filing the report or a member of the
7 immediate family of that individual was required during the
8 previous calendar year to register as a lobbyist or lobbyist agent
9 under section 7 of 1978 PA 472, MCL 4.417, the name, address, and
10 principal activity of all persons who gave compensation to or
11 reimbursed the individual or immediate family member for lobbying.
12 As used in this subdivision, "immediate family" includes the parent
13 of an individual and the spouse of a child of an individual.

14 (k) A description of any interest the individual filing the
15 report or a member of the immediate family of that individual has
16 in a legal entity that conducts business in this state, if the
17 interest has a book value of \$10,000.00 or more, unless the entity
18 has shares that are listed or traded over the counter or on an
19 organized exchange.

20 (2) Information an individual is required to report under this
21 section includes information with respect to the holdings of and
22 the income from a trust, blind trust, or other financial
23 arrangement from which income is received by, or with respect to
24 which a beneficial interest in principal or income is held by, an
25 individual required to file a report under this section or an
26 immediate family member of the individual. As used in this
27 subsection:

28 (a) "Beneficial interest" includes, but is not limited to, the
29 interest in a trust of a qualified trust beneficiary or a trust



1 beneficiary as those terms are defined in section 7103 of the
2 estates and protected individuals code, 1998 PA 386, MCL 700.7103.

3 (b) "Blind trust" means a qualified blind trust as defined in
4 5 CFR 2634.403.

5 Sec. 5. An individual filing a report under section 3 may omit
6 any of the following:

7 (a) Information an individual is required to report under the
8 Michigan campaign finance act, 1976 PA 388, MCL 169.201 to 169.282.

9 (b) An item otherwise required to be reported under section
10 4(1)(f) or (g) if all of the following apply:

11 (i) The item represents the sole financial interest and
12 responsibility of a member of the immediate family of the
13 individual filing the report about which the individual filing the
14 report does not have actual knowledge.

15 (ii) The item is not in any way, past or present, derived from
16 the income, assets, or activities of the individual filing the
17 report.

18 (iii) The individual filing the report does not derive, or
19 expect to derive, financial benefit from the item.

20 (c) An item that concerns a spouse who is living separate and
21 apart from the individual filing the report with the intention of
22 terminating the marriage or maintaining a legal separation.

23 (d) An item that concerns income or obligations of the
24 individual filing the report arising from dissolution of his or her
25 marriage or a permanent legal separation from his or her spouse.

26 (e) Compensation from a publicly held corporation that has
27 shares that are listed or traded over the counter or on an
28 organized exchange paid to a business owned by the individual
29 filing the report or in which the individual filing the report has



1 an interest, if the report under section 4 includes a complete
2 statement of the identity and value of that business.

3 (f) Benefits received under the social security act, chapter
4 531, 49 Stat 620.

5 Sec. 6. The bureau of elections shall do all of the following:

6 (a) Prepare and make available appropriate forms and
7 instructions for the reports required by this act.

8 (b) Receive reports required by this act.

9 (c) As soon as practicable, but not later than the end of the
10 business day on which a report required to be filed under this act
11 is received, make the report or all of the contents of the report
12 available without charge to the public on the internet at a single
13 website established and maintained by the secretary of state, and
14 not later than the third business day following the day on which
15 the report is received, make the report available for public
16 inspection and reproduction during regular business hours.

17 (d) Promulgate rules and issue declaratory rulings to
18 implement this act under the administrative procedures act of 1969,
19 1969 PA 306, MCL 24.201 to 24.328.

20 (e) Conduct investigations as necessary to determine whether
21 there is reason to believe that a violation of this act occurred.
22 The bureau of elections shall conduct an investigation under the
23 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
24 24.328.

25 Sec. 7. (1) A citizen of this state may file a complaint with
26 the bureau of elections alleging a violation of this act. If it
27 receives a complaint, the bureau of elections shall investigate the
28 allegations as provided in section 6.

29 (2) If the bureau of elections determines after an



1 investigation that there is reason to believe a violation of this
2 act occurred, the bureau of elections shall forward the results of
3 that investigation to the attorney general for enforcement of this
4 act. However, if the attorney general is the subject of the
5 complaint and the bureau of elections determines after an
6 investigation that there is reason to believe that the attorney
7 general violated this act, the bureau of elections shall instead
8 forward the results of the investigation to the prosecuting
9 attorney for Ingham County for enforcement of this act.

10 (3) The attorney general shall enforce this act against an
11 individual who violates this act.

12 Sec. 8. (1) An individual who fails to file a report as
13 required under this act shall pay a late filing fee of not more
14 than \$5,000.00, determined as follows:

15 (a) Twenty-five dollars for each of the first 10 business days
16 that the report remains unfiled.

17 (b) Fifty dollars for each business day after the first 10
18 business days that the report remains unfiled.

19 (2) If an individual required to file a report under this act
20 knowingly files an incomplete or inaccurate report, the individual
21 is guilty of a misdemeanor punishable by a fine of not more than
22 \$10,000.00.

23 (3) A default in the payment of a fee or civil fine due or
24 ordered under this act, or an installment of the fee or fine, may
25 be remedied by any means available under the revised judicature act
26 of 1961, 1961 PA 236, MCL 600.101 to 600.9947.

27 Enacting section 1. This act takes effect May 1, 2020.

