

# HOUSE BILL NO. 4647

May 21, 2019, Introduced by Reps. Yancey, Sabo, Cherry, Wittenberg, Hammoud, Tate, Ellison, Hood, Rabhi, Pohutsky, Kennedy, Sowerby, Hope, Stone, Cynthia Johnson, Brann, Alexander, Garza, Coleman, Brixie, Manoogian, Camilleri, Brenda Carter, Hertel, Elder, Haadsma, Sneller, Hoadley, Gay-Dagnogo, Witwer, Anthony, Huizenga, Afendoulis, Filler, Calley, LaGrand, Albert, Byrd, Chirkun, Shannon, Cambensy, Pagan, Kuppa, Liberati, Tyrone Carter, Bolden, Warren, Neeley, Jones, 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 certain elected state supreme court justices and judges and candidates for state elective judicial office 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  
2 "judicial branch personal financial disclosure act".



1           Sec. 2. As used in this act:

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

4           (b) "Candidate" means that term as defined in section 3 of the  
5 Michigan campaign finance act, 1976 PA 388, MCL 169.203.

6           (c) "Candidate for judicial office" means a candidate for  
7 justice of the supreme court or judge of a court of record.

8           (d) "Earned income" means salaries, tips, or other  
9 compensation, and net earnings from self-employment for the taxable  
10 year.

11           (e) "Immediate family of an individual" means a dependent  
12 child or spouse of that individual or a person claimed by that  
13 individual or that individual's spouse as a dependent for federal  
14 income tax purposes.

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

21           (g) "Principal residence" means that term as defined under  
22 section 7dd of the general property tax act, 1893 PA 206, MCL  
23 211.7dd.

24           (h) "State judicial official" means the holder of an office  
25 described in subdivision (c).

26           Sec. 3. (1) If an individual is a state judicial official at  
27 any time during a calendar year, that individual shall file with  
28 the bureau of elections by May 1 of the following year a report  
29 that meets the requirements of section 4. This subsection does not



1 apply to an individual who was a state judicial official only on  
2 the first day of the calendar year.

3 (2) If an individual is a candidate for state judicial office  
4 and has not already filed a report under subsection (1) covering  
5 the preceding calendar year, that individual shall file with the  
6 bureau of elections a report that meets the requirements of section  
7 4 within 30 days after the later of May 1 or the date on which the  
8 individual forms a candidate committee as a candidate for state or  
9 local office under section 21 of the Michigan campaign finance act,  
10 1976 PA 388, MCL 169.221.

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

14 (a) The full name, mailing address, occupation of, and the  
15 state office held or sought by, the individual filing the report.

16 (b) The name of each member of the immediate family of the  
17 individual filing the report.

18 (c) The name, address, and principal activity of each employer  
19 of the individual and of each member of the immediate family of the  
20 individual filing the report during the calendar year covered by  
21 the report.

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

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

27 (ii) The source and type of earned income received during the  
28 preceding calendar year by each member of the immediate family of  
29 the individual filing the report if the total earned income from



1 that source equals \$5,000.00 or more during that calendar year.

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

7 (f) Excluding a primary residence, the address of each parcel  
8 of real property held during the preceding calendar year by the  
9 individual filing the report or a member of the immediate family of  
10 that individual if the real property had a fair market value of  
11 \$50,000.00 or more at any time the real property was held during  
12 the preceding calendar year. An individual filing a report may  
13 exclude the street number of a parcel of real property listed under  
14 this subdivision.

15 (g) A description of any stocks, bonds, commodities, futures,  
16 shares in mutual funds, or other forms of securities held by the  
17 individual filing the report or a member of the immediate family of  
18 that individual during the preceding calendar year, if the total  
19 aggregate value of a security had a fair market value of \$10,000.00  
20 or more at any time the security was held during the preceding  
21 calendar year.

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

26 (i) A qualified or nonqualified annuity.

27 (ii) A benefit under a qualified or nonqualified plan of  
28 deferred compensation.

29 (iii) An account in, or benefit payable under, any pension,



1 profit-sharing, stock bonus, or other qualified retirement plan.

2 (iv) An individual retirement account or trust.

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

7 (i) Except as otherwise provided under this subdivision, the  
8 identity of all compensated positions held by the individual filing  
9 the report or a member of the immediate family of that individual  
10 during the preceding calendar year as an officer, director, member,  
11 trustee, partner, proprietor, representative, employee, or  
12 consultant of a corporation, limited liability company, limited  
13 partnership, partnership, or other business enterprise; of a  
14 nonprofit organization; of a labor organization; or of an  
15 educational or other institution other than this state, if the  
16 total compensation received from a position equals \$1,000.00 or  
17 more during that calendar year. A position reported under this  
18 subdivision must include the title of the position, the name of the  
19 entity within which the position exists, and the principal activity  
20 of the entity.

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

29 (k) A description of any interest the individual filing the



1 report or a member of the immediate family of that individual has  
2 in a legal entity that conducts business in this state, if the  
3 interest has a book value of \$10,000.00 or more, unless the entity  
4 has shares that are listed or traded over the counter or on an  
5 organized exchange.

6 (2) Information an individual is required to report under this  
7 section includes information with respect to the holdings of and  
8 the income from a trust, blind trust, or other financial  
9 arrangement from which income is received by, or with respect to  
10 which a beneficial interest in principal or income is held by, an  
11 individual required to file a report under this section or an  
12 immediate family member of the individual. As used in this  
13 subsection:

14 (a) "Beneficial interest" includes, but is not limited to, the  
15 interest in a trust of a qualified trust beneficiary or a trust  
16 beneficiary as those terms are defined in section 7103 of the  
17 estates and protected individuals code, 1998 PA 386, MCL 700.7103.

18 (b) "Blind trust" means that term as defined in 5 CFR  
19 2634.403.

20 Sec. 5. A person filing a report under section 3 may omit any  
21 of the following:

22 (a) Information a person is required to report under the  
23 Michigan campaign finance act, 1976 PA 388, MCL 169.201 to 169.282.

24 (b) An item otherwise required to be reported under section  
25 4(1)(f) or (g) if all of the following apply:

26 (i) The item represents the sole financial interest and  
27 responsibility of a member of the immediate family of the  
28 individual filing the report about which the individual filing the  
29 report does not have actual knowledge.



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

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

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

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

12           (e) Compensation from a publicly held corporation that has  
13 shares that are listed or traded over the counter or on an  
14 organized exchange paid to a business owned by the individual  
15 filing the report or in which the individual filing the report has  
16 an interest, if the report under section 4 includes a complete  
17 statement of the identity and value of that business.

18           (f) Benefits received under the social security act, chapter  
19 531, 49 Stat 620.

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

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

23           (b) Receive reports required by this act.

24           (c) As soon as practicable, but not later than the end of the  
25 business day on which a report required to be filed under this act  
26 is received, make the report or all of the contents of the report  
27 available without charge to the public on the internet at a single  
28 website established and maintained by the secretary of state, and  
29 not later than the third business day following the day on which



1 the report is received, make the report available for public  
2 inspection and reproduction during regular business hours.

3 (d) Promulgate rules and issue declaratory rulings to  
4 implement this act under the administrative procedures act of 1969,  
5 1969 PA 306, MCL 24.201 to 24.328.

6 (e) Conduct investigations as necessary to determine whether  
7 there is reason to believe that a violation of this act occurred.  
8 The bureau of elections shall conduct an investigation under the  
9 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
10 24.328.

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

15 (2) If the bureau of elections determines after an  
16 investigation that there is reason to believe a violation of this  
17 act occurred, the bureau of elections shall forward the results of  
18 that investigation to the attorney general for enforcement of this  
19 act. However, if the attorney general is the subject of the  
20 complaint and the bureau of elections determines after an  
21 investigation that there is reason to believe that the attorney  
22 general violated this act, the bureau of elections shall instead  
23 forward the results of the investigation to the prosecuting  
24 attorney for Ingham County for enforcement of this act.

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

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





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

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

5 (2) If an individual required to file a report under this act  
6 knowingly files an incomplete or inaccurate report, the individual  
7 is guilty of a misdemeanor punishable by a fine of not more than  
8 \$10,000.00.

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

13 Enacting section 1. This act takes effect 90 days after the  
14 date it is enacted into law.

