

Legislative Analysis



FINES FOR GIVING OF IMPERMISSIBLE GIFTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4692 as referred to second committee

Sponsor: Rep. Helena Scott

1st Committee: Elections and Ethics

2nd Committee: Rules and Competitiveness

Complete to 5-13-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4692 would amend 1978 PA 472, known as the lobbyist registration act, to increase the fine for the giving of an impermissible gift.

Currently, if a person gives a gift with a value of \$3,000 or less, the person is guilty of a misdemeanor with a penalty of imprisonment for up to 90 days or a fine of up to \$5,000, or both. The bill would retain the misdemeanor classification and the maximum term of imprisonment but increase the maximum fine to \$7,500. For a *person* who is not an individual, the penalty is, and would remain, a fine of up to \$10,000.

Person is defined in the act as a business, individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, labor organization, company, corporation, association, committee, or any other organization or group of persons acting jointly, including a state agency or political subdivision of the state.

The bill would also allow the court to order the person to pay a civil fine of up to \$2,000 for each violation.

Giving an impermissible gift with a value of more than \$3,000 is, and would remain, a felony punishable by imprisonment for up to three years or a fine of up to \$10,000, or both (or by a fine of up to \$25,000 if the person is not an individual).

The impermissible gifts could include a gift or loan other than a loan made in the normal course of business or a preferential interest rate solely because the credit applicant is a public official or an official's family member.

The bill would take effect January 1, 2022.

MCL 4.421

FISCAL IMPACT:

The bill would have no fiscal impact on the state or on local units of government.

Legislative Analyst: Jenny McInerney
Fiscal Analyst: Michael Clossen

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.