

Legislative Analysis



FINES FOR GIVING OF IMPERMISSIBLE GIFTS

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<http://www.house.mi.gov/hfa>

House Bill 4692 as introduced
Sponsor: Rep. Helena Scott
Committee: Elections and Ethics
Revised 5-27-21

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:

House Bill 4692 would have an indeterminate fiscal impact on local units of government. Any increase in the amount of civil fine revenue collected, resulting from either an increase in the amount of the civil fine imposed or to a newly created civil fine, would increase funding for public and county law libraries. The fiscal impact on local

court systems would depend on how provisions of the bill affected court caseloads and related administrative costs.

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■ 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.