

# HOUSE BILL NO. 5585

March 14, 2024, Introduced by Reps. Coffia, Rheingans, Hill, Morgan, Dievendorf, Arbit, Brenda Carter, Hope, Andrews, Hood, Brixie, Wegela, Paiz, Wilson, MacDonell, Conlin, McKinney, Brabec, Byrnes, Tsernoglou, Young, Mentzer, Churches, Koleszar, Price and Aiyash and referred to the Committee on Ethics and Oversight.

A bill to amend 2023 PA 281, entitled  
"Public officers financial disclosure act,"  
by amending sections 3 and 7 (MCL 15.703 and 15.707).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1           Sec. 3. As used in this act:
- 2           (a) "Blind trust" means a qualified blind trust or qualified
- 3           diversified trust as those terms are defined in 5 CFR 2634.403.
- 4           (b) "Department" means the department of state.
- 5           (c) "Earned income" means salaries, wages, tips, bonuses,

1 commissions, or other compensation or earnings from employment  
2 earned during the reporting period.

3 (d) "Form" means the financial disclosure form created by the  
4 department in accordance with section 11.

5 (e) "Gift" means that term as defined in section 7 of the  
6 Michigan campaign finance act, 1976 PA 388, MCL 169.207.

7 (f) "Honorarium" means that term as defined in section 7 of  
8 the Michigan campaign finance act, 1976 PA 388, MCL 169.207.

9 **(g) "Immediate family" means all of the following:**

10 **(i) A child residing in a public officer's household or an**  
11 **individual claimed by that public officer or that public officer's**  
12 **spouse as a dependent for federal income tax purposes.**

13 **(ii) A relative of the spouse of the public officer.**

14 **(iii) The spouse of a relative of the public officer.**

15 **(iv) A relative of the public officer that is within the**  
16 **seventh degree of consanguinity as computed by the civil law**  
17 **method.**

18 **(h) ~~(g)~~"Liabilities" means what a person owes to another**  
19 **person, including, but not limited to, mortgages or other debts.**  
20 **For purposes of this act, a debt does not include a revolving debt,**  
21 **an unsecured debt that is from a financial institution or the**  
22 **federal government, or a debt owed by a business entity.**

23 **(i) ~~(h)~~"Lobbyist" means that term as defined in section 5 of**  
24 **1978 PA 472, MCL 4.415.**

25 **(j) ~~(i)~~"Lobbyist agent" means that term as defined in section**  
26 **5 of 1978 PA 472, MCL 4.415.**

27 **(k) ~~(j)~~"Spouse" means an individual who is lawfully married**  
28 **to a public officer as described under 26 CFR 30.7701-18.**

29 **(l) ~~(k)~~"Public officer" means all of the following:**

1 (i) A state representative.

2 (ii) A state senator.

3 (iii) The attorney general.

4 (iv) The governor.

5 (v) The lieutenant governor.

6 (vi) The secretary of state.

7 (m) ~~(l)~~—"Report" means the financial disclosure report required

8 under section 10 of article IV of the state constitution of 1963.

9 (n) ~~(m)~~—"Reporting period" means the preceding calendar year.

10 (o) ~~(n)~~—"Unearned income" means income that is not earned from

11 employment, including, but not limited to, financial prize,

12 unemployment benefits, annuities, stock dividends, deferred

13 compensation, pension, profit sharing, or retirement income.

14 Unearned income does not include inheritance money or a familial

15 gift.

16 Sec. 7. (1) A report required under section 5 must include a

17 complete statement of all of the following:

18 (a) The full name, mailing address, telephone number, and

19 email address of the public officer.

20 (b) The name and address of the public officer's employer and

21 the positions held during the reporting period, if the public

22 officer receives \$1,000.00 or more in annual income from each

23 position.

24 (c) The name of the spouse of the public officer, the

25 occupation of the public officer's spouse, and the name of the

26 employer or employers of the public officer's spouse.

27 (d) Whether the public officer's spouse **or immediate family**

28 **member** was registered as a lobbyist or lobbyist agent under 1978 PA

29 472, MCL 4.411 to 4.431, during the reporting period.

1 (e) A list of all positions currently held as an officer,  
2 director, trustee, partner, proprietor, representative, employee,  
3 or consultant of any organization, corporation, firm, partnership,  
4 or other business enterprise, nonprofit organization, labor  
5 organization, or educational or other institution other than this  
6 state. If this subdivision applies, the public officer shall  
7 include the name of the organization. For purposes of this  
8 subdivision, positions held in any religious, social, fraternal, or  
9 political entity, or positions that are solely of an honorary  
10 nature, are excluded.

11 (f) The source of earned income received during the reporting  
12 period by the public officer. For purposes of this subdivision, the  
13 public officer ~~must~~**shall** report each source of income received  
14 during the reporting period that is \$1,000.00 or more.

15 (g) Except as otherwise provided in this subdivision, a list  
16 of each asset, excluding a business asset, held for investment or  
17 production of income with a fair market value of \$1,000.00 or more  
18 during the reporting period and any sources of unearned income that  
19 exceed \$200.00 during the reporting period. The fair market value  
20 for the purpose of listing each asset, excluding a business asset,  
21 held for investment or production of income under this subdivision  
22 must be adjusted for inflation every 4 years using the Detroit  
23 Consumer Price Index, and rounded up to the nearest \$1,000.00.

24 (h) A list of all liabilities that exceed \$10,000.00 owed by  
25 the public officer to a creditor at any time during the reporting  
26 period.

27 (i) Except as otherwise provided in this subdivision, a list  
28 of any stocks, bonds, or other forms of securities held by the  
29 public officer or held jointly with the public officer's spouse **or**

1 **immediate family member** during the reporting period, if the  
2 security has a total aggregate fair market value of \$1,000.00 or  
3 more. The fair market value for the purpose of listing stocks,  
4 bonds, or other forms of securities under this subdivision must be  
5 adjusted for inflation every 4 years using the Detroit Consumer  
6 Price Index, and rounded up to the nearest \$1,000.00. For purposes  
7 of this act, a public officer is not required to disclose a stock  
8 in a widely held investment fund, including, but not limited to, a  
9 mutual fund, regulated investment company, pension or deferred  
10 compensation plan, or other investment fund, if both of the  
11 following apply:

12 (i) Either the fund is publicly traded or the assets of the  
13 fund are widely diversified.

14 (ii) The public officer or the public officer's spouse **or**  
15 **immediate family member** does not exercise control over or have the  
16 ability to exercise control over the financial interests held by  
17 the fund.

18 (j) A list of any real property in which the public officer  
19 holds an ownership or other financial interest. For purposes of  
20 this subdivision, the public officer is required to include a real  
21 property in the report only if that real property has a fair market  
22 value of \$1,000.00 or more during the reporting period. A public  
23 officer filing a report may exclude the street number of a parcel  
24 of real property under this subdivision.

25 (k) The date **of**, identity of parties to, and general terms of  
26 any agreements or arrangements with respect to future employment, a  
27 leave of absence while serving as a public officer, continuation or  
28 deferral of payments by a former or current employer other than  
29 this state, or continuing participation in an employee welfare or

1 benefit plan maintained by a former employer. As provided in  
2 section 8, there is an ongoing duty to report any agreement or  
3 arrangement entered into by a public officer after the filing  
4 deadline described in section 5(2).

5 (l) A list of all gifts received and reported by a lobbyist or  
6 lobbyist agent under state law.

7 (m) A list of all travel payments received and reported by a  
8 lobbyist or lobbyist agent under state law.

9 (n) **A list of all travel payments received from a person that**  
10 **is not a lobbyist, a lobbyist agent, a spouse, or an immediate**  
11 **family member.**

12 (o) **A list of all tickets for concerts, sporting events, or**  
13 **other entertainment received and reported by a lobbyist or lobbyist**  
14 **agent under state law.**

15 (p) **A list of all tickets for concerts, sporting events, or**  
16 **other entertainment received from a person that is not a lobbyist,**  
17 **a lobbyist agent, a spouse, or an immediate family member.**

18 (q) ~~(n)~~—A list of each payment made by a lobbyist or lobbyist  
19 agent to a charity in lieu of honoraria.

20 (r) ~~(o)~~—If applicable, a statement indicating that the public  
21 officer or the public officer's spouse **or immediate family member**  
22 is a registered vendor with this state, has a majority interest in  
23 a company that is a registered vendor with this state, or is  
24 employed by a company that is a registered vendor with this state.  
25 If the public officer or the public officer's spouse **or immediate**  
26 **family member** is a registered vendor with this state or has a  
27 majority interest in a company that is a registered vendor with  
28 this state, the public officer shall include the name of the  
29 company and a description of all contracts entered into with this

1 state by the public officer, public officer's spouse **or immediate**  
2 **family member**, or company in which the public officer or public  
3 officer's spouse **or immediate family member** has a majority interest  
4 during the reporting period. If the public officer or public  
5 officer's spouse **or immediate family member** is employed by a  
6 company that is a registered vendor with this state, the public  
7 officer shall include the name of the company and a description of  
8 all contracts entered into with this state that the public officer  
9 or the public officer's spouse **or immediate family member directly**  
10 worked on ~~directly~~ during the reporting period.

11 (2) A public officer is not required to disclose the value of  
12 any real property or property disclosed under subsection (1).

13 (3) If a public officer required to file a report under ~~this~~  
14 section **5** holds a beneficial interest in a blind trust, the public  
15 officer is not required to include the interests or assets of the  
16 blind trust in the report. However, the public officer ~~must~~ **shall**  
17 indicate in the public officer's report that the public officer  
18 holds a beneficial interest in a blind trust. ~~For purposes of~~ **As**  
19 **used in** this subsection, ~~beneficial~~ **"beneficial interest"** includes,  
20 but is not limited to, the interest in a trust of a qualified trust  
21 beneficiary or trust beneficiary as those terms are defined under  
22 section 7103 of the estates and protected individuals code, 1998 PA  
23 386, MCL 700.7103.

24 (4) A report required under section 5 must include the  
25 following certification: "I certify that the statements I have made  
26 on this financial disclosure form are true, complete, and correct  
27 to the best of my knowledge and belief, and that I have not moved  
28 assets during the reporting period for the purpose of avoiding  
29 disclosure under the public officers financial disclosure act".