

SENATE BILL NO. 1198

December 05, 2024, Introduced by Senators SINGH, MCBROOM and MOSS and referred to the Committee on Oversight.

A bill to amend 1978 PA 472, entitled

"An act to regulate political activity; to regulate lobbyists, lobbyist agents, and lobbying activities; to require registration of lobbyists and lobbyist agents; to require the filing of reports; to prescribe the powers and duties of the department of state; to prescribe penalties; and to repeal certain acts and parts of acts,"

by amending sections 3 and 4 (MCL 4.413 and 4.414), section 4 as amended by 2008 PA 289.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. (1) "Department" means the department of state.
- 2 (2) "Expenditure" means an advance, compensation for labor,
- 3 honorarium, conveyance, deposit, distribution, transfer of funds,

1 loan, payment, pledge, or subscription of money or anything of
2 value including a contract, agreement, promise, or other
3 obligation, whether or not legally enforceable, to make an
4 expenditure. Expenditure does not include the payment of a
5 membership fee otherwise reported pursuant to section 8(1)(d) or
6 the cost of travel to visit and return from visiting a public
7 official for the purpose of communicating with the public official.

8 **(3) "Fair market value" means the value of an item or service**
9 **that is available to any member of the public at the time the item**
10 **or service is acquired. The value must be determined on the basis**
11 **of market prices for the item or service on the day the acquisition**
12 **occurred. Price fluctuations of the item or service that occurred**
13 **before or after the acquisition do not impact the fair market value**
14 **determination. A lobbyist bears the burden of providing evidence of**
15 **the fair market value of an item or service.**

16 **(4) ~~(3)~~"Financial transaction" means a loan, purchase, sale,**
17 **or other type of transfer or exchange of money, goods, other**
18 **property, or services for value.**

19 Sec. 4. (1) "Gift" means a payment, advance, forbearance, or
20 the rendering or deposit of money, services, or anything of value,
21 the value of which exceeds \$25.00, as adjusted under section 19a,
22 in any 1-month period, unless consideration of equal or greater
23 value is received therefor. Gift includes a payment, advance,
24 forbearance, or the rendering or deposit of money, services, or
25 anything of value to aid the defense of an official in the
26 legislative branch or an official in the executive branch against a
27 legal action not directly related to the governmental duties of the
28 official. Gift does not include the following:

29 (a) A campaign contribution otherwise reported as required by

1 the Michigan campaign finance act, 1976 PA 388, MCL 169.201 to
2 169.282.

3 (b) A loan made in the normal course of business by an
4 institution as defined in chapter 1 of the banking code of 1999,
5 1999 PA 276, MCL 487.11101 to 487.11203, a national bank, a branch
6 bank, an insurance company issuing a loan or receiving a mortgage
7 in the normal course of business, a premium finance company, a
8 mortgage company, a small loan company, a state or federal credit
9 union, a savings and loan association chartered by this state or
10 the federal government, or a licensee as defined by the motor
11 vehicle sales finance act, 1950 (Ex Sess) PA 27, MCL 492.101 to
12 492.141.

13 (c) A gift received from a member of the person's immediate
14 family, a relative of a spouse, a relative within the seventh
15 degree of consanguinity as computed by the civil law method, or
16 from the spouse of the relative.

17 (d) A breakfast, luncheon, dinner, or other refreshment
18 consisting of food and beverage provided for immediate consumption.

19 (e) A contribution to a legal defense fund that is registered
20 with the secretary of state under the legal defense fund act and
21 whose purpose is to defend an elected official against any
22 criminal, civil, or administrative action, that arises directly out
23 of the conduct of the elected official's governmental duties.

24 **(f) A ticket or an offer of free or reduced-price attendance**
25 **to a charity event that has the primary purpose of raising money**
26 **for a nonprofit organization that is tax-exempt under section**
27 **501(c) (3) of the internal revenue code, 26 USC 501.**

28 **(g) Admission to a conference or educational event that is**
29 **connected to public business or the performance of the governmental**

1 duties of a public official.

2 (2) "Immediate family" means a child residing in an
3 individual's household, a spouse of an individual, or an individual
4 claimed by that individual or that individual's spouse as a
5 dependent for federal income tax purposes.

6 (3) "Loan" means a transfer of money, property, or anything of
7 ascertainable value in exchange for an obligation, conditional or
8 not, to repay in whole or in part.