

HOUSE BILL NO. 4644

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

3 Sec. 2. As used in this act:



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

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

5 (c) "Candidate for office" means a candidate for the office of
6 state representative.

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

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

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

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

23 Sec. 3. If an individual is a candidate for state office and
24 has not already filed a report under subsection (1) covering the
25 preceding calendar year, that individual shall file with the bureau
26 of elections a report that meets the requirements of section 4
27 within 30 days after the later of May 1 or the date on which the
28 individual forms a candidate committee as a candidate for state or
29 local office under section 21 of the Michigan campaign finance act,



1 1976 PA 388, MCL 169.221.

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

5 (a) The full name, mailing address and occupation of the
6 individual filing the report.

7 (b) The name of each member of the immediate family of the
8 individual filing the report.

9 (c) The name, address, and principal activity of each employer
10 of the individual and of each member of the immediate family of the
11 individual filing the report during the calendar year covered by
12 the report.

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

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

18 (ii) The source and type of earned income received during the
19 preceding calendar year by each member of the immediate family of
20 the individual filing the report if the total earned income from
21 that source equals \$5,000.00 or more during that calendar year.

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

27 (f) Excluding a primary residence, the address of each parcel
28 of real property held during the preceding calendar year by the
29 individual filing the report or a member of the immediate family of



1 that individual if the real property had a fair market value of
2 \$50,000.00 or more at any time the real property was held during
3 the preceding calendar year. An individual filing a report may
4 exclude the street number of a parcel of real property listed under
5 this subdivision.

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

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

17 (i) A qualified or nonqualified annuity.

18 (ii) A benefit under a qualified or nonqualified plan of
19 deferred compensation.

20 (iii) An account in, or benefit payable under, any pension,
21 profit-sharing, stock bonus, or other qualified retirement plan.

22 (iv) An individual retirement account or trust.

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

27 (i) The identity of all compensated positions held by the
28 individual filing the report or a member of the immediate family of
29 that individual during the preceding calendar year as an officer,



1 director, member, trustee, partner, proprietor, representative,
2 employee, or consultant of a corporation, limited liability
3 company, limited partnership, partnership, or other business
4 enterprise; of a nonprofit organization; of a labor organization;
5 or of an educational or other institution other than this state, if
6 the total compensation received from a position equals \$1,000.00 or
7 more during that calendar year. A position reported under this
8 subdivision must include the title of the position, the name of the
9 entity within which the position exists, and the principal activity
10 of the entity.

11 (j) If the individual filing the report or a member of the
12 immediate family of that individual was required during the
13 previous calendar year to register as a lobbyist or lobbyist agent
14 under section 7 of 1978 PA 472, MCL 4.417, the name, address, and
15 principal activity of all persons who gave compensation to or
16 reimbursed the individual or immediate family member for lobbying.
17 As used in this subdivision, "immediate family" includes the parent
18 of an individual and the spouse of a child of an individual.

19 (k) A description of any interest the individual filing the
20 report or a member of the immediate family of that individual has
21 in a legal entity that conducts business in this state, if the
22 interest has a book value of \$10,000.00 or more, unless the entity
23 has shares that are listed or traded over the counter or on an
24 organized exchange.

25 (2) Information an individual is required to report under this
26 section includes information with respect to the holdings of and
27 the income from a trust, blind trust, or other financial
28 arrangement from which income is received by, or with respect to
29 which a beneficial interest in principal or income is held by, an



1 individual required to file a report under this section or an
2 immediate family member of the individual. As used in this
3 subsection:

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

8 (b) "Blind trust" means a qualified blind trust as defined in
9 5 CFR 2634.403.

10 Sec. 5. An individual filing a report under section 3 may omit
11 any of the following:

12 (a) Information an individual is required to report under the
13 Michigan campaign finance act, 1976 PA 388, MCL 169.201 to 169.282.

14 (b) An item otherwise required to be reported under section
15 4(1)(f) or (g) if all of the following apply:

16 (i) The item represents the sole financial interest and
17 responsibility of a member of the immediate family of the
18 individual filing the report about which the individual filing the
19 report does not have actual knowledge.

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

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

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

28 (d) An item that concerns income or obligations of the
29 individual filing the report arising from dissolution of his or her



1 marriage or a permanent legal separation from his or her spouse.

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

8 (f) Benefits received under the social security act, chapter
9 531, 49 Stat 620.

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

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

13 (b) Receive reports required by this act.

14 (c) As soon as practicable, but not later than the end of the
15 business day on which a report required to be filed under this act
16 is received, make the report or all of the contents of the report
17 available without charge to the public on the internet at a single
18 website established and maintained by the secretary of state, and
19 not later than the third business day following the day on which
20 the report is received, make the report available for public
21 inspection and reproduction during regular business hours.

22 (d) Promulgate rules and issue declaratory rulings to
23 implement this act under the administrative procedures act of 1969,
24 1969 PA 306, MCL 24.201 to 24.328.

25 (e) Conduct investigations as necessary to determine whether
26 there is reason to believe that a violation of this act occurred.
27 The bureau of elections shall conduct investigations pursuant to
28 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
29 to 24.328.



1 Sec. 7. (1) A citizen of this state may file a complaint with
2 the bureau of elections alleging a violation of this act. If it
3 receives a complaint, the bureau of elections shall investigate the
4 allegations pursuant to section 6.

5 (2) If the bureau of elections determines after an
6 investigation that there is reason to believe a violation of this
7 act occurred, the bureau of elections shall forward the results of
8 that investigation to the attorney general for enforcement of this
9 act. However, if the attorney general is the subject of the
10 complaint and the bureau of elections determines after an
11 investigation that there is reason to believe that the attorney
12 general violated this act, the bureau of elections shall instead
13 forward the results of the investigation to the prosecuting
14 attorney for Ingham County for enforcement of this act.

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

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

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

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

24 (2) If an individual required to file a report under this act
25 knowingly files an incomplete or inaccurate report, the individual
26 is guilty of a misdemeanor punishable by a fine of not more than
27 \$10,000.00.

28 (3) A default in the payment of a fee or civil fine due or
29 ordered under this act, or an installment of the fee or fine, may



1 be remedied by any means available under the revised judicature act
2 of 1961, 1961 PA 236, MCL 600.101 to 600.9947.

3 Enacting section 1. This act takes effect May 1, 2020.

