

DISCLOSURE OF CERTAIN GIFTS OR EXPENSES

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House Bill 5585 as introduced
Sponsor: Rep. Betsy Coffia
Committee: Ethics and Oversight
Complete to 12-12-24

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

SUMMARY:

House Bill 5585 would amend the Public Officers Financial Disclosure Act to require state elected officials to include certain travel payments and event tickets in the financial disclosure form they must file annually under the act. The bill also would require disclosure of certain information related to their immediate family members.

The Public Officers Financial Disclosure Act requires *public officers* (the governor, the lieutenant governor, the attorney general, the secretary of state, state representatives, and state senators) to file annual financial disclosure reports. (A related act, the Candidate for Office Financial Disclosure Act, requires candidates for those offices to file similar reports if their candidate committee receives or spends more than \$1,000 during the election cycle.) In addition to certain information about income, assets, and liabilities, the report must include such things as a list of all gifts received and reported by a lobbyist or lobbyist agent, a list of payments made by a lobbyist or lobbyist agent to a charity in lieu of an honorarium, and a list of all travel payments received and reported by a lobbyist or lobbyist agent.

The bill would additionally require disclosure of the following:

- A list of all travel payments received from a person that is *not* a lobbyist or lobbyist agent or a spouse or *immediate family* member of the public officer.
- A list of all tickets for concerts, sporting events, or other entertainment received and reported by a lobbyist or lobbyist agent under state law.
- A list of all tickets for concerts, sporting events, or other entertainment received from a person that is *not* a lobbyist or lobbyist agent or a spouse or immediate family member of the public officer.

Immediate family would mean any of the following:¹

- A child residing in a public officer's household or an individual claimed by that public officer or their spouse as a dependent for federal income tax purposes.
- A *relative* of the spouse of the public officer.
- The spouse of a *relative* of the public officer.
- A relative of the public officer that is within the seventh degree of consanguinity as computed by the civil law method.²

¹ Note that the bill does not define the term *relative* for purposes of the provisions where it is here italicized.

² Consanguinity refers to "relatives by blood," as opposed to "relatives by affinity" (i.e., marriage). The seventh degree of consanguinity would include a person's parents, children, siblings, grandparents, grandchildren, aunts and uncles, nephews and nieces, first and second cousins, first and second cousins once removed, and first cousins twice and thrice removed, among others. Wikipedia has a table: <https://en.wikipedia.org/wiki/Consanguinity>

The bill also would add immediate family members to reporting requirements that now apply regarding public officers and their spouses. Under the bill, all of the following would have to be disclosed regarding a public officer's immediate family member:

- Whether the immediate family member was registered as a lobbyist or lobbyist agent the lobbyist registration act (1978 PA 472) during the reporting period.
- A list of any stocks, bonds, or other forms of securities held by the public officer jointly with their immediate family member during the reporting period, if the security has a total aggregate fair market value of \$1,000 or more. However, this would not apply if the public officer or immediate family member does not exercise control over or have the ability to exercise control over the financial interests held by the fund.
- If applicable, a statement indicating that the immediate family member is a registered vendor with the state, has a majority interest in a company that is a registered vendor with the state, or is employed by a company that is a registered vendor with the state.

MCL 15.703 and 15.707

FISCAL IMPACT:

House Bill 5585 may result in additional computer programming costs to update the Department of State's financial disclosure reporting computer system, Michigan Transparency Network. Costs would likely be less than a previous change order to the existing contract at a value of \$122,000 and would be able to be absorbed in the department's ongoing appropriations.

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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.