



STATE OF MICHIGAN
JOCELYN BENSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

July 1, 2025

NOTICE OF FILING

ADMINISTRATIVE RULES

To: Secretary of the Senate
Clerk of the House of Representatives
Joint Committee on Administrative Rules
Michigan Office of Administrative Hearings and Rules (Administrative Rule #2024-048-ST)
Legislative Service Bureau (Secretary of State Filing #25-07-01)
Department of State

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Office of Administrative Hearings and Rules filed Administrative Rule #2024-048-ST (Secretary of State Filing #25-07-01) on this date at 8:41 A.M. for the Department of State, entitled "Gifts Under the Lobby Act".

These rules become effective immediately after filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

Sincerely,

Jocelyn Benson
Secretary of State


Lashana Threlkeld, Departmental Supervisor
Office of the Great Seal

Enclosure



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

July 1, 2025

The Honorable Jocelyn Benson
Secretary of State
Office of the Great Seal
Richard H. Austin Building – 1st Floor
430 W. Allegan
Lansing, MI 48909

Dear Secretary Benson:

Re: Michigan Administrative Rules #: 2024-48 ST

The Michigan Office of Administrative Hearings and Rules received administrative rules, dated November 25, 2024 for the Department of State **“Gifts Under the Lobby Act”**. We are transmitting these rules to you pursuant to the requirements of Section 46 of Act No. 306 of the Public Acts of 1969, being MCL 24.246, and paragraph 16 of Executive Order 1995-6.

Sincerely, 

Michigan Office of Administrative Hearings and Rules



STATE OF MICHIGAN
JOCELYN BENSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

CERTIFICATE OF ADOPTION

2024-48 ST

GIFTS UNDER THE LOBBY ACT

Pursuant to the authority conferred on the secretary of state by section 16 of 1978 PA 472, MCL 4.426, the secretary of state formally adopts:

R 4.501, R 4.502, R 4.503, R 4.504, R 4.505, R 4.506, R 4.507, R 4.508, and R 4.509 are added to the Michigan Administrative Code.

Date: March 24, 2025

Adopted by:

A handwritten signature in cursive script that reads "Jocelyn Benson".

Jocelyn Benson, Secretary of State



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

LEGAL CERTIFICATION OF RULES

I certify that I have examined the attached administrative rules, dated November 25, 2024, in which the Department of State proposes to modify a portion of the Michigan Administrative Code entitled “**Gifts Under the Lobby Act**” by:

- ◆ Adding R 4.501, R 4.502, R 4.503, R 4.504, R 4.505, R 4.506, R 4.507, R 4.508, and R 4.509.

The Legislative Service Bureau has approved the proposed rules as to form, classification, and arrangement.

I approve the rules as to legality pursuant to the Administrative Procedures Act, MCL 24.201 *et seq.* and Executive Order No. 2019-6. In certifying the rules as to legality, I have determined that they are within the scope of the authority of the agency, do not violate constitutional rights, and are in conformity with the requirements of the Administrative Procedures Act.

Dated: March 21, 2025

Michigan Office of Administrative Hearings and Rules

By: *Emily Leik*

Emily Leik,
Attorney



Since 1941

Legal Division


Timothy H. Shields, Director

CERTIFICATE OF APPROVAL

On behalf of the Legislative Service Bureau, and as required by section 45 of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.245, I have examined the proposed rules of the Department of State dated November 25, 2024, adding R 4.501, R 4.502, R 4.503, R 4.504, R 4.505, R 4.506, R 4.507, R 4.508, and R 4.509 of the Department's rules entitled "Gifts Under the Lobby Act." I approve the rules as to form, classification, and arrangement.

Dated: March 21, 2025

LEGISLATIVE SERVICE BUREAU

By 

Rachel M. Hughart,
Legal Counsel

DEPARTMENT OF STATE
BUREAU OF ELECTIONS
GIFTS UNDER THE LOBBY ACT

Filed with the secretary of state on July 1, 2025

These rules become effective immediately after filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the secretary of state by section 16 of 1978 PA 472, MCL 4.426)

R 4.501, R 4.502, R 4.503, R 4.504, R 4.505, R 4.506, R 4.507, R 4.508, and R 4.509 are added to the Michigan Administrative Code, as follows:

R 4.501 Definitions.

Rule 1. (1) As used in these rules:

- (a) "Act" means 1978 PA 472, MCL 4.411 to 4.431, also referred to as the "lobby act."
- (b) "Exchange" means the transfer of an item or service between a lobbyist and a public official.
- (c) "Fair market value" means the value of the item or service on the open market available to any member of the public at the time the item or service is exchanged.
- (d) "Gift limit" means the value set by section 4 of the act, MCL 4.414, as adjusted under section 19a of the act, MCL 4.429a, over which an item or service falls within the act's definition of gift.
- (e) "Honorarium" means a payment of money to a public official as consideration for an appearance, speech, article, or activity related to or associated with the performance of duties as a public official. An honorarium does not include any of the following:
 - (i) Reimbursement for the cost of transportation, accommodations, or meals for the public official.
 - (ii) Wages, salaries, other employee compensation, and expenses authorized to be paid by this state or a political subdivision of this state to the public official holding public office.
 - (iii) An award.
- (f) "Item" means anything that could be considered a gift if valued above the gift limit set by the act, including an honorarium and other things that are not tangible objects.
- (g) "Lobbyist" means a lobbyist, lobbyist agent, or representative of the lobbyist as defined in the act.
- (h) "Primary market" means the market where the item or service is offered for sale by the rights holder or producer of the item or service.
- (i) "Secondary market" means the market where the item or service is offered for sale by individuals or entities that are reselling the item or service.

November 25, 2024

(j) "Service" means any action that could be considered a gift if valued above the gift limit set by the act.

(2) A term defined in the act has the same meaning when used in these rules.

R 4.502 Scope of gift prohibition.

Rule 2. A lobbyist may give a gift to an individual who is not a public official as defined in the act.

R 4.503 Extension of credit.

Rule 3. The extension of credit to a public official by a business entity under the same terms as the credit is extended to the general public is not a gift or a loan.

R 4.504 Reimbursement of value over the gift limit after exchange.

Rule 4. (1) A public official may not reimburse a lobbyist for the value of an item or service that is in excess of the gift limit in order to reduce the value of that item or service to avoid the prohibition on gifts in section 11 of the act, MCL 4.421.

(2) A promise by a public official to reimburse a lobbyist for the value of an item or service after the exchange is a loan, generally prohibited by section 11 of the act, MCL 4.421.

R 4.505 Reimbursement of value over the gift limit at or before time of exchange.

Rule 5. A public official may not provide payment at or before the time of exchange for an item or service that is in excess of the gift limitation in order to reduce the value of that item or service to avoid the prohibition on gifts in section 11 of the act, MCL 4.421.

R 4.506 Purchase of item or service at time of or before taking possession.

Rule 6. (1) A public official may pay consideration of equal or greater value to a lobbyist for the entire value of an item or service that exceeds the gift limit.

(2) When a public official pays consideration of equal or greater value for an item or service, the transaction is a purchase and is not prohibited under section 11 of the act, MCL 4.421.

(3) To determine whether a public official has paid consideration of equal or greater value for an item or service, the fair market value of the item must be considered.

R 4.507 Services as consideration.

Rule 7. (1) A lobbyist may exchange an honorarium, items, or services with a public official without violating the gift prohibition in section 11 of the act, MCL 4.421, when the public official provides a service of equal or greater value in exchange and the honorarium, items, or services are related to the provision of the public official's services.

(2) Honorarium and items related to provision of a service can include a payment of money, payment of the cost of food, lodging, travel, and the price of admission or registration for a conference or other event at which the public official is providing the service.

(3) Services that may be provided as consideration include, but are not limited to, an appearance, speech, article, participation in a panel or seminar, or a similar activity that is connected to public business or the performance of official duties.

(4) An honorarium, item, or service provided to a public official by a lobbyist that exceeds the gift limit is a prohibited gift within the meaning of section 11 of the act, MCL 4.421, unless it is clear from all of the surrounding circumstances that the service provided by the public official is of equal or greater value to the value of the honorarium, item, or service provided by the lobbyist.

(5) To determine whether the services provided by the public official are of equal or greater value than the value of the honorarium, item, or service provided to the public official, the fair market value of similar services must be considered.

(6) As used in this rule, service provided by a public official in exchange for an honorarium, item, or service from a lobbyist means the appearance, speech, article, participation, or any activity related to or associated with the performance of duties as a public official.

R 4.508 How to determine fair market value.

Rule 8. (1) Fair market value must be determined on the basis of market prices on the day that the exchange is made. Price fluctuations that occur before or after the date of exchange do not impact the fair market value determination.

(2) The primary market must be used to determine the fair market value in all instances where the item or service is available on the primary market. If the item or service is not available on the primary market, the price available to the public on the secondary market must be used to value the item or service.

(3) The price available to the general public for the same item or service must be used as the fair market value.

(4) When the exact same item or service is not available on the primary or secondary market for purchase by the general public, the price of an item or service of similar type, quality, age, and quantity, to the extent each factor is relevant, determines the fair market value.

R 4.509 Burden of justifying fair market value determination.

Rule 9. (1) The lobbyist bears the burden of providing evidence of the fair market value assigned to an item or service.

(2) The lobbyist shall submit evidence supporting the fair market value determination relevant to any financial transaction required to be reported under section 8(1)(c) of the act, MCL 4.418.

FILED WITH SECRETARY OF STATE

ON 07/01/25 AT 8:41 AM