

# HOUSE BILL No. 5535

April 12, 2016, Introduced by Rep. Glenn and referred to the Committee on Oversight and Ethics.

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 section 8 (MCL 4.418), as amended by 1994 PA 412.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 8. (1) A lobbyist or a lobbyist agent shall file a signed  
2 ~~report~~ **REPORTS** in a form prescribed by the secretary of state under  
3 this section. ~~A report shall be filed on January 31 covering the~~  
4 ~~calendar year ending on the immediately preceding December 31, and~~  
5 ~~on August 31 covering the immediately preceding December 31 to July~~  
6 ~~31.~~ **ALL OF THE FOLLOWING APPLY TO A REPORT UNDER THIS SUBSECTION:**

7       **(A) A LOBBYIST OR LOBBYIST AGENT SHALL FILE A REPORT FOR AN**

1 ANNUAL REPORTING PERIOD, ON OR BEFORE JANUARY 31 OF THE FOLLOWING  
2 YEAR.

3 (B) A LOBBYIST OR LOBBYIST AGENT SHALL FILE A REPORT FOR EACH  
4 QUARTERLY REPORTING PERIOD, ON OR BEFORE THE LAST DAY OF THE MONTH  
5 FOLLOWING THE QUARTERLY REPORTING PERIOD.

6 (C) A report shall be filed by a lobbyist or for the lobbyist  
7 by the lobbyist agent who acts on behalf of the lobbyist, and the  
8 lobbyist agent who acts on his or her own behalf.

9 (D) A lobbyist or a lobbyist agent may request from the  
10 secretary of state an extension of the deadline for filing the  
11 report for a period ~~not to~~ **THAT DOES NOT** exceed 60 days. The  
12 secretary of state shall respond in writing to the request, either  
13 approving or disapproving the request, and if approval is granted,  
14 the period of the extension, ~~not later than~~ **WITHIN** 9 days after  
15 receipt of the request.

16 (E) A lobbyist or lobbyist agent may file an amended report  
17 within 1 year after the date **HE OR SHE IS REQUIRED TO FILE** the  
18 report, ~~is required to be filed,~~ including an extension period.

19 (F) The report shall be on a ~~prescribed~~ form **PRESCRIBED BY THE**  
20 **SECRETARY OF STATE** and shall include the following information:

21 (i) ~~(a)~~ A statement updating to the end of the reporting  
22 period the information required to be filed under section 7.

23 (ii) ~~(b)~~ An account of expenditures made by a lobbyist,  
24 lobbyist agent, or representative of a lobbyist. The expenditures  
25 shall be reported by category, with the report showing the total  
26 amount expended in each category during the preceding reporting  
27 period and the cumulative amount expended in each category for the

current year from January 1 through the **LAST** month **OF THE REPORTING PERIOD** covered by the report. Expenditures shall be reported in the following categories:

(A) ~~(i)~~—Expenditures for food and beverage provided for public officials as specified in subsection (2).

(B) ~~(ii)~~—Advertising and mass mailing expenses directly related to lobbying.

(C) ~~(iii)~~—Other expenditures for lobbying made or incurred by a lobbyist, a lobbyist agent, or an employee of a lobbyist or lobbyist agent, other than expenditures for lobbying made or incurred by a lobbyist, a lobbyist agent, or an employee of a lobbyist or a lobbyist agent of less than \$5.00 made for goods or services for which a receipt or proof of purchase is not normally available.

~~(iii)~~ ~~(e)~~—An account of every financial transaction during the immediately preceding reporting period between the lobbyist or lobbyist agent, or a person acting on behalf of the lobbyist or lobbyist agent, and a public official or a member of the public official's immediate family, or a business with which the individual is associated, in which goods and services having value of at least \$775.00, or travel and lodging expenses paid for or reimbursed to a public official in connection with public business by that public official in excess of \$500.00, are involved. The account shall include the date and nature of the transaction, the parties to the transaction, and the amount involved in the transaction. This ~~subdivision~~ **SUBPARAGRAPH** does not apply to **ANY OF** the following:

1       (A) ~~(i)~~ A financial transaction in the ordinary course of the  
 2 business of the lobbyist, if the primary business of the lobbyist  
 3 is other than lobbying, and if consideration of equal or greater  
 4 value is received by the lobbyist.

5       (B) ~~(ii)~~ A financial transaction undertaken in the ordinary  
 6 course of the lobbyist's business, in which fair market value is  
 7 given or received for a benefit conferred.

8       (iv) ~~(d)~~ A brief description of the lobbying activities  
 9 engaged in during the previous reporting period.

10       (v) ~~(e) In the case of~~ **FOR** travel and lodging expenses  
 11 described in ~~subdivision (e)~~ **SUBPARAGRAPH (iii)**, the lobbyist or  
 12 lobbyist agent shall prepare a separate document detailing the  
 13 expenditure required to be reported. The lobbyist or lobbyist agent  
 14 shall send, simultaneously with the filing of the report to the  
 15 secretary of state, a copy of the document to the affected  
 16 legislator.

17       (2) Expenditures for food and beverage provided **TO** a public  
 18 official shall be reported if the expenditures for that public  
 19 official exceed \$25.00 in any month covered by the report or  
 20 \$150.00 during that calendar year from January 1 through the **LAST**  
 21 month **OF THE REPORTING PERIOD** covered by the report. The report  
 22 shall include the name and title or office of the public official  
 23 and the expenditures on that public official for the months covered  
 24 by the report and for the year. If more than 1 public official is  
 25 provided food and beverage and a single check is rendered, the  
 26 report may reflect the average amount of the check for each public  
 27 official. If the expenditures are a result of an event at which

1 more than 25 public officials were in attendance, are a result of  
2 an event to which an entire standing committee of the legislature  
3 was invited in writing to be informed concerning a bill that was  
4 assigned to that standing committee, or are a result of an event to  
5 which an entire caucus of either house of the legislature was  
6 invited in writing, a lobbyist or a lobbyist agent shall report the  
7 total amount expended on the public officials in attendance for  
8 food and beverage and is not required to report the amount expended  
9 on the public officials individually. In reporting those amounts,  
10 the lobbyist or lobbyist agent shall file a statement providing a  
11 description by category of the persons in attendance and the nature  
12 of each event or function held during the preceding reporting  
13 period.

14 (3) ~~A person~~ **AN INDIVIDUAL** who, without good cause, fails to  
15 report under subsection (1) shall pay a late filing fee of \$10.00  
16 for each day the report remains ~~not filed~~ **UNFILED** in violation of  
17 subsection (1), ~~not to~~ **BUT THE AGGREGATE AMOUNT OF THE LATE FILING**  
18 **FEE FOR A SINGLE UNFILED REPORT SHALL NOT** exceed \$300.00. ~~A person~~  
19 **AN INDIVIDUAL** who without good cause is in violation of subsection  
20 (1) more than 30 days is guilty of a misdemeanor ~~—~~ punishable by a  
21 fine of not more than \$1,000.00.

22 (4) If a lobbyist agent employs another lobbyist agent to  
23 engage in lobbying, the **EMPLOYER LOBBYIST AGENT SHALL REPORT THE**  
24 activities of the employee lobbyist agent ~~shall be reported by the~~  
25 ~~employer lobbyist agent~~ under this section.

26 (5) Within a reasonable time after receipt of a request from  
27 an elected public official in regard to a report of a lobbyist or a

1 lobbyist agent, the secretary of state shall report to the elected  
 2 public official on any reported activity by the lobbyist or  
 3 lobbyist agent in that report ~~—~~and shall notify the elected public  
 4 official of the specific occurrence and the specific nature of the  
 5 reported activity.

6 (6) The secretary of state shall preserve statements and  
 7 reports filed under this act for 5 years after **THE DATE OF** filing.  
 8 The **SECRETARY OF STATE MAY REPRODUCE THE** statements and reports ~~may~~  
 9 ~~be reproduced pursuant to~~ **UNDER** the records media act, 1992 PA 116,  
 10 **MCL 24.401 TO 24.403**. After the required preservation period, **THE**  
 11 **SECRETARY OF STATE SHALL DESTROY** the statements and reports, or the  
 12 reproductions of the statements and reports, other than those  
 13 necessary to complete an investigation by the attorney general or  
 14 pertinent to a matter being adjudicated in a court of law. ~~—shall~~  
 15 ~~be destroyed.~~

16 (7) AS USED IN THIS SECTION:

17 (A) "ANNUAL REPORTING PERIOD" MEANS A CALENDAR YEAR.

18 (B) "QUARTERLY REPORTING PERIOD" MEANS EACH OF THE FOLLOWING:

19 (i) JANUARY, FEBRUARY, AND MARCH OF A CALENDAR YEAR.

20 (ii) APRIL, MAY, AND JUNE OF A CALENDAR YEAR.

21 (iii) JULY, AUGUST, AND SEPTEMBER OF A CALENDAR YEAR.

22 (iv) OCTOBER, NOVEMBER, AND DECEMBER OF A CALENDAR YEAR.

23 (C) "REPORTING PERIOD" MEANS AN ANNUAL REPORTING PERIOD OR  
 24 QUARTERLY REPORTING PERIOD.

25 Enacting section 1. This amendatory act takes effect 90 days  
 26 after the date it is enacted into law.