

HOUSE BILL NO. 4269

March 14, 2023, Introduced by Reps. Harris, Kuhn, Thompson, Bollin, Greene, Rigas, Kunse, Bierlein, Meerman, Tisdell, Schuette, Bezotte, Borton, Steele, St. Germaine and Beson and referred to the Committee on Ethics and Oversight.

A bill to require certain public officers to file annual financial disclosure reports; to create a financial disclosure form; to prescribe penalties and civil sanctions; and to provide for the powers and duties of certain state and local governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "public officers
2 financial disclosure report act".

3 Sec. 3. As used in this act:

4 (a) "Department" means the department of state.

1 (b) "Earned income" means all taxable income and wages from an
2 employer or self-employment. Earned income does not include any of
3 the following:

4 (i) Pensions and annuities.

5 (ii) Welfare benefits.

6 (iii) Unemployment benefits.

7 (iv) Worker's compensation.

8 (v) Social Security.

9 (c) "Form" means the financial disclosure form described in
10 section 7.

11 (d) "Gift" means that term as defined in section 4 of 1978 PA
12 472, MCL 4.414.

13 (e) "Lobbyist" means that term as defined in section 5 of 1978
14 PA 472, MCL 4.415.

15 (f) "Lobbyist agent" means that term as defined in section 5
16 of 1978 PA 472, MCL 4.415.

17 (g) "Public officer" means all of the following:

18 (i) Each member of the legislature.

19 (ii) The attorney general.

20 (iii) The governor.

21 (iv) The lieutenant governor.

22 (v) The secretary of state.

23 (h) "Report" means the financial disclosure form described and
24 required under section 7 and section 10 of article IV of the state
25 constitution of 1963.

26 (i) "Reporting period" means the preceding calendar year.

27 (j) "Unearned income" means investment-type income, including
28 taxable interest, ordinary dividends, capital gains, unemployment
29 compensation, taxable Social Security benefits, pensions,

1 annuities, cancellation of debt, and distributions of unearned
2 income from a trust. Unearned income does not include the total
3 cash value of any interest in a qualified trust unless both of the
4 following apply:

5 (i) The trust interest was executed before July 24, 1995.

6 (ii) The trust precludes the beneficiary from receiving
7 information on the total cash value of any interest in the
8 qualified trust.

9 Sec. 5. (1) A public officer shall electronically file an
10 annual financial disclosure report with the department.

11 (2) The report required under subsection (1) must first be
12 filed by April 15, 2024, and by April 15 of each year thereafter.

13 Sec. 7. The report described under section 5 must be filed in
14 a form that substantially conforms to the following form:

15 FINANCIAL DISCLOSURE FORM

16 INSTRUCTIONS:

17 A. For the purposes of determining the current value of an
18 interest in real property or an interest in a real estate
19 partnership to be reported in this form that is not ascertainable
20 without an appraisal, an individual may use either the date of
21 purchase and the purchase price of the interest in the real
22 property or the assessed value of the real property for tax
23 purposes, adjusted to reflect the market value of the property used
24 for the assessment if the assessed value is computed at less than
25 100% of the market value. The individual must include in this form
26 a description of the method used to determine the assessed value.

27 B. If the current value of any other item required to be
28 reported is not ascertainable without an appraisal, the individual
29 may do either of the following:

1 (i) Report the book value of a corporation whose stock is not
2 publicly traded, the net worth of a business partnership, the
3 equity value of an individually owned business, or, with respect to
4 other holdings, any recognized indication of value. The individual
5 must include in this form a description of the method used in
6 determining the book value.

7 (ii) Use the assessed value of the item for tax purposes,
8 adjusted to reflect the market value of the item used for the
9 assessment if the assessed value is computed at less than 100% of
10 the market value. The individual must include in this form a
11 description of the method used in determining the assessed value.

12 Please provide the following information. If the answer to any
13 of the following questions is "none," please state so. Attach
14 additional pages, if necessary, indicating the section that is
15 being continued.

16		
17 Last Name	First Name	Initial
18		
19 Title	Department or Agency	
20		
21 Work Address	Work Telephone No.	Email Address

22 1. **Assets and unearned income.** Describe: (a) each asset held
23 for investment or production of income with a fair market value
24 received during the reporting period, and (b) any other reportable
25 assets in unearned income during the reporting period. Do not
26 include the assets and unearned income of a spouse or dependent
27 child.

28 <u>Asset Name</u>	<u>Value of Asset</u>	<u>Type of</u>	<u>Amount of Income</u>
29		<u>Income</u>	

1 Not more than
2 \$1,000.00
3 Greater than \$1,000.00
4 but not more than
5 \$2,500.00
6 Greater than \$5,000.00
7 but not more than
8 \$15,000.00
9 Greater than
10 \$15,000.00 but not
11 more than \$50,000.00
12 Greater than
13 \$50,000.00 but not
14 more than \$100,000.00
15 Greater than
16 \$100,000.00 but not
17 more than
18 \$1,000,000.00
19 Greater than
20 \$1,000,000.00

21 Instruction for amount of assets or income: Indicate the
22 category of assets or income by checking the appropriate box
23 indicating the value of the asset and the amount of income received
24 from that asset.

1 2. **Sources of earned income.** List the source, type, and amount
 2 of earned income from any source (other than the current employment
 3 by this state) during the reporting period. **Include:** source, date,
 4 and amount of honoraria from any source received during the
 5 reporting period and the source, date, and amount of payments made
 6 to charitable organizations in lieu of honoraria. Do not include
 7 the earned income of a spouse or dependent child.

8	<u>Source</u>	<u>Type</u>	<u>Amount</u>	<u>Date</u>
9	_____	_____	_____	_____
10	_____	_____	_____	_____
11	_____	_____	_____	_____
12	_____	_____	_____	_____

13 3. **Description of liabilities.** List all liabilities owed by
 14 you to a creditor at any time during the reporting period. Do not
 15 include the liabilities of a spouse or dependent child. Report a
 16 **revolving charge account** only if the balance at the close of the
 17 reporting period exceeds \$10,000.00.

18	<u>Creditor</u>	<u>Date Liability</u>	<u>Type of</u>	<u>Amount of Liability</u>
19		<u>Incurred (MO/YR)</u>	<u>Liability</u>	
20				Not more than
21				\$15,000.00
22				Greater than
23				\$15,000.00 but not
24				more than \$50,000.00
25				Greater than
26				\$50,000.00 but not
27				more than \$100,000.00

1 Greater than
 2 \$100,000.00 but not
 3 more than \$250,000.00
 4 Greater than
 5 \$250,000.00 but not
 6 more than \$500,000.00
 7 Greater than
 8 \$500,000.00 but not
 9 more than
 10 \$1,000,000.00
 11 Greater than
 12 \$1,000,000.00

13 Instruction for amount of liability: Indicate the category of
 14 liability by checking the appropriate box in the amount of
 15 liability.

16 4. **Current positions.** List all positions currently held as an
 17 officer, director, trustee, partner, proprietor, representative,
 18 employee, or consultant of any organization, corporation, firm,
 19 partnership, or other business enterprise, nonprofit organization,
 20 labor organization, or educational or other institution other than
 21 this state. **Exclude:** positions held in any religious, social,
 22 fraternal, or political entity, or positions that are solely of an
 23 honorary nature.

24 <u>Position</u>	24 <u>Name of Organization</u>
25 _____	_____
26 _____	_____
27 _____	_____
28 _____	_____
29 _____	_____

1 **5. Agreements or arrangements.** Identify the date, parties to,
 2 and general terms of any agreements or arrangements with respect to
 3 future employment, a leave of absence while serving as a public
 4 officer, continuation or deferral of payments by a former or
 5 current employer other than this state, or continuing participation
 6 in an employee welfare or benefit plan maintained by a former
 7 employer.

<u>Date</u>	<u>Parties to Agreement or Arrangement</u>	<u>Terms of Agreement or Arrangement</u>
10		
11		
12		
13		
14		

15 **6. Gifts.** List all gifts received and required to be reported
 16 by a lobbyist or lobbyist agent under state law.

<u>Recipient of Gift</u>	<u>Nature of Gift</u>	<u>Donor of Gift</u>	<u>Relationship to Donor</u>	<u>Date Received</u>
19				
20				
21				
22				
23				

24 **7. Travel payments and reimbursements.** List all travel
 25 payments received and required to be reported by a lobbyist or
 26 lobbyist agent under state law.

<u>Recipient of Travel Payments</u>	<u>Payor of Travel Payments</u>	<u>Relationship to Payor</u>	<u>Purpose of Travel</u>	<u>Amount Received</u>	<u>Date Received</u>
27					
28					
29					

1 _____
 2 _____
 3 _____
 4 _____
 5 _____

6 **8. Payments to charity in lieu of honoraria.** Describe each
 7 payment made by a lobbyist or lobbyist agent to a charity in lieu
 8 of honoraria.

9 <u>Name of</u>				
10 <u>Lobbyist or</u>	<u>Amount Paid</u>	<u>Purpose of</u>	<u>Name of</u>	<u>Date of</u>
11 <u>Lobbyist</u>		<u>Payment</u>	<u>Organization</u>	<u>Payment</u>
12 <u>Agent</u>				
13 _____	_____	_____	_____	_____
14 _____	_____	_____	_____	_____
15 _____	_____	_____	_____	_____
16 _____	_____	_____	_____	_____
17 _____	_____	_____	_____	_____

18 *I certify that the statements I have made on this financial*
 19 *disclosure form and all attached pages are true, complete, and*
 20 *correct to the best of my knowledge and belief.*

21 **Signed:** _____

22 **Date Signed:** _____

23 Sec. 9. (1) A form filed pursuant to this act must be signed
 24 and dated by the public officer.

25 (2) An individual who knowingly and willfully falsifies or
 26 fails to file a report is guilty of a misdemeanor punishable by a
 27 fine of not more than \$1,000.00 or imprisonment for not more than
 28 90 days, or both.