



**House
Legislative
Analysis
Section**

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FINANCIAL DISCLOSURE ACT

House Bill 4401

Sponsor: Rep. Sharon Gire

Committee: House Oversight & Ethics

Complete to 3-15-93

A SUMMARY OF HOUSE BILL 4401 AS INTRODUCED 3-2-93

The bill would create the Michigan Financial Disclosure Act, under which:

**** A state official or candidate for state office would be prohibited from accepting a payment of money or anything of ascertainable monetary value as consideration for an appearance, a speaking engagement, an article, or other activity related to the office held or being sought.**

**** A person who was a state official or candidate for state office during the preceding calendar year or up to April 15 of the year of the report would have to file a report detailing the following:**

-- the source, type, and amount or value of income received during the preceding calendar year by the person filing the report or a member of his or her immediate family if the total income from the source was equal to \$100 or more. (The term "immediate family" would refer throughout to a child residing in the person's household, a spouse, or a person claimed as a dependent.)

-- the source and a brief description of each gift received during the previous calendar year by the person filing the report or a member of the immediate family if the value of the gift was \$100 or more.

-- the identity and value of each asset held during the previous calendar year by the person filing the report or an immediate family member, including real or personal property or cash, if the asset had a fair market value of \$1,000 or more at any time the asset was held.

-- the identity and value of each liability owed by the filer or an immediate family member if the amount of the liability was \$10,000 or more, but excluding a loan secured by a personal residence, a personal motor vehicle, household furniture, or an appliance, if the loan did not exceed the purchase price of the item.

-- a brief description and value of a purchase, sale, or exchange by the filer or immediate family member amounting to \$1,000 or more.

-- the identity of all positions held by the individual filing the report during the preceding calendar year as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of a corporation, partnership, or other business enterprise; of a

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nonprofit organization; of a labor organization; or an educational or other institution. (This would not apply to a position in a religious, social, fraternal, or political entity, or of a position solely of an honorary nature.

-- a description, including the dates, parties, and terms, of an agreement or arrangement by or with the person filing the report with respect to future employment, a leave of absence during the person's term of office, continuation of payments by a former employer, or continuation of participation in an employee benefit plan maintained by a former employer.

-- a brief description and value of each reimbursement of \$100 or more received during the previous calendar year by the person filing the report, an immediate family member, or a staff member for the cost of transportation, accommodation, or meals.

The report could omit:

-- information required to be reported under the Campaign Finance Act.

-- a gift to or from a relative within the third degree of consanguinity.

-- information about assets, liabilities, and sales and exchanges where the item represented the sole financial interest and responsibility of a member of the immediate family and of which the person filing the report did not have actual knowledge; where the person filing the report did not derive, or expect to derive, financial benefit; and where the item was not in any way, past or present, derived from the income, assets, or activities of the person filing the report.

-- an item that concerned a spouse living separate and apart with the intention of terminating the marriage or maintaining a legal separation.

-- an item that concerned income or obligations of the person filing the report arising from the dissolution of his or her marriage or a permanent legal separation from his or her spouse.

The secretary of state would make the reports available for public use within 30 days after they were filed, as provided in the Freedom of Information Act. The secretary of state would have to investigate any complaints made by citizens alleging a violation of the act, and forward the results of the investigation to the attorney general if he or she determined there was reason to believe a violation had occurred.

An individual who failed to file a report would be liable for a civil fine of \$500 or less. An individual who knowingly falsified or knowingly failed to file a report would be liable for a civil fine of \$5,000 or less.

The term "state official" would refer to the governor; lieutenant governor; a state senator; state representative; department head; member of a board or commission heading

a department; a principal executive officer selected by such a board or commission; a justice of the supreme court; and a judge of the court of appeals.

The term "candidate for state office" would refer to a candidate for governor; lieutenant governor; state representative; state senator; attorney general; or secretary of state.