



HOUSE BILL No. 6194

November 14, 1996, Introduced by Reps. Kaza, Jersevic, Schroer, Jamian and Goschka and referred to the Committee on House Oversight and Ethics.

A bill to amend sections 4, 8, and 19a of Act No. 472 of the Public Acts of 1978, 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,"

section 8 as amended by Act No. 412 of the Public Acts of 1994 and section 19a as added by Act No. 83 of the Public Acts of 1986, being sections 4.414, 4.418, and 4.429a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Section 1. Sections 4, 8, and 19a of Act No. 472 of the
- 2 Public Acts of 1978, section 8 as amended by Act No. 412 of the
- 3 Public Acts of 1994 and section 19a as added by Act No. 83 of the

1 Public Acts of 1986, being sections 4.414, 4.418, and 4.429a of
2 the Michigan Compiled Laws, are amended to read as follows:

3 Sec. 4. (1) "Gift" means a payment, advance, forbearance,
4 or the rendering or deposit of money, services, or anything of
5 value ~~, the value of which exceeds \$25.00 in any + month~~
6 ~~period,~~ unless consideration of equal or greater value is
7 received therefor. Gift does not include ANY OF THE FOLLOWING:

8 (a) A campaign contribution otherwise reported as required
9 by THE MICHIGAN CAMPAIGN FINANCE ACT, Act No. 388 of the Public
10 Acts of 1976, ~~as amended,~~ being sections 169.201 to 169.282 of
11 the Michigan Compiled Laws.

12 (b) A loan made in the normal course of business by an
13 institution as defined in section 5 of THE BANKING CODE OF 1969,
14 Act No. 319 of the Public Acts of 1969, ~~as amended,~~ being sec-
15 tion 487.305 of the Michigan Compiled Laws, a national bank, a
16 branch bank, an insurance company issuing a loan or receiving a
17 mortgage in the normal course of business, a premium finance com-
18 pany, a mortgage company, a small loan company, a state or fed-
19 eral credit union, a savings and loan association chartered by
20 this state or the federal government, or a licensee as defined by
21 THE MOTOR VEHICLE SALES FINANCE ACT, Act No. 27 of the Public
22 Acts of the Extra Session of 1950, ~~as amended,~~ being sections
23 492.101 to 492.141 of the Michigan Compiled Laws.

24 (c) A gift received from a member of the person's immediate
25 family, a relative of a spouse, a relative within the seventh
26 degree of consanguinity as computed by the civil law method, or
27 from the spouse of the relative.

1 (d) A breakfast, luncheon, dinner, or other refreshment
2 consisting of food and beverage provided for immediate
3 consumption.

4 (e) A donation to an officeholder expense fund otherwise
5 reported as required by Act No. 388 of the Public Acts of 1976.
6 ~~, as amended, being sections 169.201 to 169.282 of the Michigan~~
7 ~~Compiled Laws.~~

8 (2) "Immediate family" means a child residing in an
9 individual's household, a spouse of an individual, or an individ-
10 ual claimed by that individual or that individual's spouse as a
11 dependent for federal income tax purposes.

12 (3) "Loan" means a transfer of money, property, or anything
13 of ascertainable value in exchange for an obligation, conditional
14 or not, to repay in whole or in part.

15 Sec. 8. (1) A lobbyist or a lobbyist agent shall file a
16 signed report in a form prescribed UNDER THIS SECTION by the sec-
17 retary of state; ~~under this section.~~ A report shall be filed on
18 January 31 covering the calendar year ending on the immediately
19 preceding December 31, and on August 31 covering the immediately
20 preceding December 31 to July 31. A report shall be filed by a
21 lobbyist or for the lobbyist by the lobbyist agent who acts on
22 behalf of the lobbyist, and the lobbyist agent who acts on his or
23 her own behalf. A lobbyist or a lobbyist agent may request from
24 the secretary of state an extension of the deadline for filing
25 the report for a period not to exceed 60 days. The secretary of
26 state shall respond NOT LATER THAN 9 DAYS AFTER RECEIPT OF THE
27 REQUEST in writing to the request FOR EXTENSION, either approving

1 or disapproving the request. ~~, and if~~ IF THE approval is
2 granted, the SECRETARY OF STATE SHALL INDICATE THE period of the
3 extension. ~~, not later than 9 days after receipt of the~~
4 ~~request.~~ A lobbyist or lobbyist agent may file an amended report
5 within 1 year after the date the report is required to be filed,
6 including an extension period. The report shall be on a
7 ~~prescribed~~ form PRESCRIBED BY THE SECRETARY OF STATE and shall
8 include the following information:

9 (a) A statement updating to the end of the reporting period
10 the information required to be filed under section 7.

11 (b) An account of expenditures made by a lobbyist, lobbyist
12 agent, or representative of a lobbyist. The expenditures shall
13 be reported by category, with the report showing the total amount
14 expended in each category during the preceding reporting period
15 and the cumulative amount expended in each category for the cur-
16 rent year from January 1 through the month covered by the
17 report. Expenditures shall be reported in the following
18 categories:

19 (i) Expenditures for food and beverage provided for public
20 officials as specified in subsection (2).

21 (ii) Advertising and mass mailing expenses directly related
22 to lobbying.

23 (iii) Other expenditures for lobbying made or incurred by a
24 lobbyist, a lobbyist agent, or an employee of a lobbyist or lob-
25 byist agent. ~~, other than expenditures for lobbying made or~~
26 ~~incurred by a lobbyist, a lobbyist agent, or an employee of a~~
27 ~~lobbyist or a lobbyist agent of less than \$5.00 made for goods or~~

1 ~~services for which a receipt or proof of purchase is not normally~~
2 ~~available.~~

3 (c) An account of every financial transaction during the
4 immediately preceding reporting period between the lobbyist or
5 lobbyist agent, or a person acting on behalf of the lobbyist or
6 lobbyist agent, and a public official or a member of the public
7 official's immediate family, or a business with which the indi-
8 vidual is associated, in which goods and services ~~having value~~
9 ~~of at least \$775.00,~~ or travel and lodging expenses paid for or
10 reimbursed to a public official in connection with public busi-
11 ness by that public official ~~in excess of \$500.00,~~ are
12 involved. The account shall include the date and nature of the
13 transaction, the parties to the transaction, and the amount
14 involved in the transaction. This subdivision does not apply to
15 EITHER OF the following:

16 (i) A financial transaction in the ordinary course of the
17 business of the lobbyist, if the primary business of the lobbyist
18 is other than lobbying, and if consideration of equal or greater
19 value is received by the lobbyist.

20 (ii) A financial transaction undertaken in the ordinary
21 course of the lobbyist's business, in which fair market value is
22 given or received for a benefit conferred.

23 (d) A brief description of the lobbying activities engaged
24 in during the previous reporting period.

25 (e) In the case of travel and lodging expenses described in
26 subdivision (c), the lobbyist or lobbyist agent shall prepare a
27 separate document detailing the expenditure required to be

1 reported. The lobbyist or lobbyist agent shall send,
2 simultaneously with the filing of the report to the secretary of
3 state, a copy of the document to the affected legislator.

4 (2) Expenditures for food and beverage provided a public
5 official shall be reported. ~~if the expenditures for that public~~
6 ~~official exceed \$25.00 in any month covered by the report or~~
7 ~~\$150.00 during that calendar year from January 1 through the~~
8 ~~month covered by the report.~~ The report shall include the name
9 and title or office of the public official and the expenditures
10 MADE on that public official for the months covered by the report
11 and for the year. If more than 1 public official is provided
12 food and beverage and a single check is rendered, the report may
13 reflect the average amount of the check for each public
14 official. If the expenditures are a result of an event at which
15 more than 25 public officials were in attendance, are a result of
16 an event to which an entire standing committee of the legislature
17 was invited in writing to be informed concerning a bill that was
18 assigned to that standing committee, or are a result of an event
19 to which an entire caucus of either house of the legislature was
20 invited in writing, a lobbyist or a lobbyist agent shall report
21 the total amount expended on the public officials in attendance
22 for food and beverage and is not required to report the amount
23 expended on the public officials individually. In reporting
24 those amounts, the lobbyist or lobbyist agent shall file a state-
25 ment providing a description by category of the persons in
26 attendance and the nature of each event or function held during
27 the preceding reporting period.

1 (3) A person who, without good cause, fails to report under
2 subsection (1) shall pay a late filing fee of \$10.00 for each day
3 the report remains not filed in violation of subsection (1), not
4 to exceed \$300.00. A person who, without good cause, is in vio-
5 lation of subsection (1) more than 30 days is guilty of a misde-
6 meanor, punishable by a fine of not more than \$1,000.00.

7 (4) If a lobbyist agent employs another lobbyist agent to
8 engage in lobbying, the activities of the employee lobbyist agent
9 shall be reported by the employer lobbyist agent under this
10 section.

11 (5) Within a reasonable time after receipt of a request from
12 an elected public official in regard to a report of a lobbyist or
13 a lobbyist agent, the secretary of state shall report to the
14 elected public official on any reported activity by the lobbyist
15 or lobbyist agent in that report, and shall notify the elected
16 public official of the specific occurrence and the specific
17 nature of the reported activity.

18 (6) The secretary of state shall preserve statements and
19 reports filed under this act for 5 years after filing. The
20 statements and reports may be reproduced pursuant to the records
21 media act, ACT NO. 116 OF THE PUBLIC ACTS OF 1992, BEING SECTIONS
22 24.401 TO 24.403 OF THE MICHIGAN COMPILED LAWS. After the
23 required preservation period, THE SECRETARY OF STATE SHALL
24 DESTROY the statements and reports, or the reproductions of the
25 statements and reports, other than those necessary to complete an
26 investigation by the attorney general or pertinent to a matter
27 being adjudicated in a court of law. ~~, shall be destroyed.~~

1 Sec. 19a. (1) ~~Effective January 1, 1986, the monetary~~
2 ~~amounts established in this act for registration and reporting~~
3 ~~thresholds and for penalties shall be adjusted as of January 1~~
4 ~~pursuant to the percentage increase or decrease in the Detroit~~
5 ~~consumer price index all items. The adjustment for 1986 shall~~
6 ~~be made by comparing the Detroit consumer price index for June,~~
7 ~~1981 to the corresponding Detroit consumer price index for~~
8 ~~August, 1985. The resultant percentage change shall then be~~
9 ~~multiplied by the monetary amounts established in this act on the~~
10 ~~effective date of this section. These results shall be rounded~~
11 ~~up to the nearest dollar and added to the amounts established by~~
12 ~~this act which are \$100.00 or less, and rounded up to the nearest~~
13 ~~\$25.00 and added to the amounts established by this act which are~~
14 ~~more than \$100.00, which shall then be the new amounts for 1986.~~
15 (2) ~~Effective January 1, 1987 and each year thereafter, the~~ THE
16 monetary amounts established in this act for registration ~~and~~
17 ~~reporting~~ thresholds and for penalties shall be adjusted each
18 January 1 pursuant to the annual average percentage increase or
19 decrease in the Detroit consumer price index--all items. The
20 adjustment for each year shall be made by comparing the percen-
21 tage increase or decrease in the Detroit consumer price index for
22 the preceding August by the corresponding Detroit consumer price
23 index--all items 1 year earlier. The resultant percentage change
24 shall then be multiplied by the affected monetary amounts. These
25 results shall be rounded up to the nearest dollar for amounts
26 established on ~~the effective date of this section~~ APRIL 15,
27 1986 which are \$100.00 or less, and rounded up to the nearest

1 \$25.00 for amounts established on ~~the effective date of this~~
2 ~~section~~ APRIL 15, 1986 which are more than \$100.00, and added to
3 or subtracted from the current monetary amounts as previously
4 adjusted by this section which shall be the new amounts for that
5 year.

6 (2) ~~(3)~~ The adjustments shall apply only to expenditures
7 or violations occurring after the date of the adjusting of the
8 amounts.

9 (3) ~~(4)~~ The adjusted amounts shall be determined and
10 announced by the secretary of state on or before December 15 of
11 each year and shall be provided to all persons requesting the
12 adjusted amounts.

13 (4) ~~(5)~~ If the DETROIT CONSUMER PRICE index is unavail-
14 able, the secretary of state shall make a reasonable
15 approximation.