

# SENATE BILL No. 1357

June 1, 2010, Introduced by Senator GEORGE and referred to the Committee on Campaign and Election Oversight.

A bill to regulate political activity; to regulate certain candidates for elective office; to require financial statements and reports; to prescribe the powers and duties of certain state and local governmental officers and agencies; to impose fees; and to prescribe penalties and civil sanctions.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2       "constitutional convention delegate financial disclosure act".

3       Sec. 2. As used in this act:

4       (a) "Candidate" means that term as defined in section 3 of the  
5       Michigan campaign finance act, 1976 PA 388, MCL 169.203.

6       (b) "Earned income" means salaries, tips, and other

1 compensation, and net earnings from self-employment for the taxable  
2 year.

3 (c) "Income" means money or any thing of value received, or to  
4 be received as a claim on future services, whether in the form of a  
5 fee, salary, expense, allowance, forbearance, forgiveness,  
6 interest, dividend, royalty, rent, capital gain, or any other form  
7 of recompense that is considered income under the internal revenue  
8 code of 1986, 26 USC 1 to 9834.

9 (d) "Member of the immediate family" means dependent child,  
10 spouse, or person claimed by the individual or the individual's  
11 spouse as a dependent for federal income tax purposes.

12 (e) "Principal residence" means that term as defined under  
13 section 7dd of the general property tax act, 1893 PA 206, MCL  
14 211.7dd.

15 Sec. 3. If an individual is a candidate for constitutional  
16 convention delegate, that individual shall file with the secretary  
17 of state a report that meets the requirements of section 4 within  
18 30 days after the date on which the individual first receives a  
19 contribution, makes an expenditure, or gives consent for another  
20 person to receive a contribution or make an expenditure with the  
21 purpose or intent of bringing about the individual's nomination or  
22 election, or the date on which the individual forms a candidate  
23 committee as a candidate under section 21 of the Michigan campaign  
24 finance act, 1976 PA 388, MCL 169.221.

25 Sec. 4. Subject to section 5, a report required by section 3  
26 shall include a complete statement of all of the following:

27 (a) The full name, address, and occupation of the individual

1 filing the report.

2 (b) The name of each member of the immediate family of the  
3 individual filing the report.

4 (c) The name and address of each employer of the individual  
5 filing the report during the calendar year covered by the report.

6 (d) Both of the following, as applicable:

7 (i) The source, type, and amount or value of earned income  
8 received during the preceding calendar year by the individual  
9 filing the report if the total earned income from that source  
10 equals \$10,000.00 or more during that calendar year.

11 (ii) The source and type of earned income received during the  
12 preceding calendar year by the spouse of the individual filing the  
13 report if the total earned income from that source equals  
14 \$10,000.00 or more during that calendar year.

15 (e) The source, type, and amount or value of all other income  
16 not reported under subdivision (d) that is received during the  
17 preceding calendar year by the individual filing the report or a  
18 member of the immediate family of that individual if the total  
19 income from that source equals \$10,000.00 or more during that  
20 calendar year.

21 (f) The identity and value of each asset held during the  
22 preceding calendar year by the individual filing the report or a  
23 member of the immediate family of that individual, including real  
24 or personal property or cash, if the asset had a fair market value  
25 of \$10,000.00 or more at any time the asset was held during the  
26 preceding calendar year. However, if the individual filing the  
27 report owns or has an interest in all or a portion of a farm or

1 business, the identity and value of each asset held during the  
2 preceding year that is used in the operation of the farm or  
3 business is not required to be reported under this subdivision if  
4 the report includes a complete statement of the identity and value  
5 of the farm or business.

6 (g) The identity and value of each liability owed during the  
7 preceding calendar year by the individual filing the report or a  
8 member of the immediate family of that individual if the amount of  
9 the liability was \$10,000.00 or more at any time during the  
10 preceding calendar year. This subdivision does not apply to loans  
11 secured by the principal residence of the individual filing the  
12 report or by a personal motor vehicle, household furniture, or  
13 appliance, if the loans do not exceed the greater of the purchase  
14 price or the market value of the item that secures the liability.

15 (h) A brief description and value of a purchase, sale, or  
16 exchange of real property or of stocks, bonds, commodities,  
17 futures, or other forms of securities during the preceding calendar  
18 year by the individual filing the report or a member of the  
19 immediate family of that individual, if the value is \$10,000.00 or  
20 more. This subdivision does not require a description of each  
21 purchase, sale, or exchange of stocks, bonds, commodities, or other  
22 forms of securities if those items are part of a mutual fund and if  
23 the identity and value of the mutual fund is otherwise reported  
24 under this act.

25 (i) Except as otherwise provided by this subdivision, the  
26 identity of all positions held by the individual filing the report  
27 during the preceding calendar year as an officer, director, member,

1 trustee, partner, proprietor, representative, employee, or  
2 consultant of a corporation, limited liability company, limited  
3 partnership, partnership, or other business enterprise; of a  
4 nonprofit organization; of a labor organization; or of an  
5 educational or other institution other than this state. An  
6 individual filing the report who is required to have a license to  
7 practice or engage in a particular occupation or profession is not  
8 required to identify a position held as a consultant of a  
9 corporation unless the corporation is a publicly held corporation  
10 that has shares that are listed or traded over the counter or on an  
11 organized exchange or has gross revenues over \$4,000,000.00. This  
12 subdivision does not require the reporting of a position held in a  
13 religious, social, fraternal, or political entity, or of a position  
14 solely of an honorary nature.

15 (j) If the individual filing the report has an agreement or  
16 has made an arrangement with respect to future employment, a leave  
17 of absence during that individual's term of office, continuation of  
18 payments by a former employer, or continuation of participation in  
19 an employee benefit plan maintained by a former employer, a  
20 description of the agreement or arrangement, including the dates,  
21 parties, and terms.

22 Sec. 5. (1) An amount or value reported under section 4(d),  
23 (e), (f), or (h) shall be reported by category as follows:

24 (a) \$10,000.00 or more but less than \$50,000.00.

25 (b) \$50,000.00 or more but less than \$100,000.00.

26 (c) \$100,000.00 or more but less than \$500,000.00.

27 (d) \$500,000.00 or more.

1 (2) An amount or value reported under section 4(g) shall be  
2 reported by category as follows:

3 (a) \$10,000.00 or more but less than \$50,000.00.

4 (b) \$50,000.00 or more but less than \$100,000.00.

5 (c) \$100,000.00 or more but less than \$500,000.00.

6 (d) \$500,000.00 or more.

7 (3) Instead of specifying the category of the amount or value  
8 of an item in a report under this act, an individual may indicate  
9 the exact amount or value of the item.

10 Sec. 6. The secretary of state shall do all of the following:

11 (a) Prepare and make available appropriate forms and  
12 instructions for the reports required by this act.

13 (b) Receive reports required by this act.

14 (c) As soon as practicable, but not later than the end of the  
15 business day on which a report required to be filed under this act  
16 is received, make the report or all of the contents of the report  
17 available without charge to the public on the internet at a single  
18 website established and maintained by the secretary of state, and  
19 not later than the third business day following the day on which  
20 the report is received, make the report available for public  
21 inspection and reproduction during regular business hours.

22 (d) Promulgate rules and issue declaratory rulings to  
23 implement this act pursuant to the administrative procedures act of  
24 1969, 1969 PA 306, MCL 24.201 to 24.328.

25 (e) Conduct investigations as necessary to determine whether  
26 there is reason to believe that a violation of this act occurred.  
27 Investigations shall be conducted pursuant to the administrative

1 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

2       Sec. 7. (1) A citizen of this state may file a complaint with  
3 the secretary of state alleging a violation of this act. The  
4 secretary of state, upon receipt of a complaint, shall investigate  
5 the allegations as provided in section 6.

6       (2) If the secretary of state, upon investigation, determines  
7 that there is reason to believe that a violation of this act  
8 occurred, the secretary of state shall forward the results of that  
9 investigation to the attorney general for enforcement of this act.

10       Sec. 8. (1) An individual who fails to file a report as  
11 required under this act shall pay a late filing fee not to exceed  
12 \$10,000.00, determined as follows:

13       (a) \$50.00 dollars for each of the first 3 business days that  
14 the report remains unfiled.

15       (b) \$100.00 dollars for each of the next 7 business days after  
16 the first 3 business days that the report remains unfiled.

17       (c) \$1,000.00 dollars for each business day after the first 10  
18 business days that the report remains unfiled.

19       (2) If an individual required to file a report under this act  
20 knowingly files an incomplete or inaccurate report, the individual  
21 is guilty of a misdemeanor punishable by imprisonment for not more  
22 than 90 days or a fine of not more than \$10,000.00, or both.