

HOUSE BILL No. 6286

August 15, 2018, Introduced by Reps. Yancey, LaGrand, Rabhi, Hoadley, Sowerby, Geiss, Zemke, Moss, Chang and Greimel and referred to the Committee on Elections and Ethics.

A bill to regulate political activity; to require certain elected state supreme court justices and judges and candidates for state elective judicial office to file financial statements and reports; to prescribe the powers and duties of certain state officers and agencies; to impose fees; to prescribe penalties and civil sanctions; and to provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "judicial branch personal financial disclosure act".

3 Sec. 2. As used in this act:

4 (a) "Bureau of elections" means the bureau provided for by
5 section 32 of the Michigan election law, 1954 PA 116, MCL 168.32.

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

3 (c) "Candidate for judicial office" means a candidate for
4 justice of the supreme court or judge of a court of record.

5 (d) "Earned income" means salaries, tips, or other
6 compensation, and net earnings from self-employment for the taxable
7 year.

8 (e) "Immediate family of an individual" means a dependent
9 child or spouse of that individual or a person claimed by that
10 individual or that individual's spouse as a dependent for federal
11 income tax purposes.

12 (f) "Income" means money or any thing of value received, or to
13 be received as a claim on future services, whether in the form of a
14 fee, salary, expense, allowance, forbearance, forgiveness,
15 interest, dividend, royalty, rent, capital gain, or any other form
16 of recompense that is considered income under the internal revenue
17 code of 1986, 26 USC 1 to 9834.

18 (g) "Principal residence" means that term as defined under
19 section 7dd of the general property tax act, 1893 PA 206, MCL
20 211.7dd.

21 (h) "State judicial official" means the holder of an office
22 described in subdivision (c).

23 Sec. 3. (1) If an individual is a state judicial official at
24 any time during a calendar year, that individual shall file with
25 the bureau of elections by May 1 of the following year a report
26 that meets the requirements of section 4. This subsection does not
27 apply to an individual who was a state judicial official only on

1 the first day of the calendar year.

2 (2) If an individual is a candidate for state judicial office
3 and has not already filed a report under subsection (1) covering
4 the preceding calendar year, that individual shall file with the
5 bureau of elections a report that meets the requirements of section
6 4 within 30 days after the later of May 1 or the date on which the
7 individual forms a candidate committee as a candidate for state or
8 local office under section 21 of the Michigan campaign finance act,
9 1976 PA 388, MCL 169.221.

10 Sec. 4. (1) Except as provided in section 5, a report required
11 under section 3 must include a complete statement of all of the
12 following:

13 (a) The full name, mailing address, occupation of, and the
14 state office held or sought by, the individual filing the report.

15 (b) The name of each member of the immediate family of the
16 individual filing the report.

17 (c) The name, address, and principal activity of each employer
18 of the individual and of each member of the immediate family of the
19 individual filing the report during the calendar year covered by
20 the report.

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

22 (i) The source and type of earned income received during the
23 preceding calendar year by the individual filing the report if the
24 total earned income from that source equals \$5,000.00 or more
25 during that calendar year.

26 (ii) The source and type of earned income received during the
27 preceding calendar year by each member of the immediate family of

1 the individual filing the report if the total earned income from
2 that source equals \$5,000.00 or more during that calendar year.

3 (e) The source and type of all other income not reported under
4 subdivision (d) that is received during the preceding calendar year
5 by the individual filing the report or a member of the immediate
6 family of that individual if the total income from that source
7 equals \$5,000.00 or more during that calendar year.

8 (f) Excluding a primary residence, the address of each parcel
9 of real property held during the preceding calendar year by the
10 individual filing the report or a member of the immediate family of
11 that individual if the real property had a fair market value of
12 \$50,000.00 or more at any time the real property was held during
13 the preceding calendar year. An individual filing a report may
14 exclude the street number of a parcel of real property listed under
15 this subdivision.

16 (g) A description of any stocks, bonds, commodities, futures,
17 shares in mutual funds, or other forms of securities held by the
18 individual filing the report or a member of the immediate family of
19 that individual during the preceding calendar year, if the total
20 aggregate value of a security had a fair market value of \$10,000.00
21 or more at any time the security was held during the preceding
22 calendar year.

23 (h) A description of any interest in 1 of the following types
24 of assets, if the interest in the asset has a value of \$10,000.00
25 or more at any time the asset was held during the preceding
26 calendar year:

27 (i) A qualified or nonqualified annuity.

1 (ii) A benefit under a qualified or nonqualified plan of
2 deferred compensation.

3 (iii) An account in, or benefit payable under, any pension,
4 profit-sharing, stock bonus, or other qualified retirement plan.

5 (iv) An individual retirement account or trust.

6 (v) A benefit under a plan or arrangement that is established
7 under section 401, 403, 408, 408A, or 457 of the internal revenue
8 code of 1986, 26 USC 401, 403, 408, 408A, and 457, or a similar
9 provision of the internal revenue code of 1986, 26 USC 1 to 9834.

10 (i) Except as otherwise provided under this subdivision, the
11 identity of all compensated positions held by the individual filing
12 the report or a member of the immediate family of that individual
13 during the preceding calendar year as an officer, director, member,
14 trustee, partner, proprietor, representative, employee, or
15 consultant of a corporation, limited liability company, limited
16 partnership, partnership, or other business enterprise; of a
17 nonprofit organization; of a labor organization; or of an
18 educational or other institution other than this state, if the
19 total compensation received from a position equals \$1,000.00 or
20 more during that calendar year. A position reported under this
21 subdivision must include the title of the position, the name of the
22 entity within which the position exists, and the principal activity
23 of the entity.

24 (j) If the individual filing the report or a member of the
25 immediate family of that individual was required during the
26 previous calendar year to register as a lobbyist or lobbyist agent
27 under section 7 of 1978 PA 472, MCL 4.417, the name, address, and

1 principal activity of all persons who gave compensation to or
2 reimbursed the individual or immediate family member for lobbying.
3 As used in this subdivision, "immediate family" includes the parent
4 of an individual and the spouse of a child of an individual.

5 (k) A description of any interest the individual filing the
6 report or a member of the immediate family of that individual has
7 in a legal entity that conducts business in this state, if the
8 interest has a book value of \$10,000.00 or more, unless the entity
9 has shares that are listed or traded over the counter or on an
10 organized exchange.

11 (2) Information an individual is required to report under this
12 section includes information with respect to the holdings of and
13 the income from a trust, blind trust, or other financial
14 arrangement from which income is received by, or with respect to
15 which a beneficial interest in principal or income is held by, an
16 individual required to file a report under this section or an
17 immediate family member of the individual. As used in this
18 subsection:

19 (a) "Beneficial interest" includes, but is not limited to, the
20 interest in a trust of a qualified trust beneficiary or a trust
21 beneficiary as those terms are defined in section 7103 of the
22 estates and protected individuals code, 1998 PA 386, MCL 700.7103.

23 (b) "Blind trust" means that term as defined in 5 CFR
24 2634.403.

25 Sec. 5. A person filing a report under section 3 may omit any
26 of the following:

27 (a) Information a person is required to report under the

1 Michigan campaign finance act, 1976 PA 388, MCL 169.201 to 169.282.

2 (b) An item otherwise required to be reported under section
3 4(1)(f) or (g) if all of the following apply:

4 (i) The item represents the sole financial interest and
5 responsibility of a member of the immediate family of the
6 individual filing the report about which the individual filing the
7 report does not have actual knowledge.

8 (ii) The item is not in any way, past or present, derived from
9 the income, assets, or activities of the individual filing the
10 report.

11 (iii) The individual filing the report does not derive, or
12 expect to derive, financial benefit from the item.

13 (c) An item that concerns a spouse who is living separate and
14 apart from the individual filing the report with the intention of
15 terminating the marriage or maintaining a legal separation.

16 (d) An item that concerns income or obligations of the
17 individual filing the report arising from dissolution of his or her
18 marriage or a permanent legal separation from his or her spouse.

19 (e) Compensation from a publicly held corporation that has
20 shares that are listed or traded over the counter or on an
21 organized exchange paid to a business owned by the individual
22 filing the report or in which the individual filing the report has
23 an interest, if the report under section 4 includes a complete
24 statement of the identity and value of that business.

25 (f) Benefits received under the social security act, chapter
26 531, 49 Stat 620.

27 Sec. 6. The bureau of elections shall do all of the following:

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

3 (b) Receive reports required by this act.

4 (c) As soon as practicable, but not later than the end of the
5 business day on which a report required to be filed under this act
6 is received, make the report or all of the contents of the report
7 available without charge to the public on the internet at a single
8 website established and maintained by the secretary of state, and
9 not later than the third business day following the day on which
10 the report is received, make the report available for public
11 inspection and reproduction during regular business hours.

12 (d) Promulgate rules and issue declaratory rulings to
13 implement this act under the administrative procedures act of 1969,
14 1969 PA 306, MCL 24.201 to 24.328.

15 (e) Conduct investigations as necessary to determine whether
16 there is reason to believe that a violation of this act occurred.
17 The bureau of elections shall conduct an investigation under the
18 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
19 24.328.

20 Sec. 7. (1) A citizen of this state may file a complaint with
21 the bureau of elections alleging a violation of this act. If it
22 receives a complaint, the bureau of elections shall investigate the
23 allegations as provided in section 6.

24 (2) If the bureau of elections determines after an
25 investigation that there is reason to believe a violation of this
26 act occurred, the bureau of elections shall forward the results of
27 that investigation to the attorney general for enforcement of this

1 act. However, if the attorney general is the subject of the
2 complaint and the bureau of elections determines after an
3 investigation that there is reason to believe that the attorney
4 general violated this act, the bureau of elections shall instead
5 forward the results of the investigation to the prosecuting
6 attorney for Ingham County for enforcement of this act.

7 (3) The attorney general shall enforce this act against an
8 individual who violates this act.

9 Sec. 8. (1) An individual who fails to file a report as
10 required under this act shall pay a late filing fee of not more
11 than \$5,000.00, determined as follows:

12 (a) Twenty-five dollars for each of the first 10 business days
13 that the report remains unfiled.

14 (b) Fifty dollars for each business day after the first 10
15 business days that the report remains unfiled.

16 (2) If an individual required to file a report under this act
17 knowingly files an incomplete or inaccurate report, the individual
18 is guilty of a misdemeanor punishable by a fine of not more than
19 \$10,000.00.

20 (3) A default in the payment of a fee or civil fine due or
21 ordered under this act, or an installment of the fee or fine, may
22 be remedied by any means available under the revised judicature act
23 of 1961, 1961 PA 236, MCL 600.101 to 600.9947.

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