Legislative Analysis

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FINES FOR IMPERMISSIBLE GIFTS

House Bill 4692 as reported from committee
Sponsor: Rep. Helena Scott
1st Committee: Elections and Ethics
2nd Committee: Rules and Competitiveness
Complete to 6-8-21

SUMMARY:

House Bill 4692 would amend 1978 PA 472, known as the lobbyist registration act, to increase the fine for the giving of an impermissible gift.

Currently, if a person gives a gift with a value of $3,000 or less, the person is guilty of a misdemeanor with a penalty of imprisonment for up to 90 days or a fine of up to $5,000, or both. The bill would retain the misdemeanor classification and the maximum term of imprisonment but increase the maximum fine to $7,500. For a ***person*** who is not an individual, the penalty is, and would remain, a fine of up to $10,000.

> ***Person*** is defined in the act as a business, individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, labor organization, company, corporation, association, committee, or any other organization or group of persons acting jointly, including a state agency or political subdivision of the state.

The bill would also allow the court to order the person to pay a civil fine of up to $2,000 for each violation.

Giving an impermissible gift with a value of more than $3,000 is, and would remain, a felony punishable by imprisonment for up to three years or a fine of up to $10,000, or both (or by a fine of up to $25,000 if the person is not an individual).

The impermissible gifts could include a gift or loan other than a loan made in the normal course of business or a preferential interest rate solely because the credit applicant is a public official or an official's family member.

The bill would take effect January 1, 2022.

MCL 4.421

FISCAL IMPACT:

House Bill 4692 would have an indeterminate fiscal impact on local units of government. Any increase in the amount of civil fine revenue collected, resulting from either an increase in the amount of the civil fine imposed or to a newly created civil fine, would increase funding for public and county law libraries. The fiscal impact on local court systems would depend on how provisions of the bill affected court caseloads and related administrative costs.

POSITIONS:

The Department State indicated support for the bill. (4-27-21)

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