



Senate Fiscal Agency
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Senate Bills 99 and 100 (as passed by the Senate)

Sponsor: Senator Jeremy Moss (S.B. 99)

Senator Ed McBroom (S.B. 100)

Committee: Oversight

Date Completed: 5-9-25

RATIONALE

Public Acts 613 and 614 of 2023 codified Proposal 22-1's Constitutional requirement for financial disclosure for members of the Legislature, the Governor, the Secretary of State (SOS), and the Attorney General (see **BACKGROUND**). They also expanded provisions to include financial disclosure requirements for candidates for office. According to testimony before the Senate Committee on Oversight, during the first-year implementation, the SOS requested an opinion from the Attorney General on whether the implementation matched the intent of the proposal. Attorney General Dana Nessel released an opinion specifying the need for more information related to sources of unearned income and gifts, among other changes.¹ Accordingly, it has been suggested to codify the contents of the opinion to better align the disclosure laws with Proposal 22-1's intent.

CONTENT

Senate Bill 99 would amend the Public Officers Financial Disclosure Act to do the following:

- **Require a public officer to report the occupation of the public officer's spouse and the name of the employer or employers of the spouse only if the spouse received at least \$1,000 in annual income.**
- **Specify that reporting requirements for unearned income and securities would have to include the origin and address of the sources and securities.**
- **Require a public officer to include the name of the lobbyist or lobbyist agent that made the gift payment, travel payment, or payment to a charity in lieu of honorarium to the officer.**
- **Require the Department of State to make available the most recent version of the reporting form by March 1, 2025.**
- **Require the SOS to accept statements and reports required to be filed with the SOS that were submitted via email as an alternative to the Act's electronic filing system and apply this requirement retroactively.**

Senate Bill 100 would amend the Candidate for Office Financial Disclosure Act to do the following:

- **Specify that the term "candidate for office" would mean a candidate who intended to appear on the ballot, in addition to current criteria.**

¹ "AG Nessel Issues Formal Opinion on Questions Related to Public Officers Financial Disclosure Act". Michigan Department of Attorney General. June 5, 2024. <https://www.michigan.gov/ag/news/press-releases/2024/06/05/ag-nessel-issues-formal-opinion-on-questions-related-to-public-officers-financial-disclosure-act>. Retrieved 2-27-25.

- **Require a candidate for office to report the occupation of the candidate's spouse and the name of the employer or employers of the spouse only if the spouse received at least \$1,000 in annual income.**
- **Specify that reporting requirements for unearned income and securities would have to include the origin and address of the sources and securities.**
- **Require the Department of State to make available the most recent version of the reporting form by March 1, 2026.**
- **Require the SOS to accept statements and reports required to be filed with the SOS that were submitted via email as an alternative to the Act's electronic filing system and apply this requirement retroactively.**

Senate Bills 99 & 100

Public Officer and Candidate for Office Reporting Requirements

The Public Officers Financial Disclosure Act and the Candidate for Office Financial Disclosure Act require a public officer and a candidate for office to file an annual financial disclosure report with the Department of State.

"Public officer" means all the following:

- A State representative.
- A State senator.
- The Attorney General.
- The Governor.
- The Lieutenant Governor.
- The SOS.

"Candidate for office" means a candidate for any of those offices described above who is subject of the Michigan Campaign Finance Act and whose candidate committee received or spent more than \$1,000 during the election cycle. The bill specifies that the term would apply to a candidate that met the criteria above and who intended to appear on the ballot during the election cycle.

Among other things, the financial disclosure report must include the name of the spouse of the public officer or candidate for office, the occupation of the public officer's or candidate's spouse, and the name of the employer or employers of the public officer's or candidate's spouse. Each bill would modify this requirement to specify that the public officer or candidate for office would have to report the occupation of the spouse and the name of the employer or employers of the spouse if the spouse received at least \$1,000 in annual income.

The Candidate for Office Financial Disclosure Act requires a candidate for office to report the name and address of the candidate's employer and the positions held during the reporting period if the candidate received at least \$1,000 during the reporting period. The bill specifies that this would apply to all a candidate's employers, if the candidate had multiple employers.

Additionally, the report must include a list of each of the public officer's or candidate for office's assets, excluding a business asset, held for investment or production of income with a fair market value of \$1,000 or more during the reporting period and any sources of unearned income that exceed \$200 during the reporting period. The report also must include a list of any stocks, bonds, or other forms of securities held by the public officer or candidate for office or held jointly with the public officer's or candidate for office's spouse during the reporting period, if the security has a total aggregate fair market value of \$1,000 or more. The Act specifies that these items must be adjusted at the rate of the Consumer Price Index every

four years. The bill specifies that the officer or candidate would have to report the origin and address of the sources of unearned income and securities.

"Consumer Price Index" would mean the most comprehensive index of consumer prices available for the Detroit-Warren-Dearborn area from Bureau of Labor Statistics of the United States Department of Labor.

Finally, a public officer must include in the report a list of all gifts and travel payments received and reported by a lobbyist or lobbyist agent under State law and a list of each payment by a lobbyist or lobbyist agent to a charity in lieu of honoraria. The bill specifies that each list also would have to include the name of the lobbyist or lobbyist agent that made the payment.

Disclosure Form

The Acts require the Department of State to create a standard financial disclosure form for use by a public officer and a form for candidates for office and make the forms easily available on its website. The bill would require the Department to make the most current version of the form for public officers available on its website by March 15, 2025, and the most current version of the form for candidates available on its website by March 15, 2026.

Email Submitted Reports

Among other things, the Acts require the SOS to make forms and instructions available and to create and operate an internet-accessible system to receive the statements and reports the Acts require. Under the bill, the SOS also would have to accept statements and reports required to be filed with the SOS that were submitted via email as an acceptable alternative to the electronic filing system. This provision also would apply retroactively to statements and reports submitted by email for the reporting period of January 1, 2023, to December 31, 2023.

MCL 15.703 (S.B. 99)
169.303 (S.B. 100)

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

Senate Bills 99 and 100 are respectively similar to Senate Bills 1196 and 1197 of the 2023-2024 Legislative Session. Senate Bills 1196 and 1197 passed the Senate and were referred to the House Committee on Government Operations but received no further action.

BACKGROUND

"Report" means the financial disclosure report under Section 10 of Article IV of the State Constitution. In March 2022, the Board of State Canvassers approved the form and summary of an initiative petition sponsored by a group called Voters for Transparency and Term Limits. Generally, the initiative petition sought to amend the Michigan Constitution to require members of the Legislature, the Governor, the SOS, and the Attorney General to file annual public financial disclosure reports and modify Michigan's term limits requirement to allow an individual to serve a total of 12 years in any combination between the Senate and the House. The organization would have had to collect over 425,000 signatures by July 11, 2022, to have the initiation petition placed on the November ballot; however, that threshold was not reached. Instead, the House and Senate adopted House Joint Resolution R during the 2021-2022 Legislative Session, which placed the initiative on the ballot as Proposal 22-1. The Proposal passed with 66.45% of the vote during the November general election.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Modifying and clarifying the process for financial disclosure is necessary to address implementation concerns for SOS staff and for those required to submit such reports. In the SOS's request for an opinion from the Attorney General, the SOS noted that while the disclosure requirements were added to the Michigan Constitution in 2022, the legislative implementation language was enacted December 29, 2023, and required that the public disclosure portal be launched by March 15, 2024, and that filing conclude by April 15.² According to testimony before the Senate Committee on Oversight, the short implementation period lead to many legislators having difficulty properly filing with the SOS during the first submission. The bill would address the user errors and issues and allow candidates for public office and public officers to properly file these reports.

Opposing Argument

Requiring the SOS to accept reports via email is too burdensome. According to testimony, the current submission forms compile the candidate's for office or public officer's information into the public disclosure portal automatically. Allowing email submissions would require the SOS staff to manually insert the emailed answers line by line into the portal, which would be too timely and cumbersome.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco, Jr.

² Benson, J., "Request for Attorney General Opinion" April 8, 2024.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.