



**House  
Legislative  
Analysis  
Section**

Olds Plaza Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

**BAN HONORARIA**

House Bill 4371 as enrolled  
Public Act 385 of 1994  
Second Analysis (1-5-95)

**Sponsor: Rep. Dianne Byrum**  
**House Committee: House Oversight and  
Ethics**  
**Senate Committee: Government  
Operations**

***THE APPARENT PROBLEM:***

Public confidence in government depends partly on citizens believing that elected public officials exercise judgment and make decisions based on honest, informed assessments of what is in the public interest. All too often, the public's perception is that decisions and actions are driven by so-called special interests whose influence derives from campaign contributions and special favors to public officials. One area of potential abuse is that of honoraria, the payment of fees to elected officials by professional groups, trade associations, and similar organizations for speeches, articles, panel discussions, and similar appearances. While this is not considered a problem in Michigan at present, because it reportedly happens rarely, it remains a concern for those interested in improving laws governing campaign finance and professional ethics.

***THE CONTENT OF THE BILL:***

The bill would amend the Campaign Finance Act to prohibit a legislator from accepting an honorarium. A violation would be a misdemeanor, punishable by a fine of not more than \$1,000 or imprisonment for not more than 90 days or both.

The term "honorarium" would be defined as a payment of money to a person holding elective office as consideration for an appearance, a speech, an article, or any activity related to or associated with the performance of duties as an elective official. The term would not include: (a) reimbursement for the cost of transportation, accommodation, or meals for the person; (b) wages, salaries, other employee compensation, and expenses authorized to be paid by the state or a political subdivision of the state to the office holder; or (c) an award. An award would mean a plaque,

trophy, certificate, bust, ceremonial gavel, or memento.

The bill would take effect January 1, 1995.

MCL 169.202 and 169.207

***FISCAL IMPLICATIONS:***

The Senate Fiscal Agency reports that the bill would have no fiscal impact on state or local government. (12-5-94)

***ARGUMENTS:***

***For:***

When legislators make a speech, participate in a panel discussion, or otherwise make an appearance as part of their official duties, they should not accept payment. Legislators know, or should know, what their responsibilities and rates of compensation will be when they take on an office, and should be willing to carry out the responsibilities of that office without extra, outside compensation. It creates a bad public impression for an elected official to take money for a speech before a group with an interest in matters or issues on which the elected official will have influence.

***Response:***

The bill does not go far enough. It only applies to legislators, for one thing. An earlier version of the bill would have applied to all state and local elected officials. It also does not cover, for example, transportation, accommodations, or meals paid on behalf of a legislator by an interest group sponsoring a convention or conference, which is a more likely occurrence than the paying of honoraria. At the very least, all such things should be reported.

House Bill 4371 (1-5-95)

(Reportedly, such payments now must only be reported when they exceed \$750 and only when made by a registered lobbyist.)