

# HOUSE BILL NO. 4684

April 21, 2021, Introduced by Reps. Bolden and Fink and referred to the Committee on Elections and Ethics.

A bill to amend 1968 PA 318, entitled

"An act to implement the provisions of section 10 of article 4 of the constitution relating to substantial conflicts of interest on the part of members of the legislature and state officers in respect to contracts with the state and the political subdivisions thereof; to provide for penalties for the violation thereof; to repeal all acts and parts of acts in conflict with this act; and to validate certain contracts,"

(MCL 15.301 to 15.310) by adding section 7a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**1           Sec. 7a. (1) Not later than February 1 each year, a legislator**

1 shall file with the committee, and with the secretary of the senate  
2 or the clerk of the house of representatives, as applicable, a  
3 confidential report that meets the requirements under this section.

4 (2) Except as otherwise provided under subsection (4), a  
5 report required under subsection (1) must contain a complete  
6 statement of all of the following:

7 (a) The full name, mailing address, and occupation of the  
8 individual filing the report.

9 (b) The name of each member of the immediate family of the  
10 individual filing the report who is not a dependent child and the  
11 number of members of the immediate family of the individual filing  
12 the report who are dependent children.

13 (c) The name, address, and principal activity of each employer  
14 of the individual and of each member of the immediate family of the  
15 individual filing the report during the calendar year covered by  
16 the report if the individual's or member's total earned income from  
17 the employer equals \$5,000.00 or more during that calendar year.

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

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

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

27 (e) The source and type of all other income not reported under  
28 subdivision (d) that is received during the preceding calendar year  
29 by the individual filing the report or a member of the immediate

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

3 (f) Excluding a primary residence, the address of each parcel  
4 of real property held during the preceding calendar year by the  
5 individual filing the report or a member of the immediate family of  
6 that individual if the real property had a fair market value of  
7 \$50,000.00 or more at any time the real property was held during  
8 the preceding calendar year. An individual filing a report may  
9 exclude the street number of a parcel of real property listed under  
10 this subdivision.

11 (g) A description of any stocks, bonds, commodities, futures,  
12 shares in mutual funds, or other forms of securities held by the  
13 individual filing the report or a member of the immediate family of  
14 that individual during the preceding calendar year, if the security  
15 has a total aggregate fair market value of \$10,000.00 or more on  
16 the date the report is filed.

17 (h) A description of any interest in any of the following  
18 types of assets held by the individual filing the report or a  
19 member of the immediate family of that individual, if the interest  
20 in the asset has a value of \$10,000.00 or more on the date the  
21 report was filed:

22 (i) A qualified or nonqualified annuity.

23 (ii) A benefit under a qualified or nonqualified plan of  
24 deferred compensation.

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

27 (iv) An individual retirement account or trust.

28 (v) A benefit under a plan or arrangement that is established  
29 under section 401, 403, 408, 408A, or 457 of the internal revenue

1 code of 1986, 26 USC 401, 403, 408, 408A, and 457, or a similar  
2 provision of the internal revenue code of 1986, 26 USC 1 to 9834.

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

16 (j) If the individual filing the report or a member of the  
17 immediate family of that individual was required during the  
18 previous calendar year to register as a lobbyist or lobbyist agent  
19 under section 7 of 1978 PA 472, MCL 4.417, the name, address, and  
20 principal activity of all persons who gave compensation to or  
21 reimbursed the individual or immediate family member for lobbying.  
22 As used in this subdivision only, "immediate family member" also  
23 includes the child of an individual, whether dependent or not,  
24 parent of an individual, and spouse of a child of an individual.

25 (k) A description of any interest the individual filing the  
26 report or a member of the immediate family of that individual had  
27 during the preceding calendar year in a legal entity that conducts  
28 business in this state, if the interest has a book value of  
29 \$10,000.00 or more, unless the entity has shares that are listed or

1 traded over the counter or on an organized exchange.

2 (3) An individual is not required to disclose any value of any  
3 real or personal property disclosed under subsection (2).

4 (4) An individual filing a report under subsection (1) may  
5 omit the following from the report:

6 (a) Information an individual is required to report under the  
7 Michigan campaign finance act, 1976 PA 388, MCL 169.201 to 169.282.

8 (b) An item required to be reported under subsection (2)(f) or  
9 (g) if all of the following apply:

10 (i) The item represents the exclusive financial interest and  
11 responsibility of a member of the immediate family of the  
12 individual filing the report about which the individual filing the  
13 report does not have actual knowledge.

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

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

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

22 (d) An item that concerns income of the individual filing the  
23 report or a member of the immediate family of that individual  
24 arising from dissolution of the individual's or member's marriage  
25 or a permanent legal separation from the individual's or member's  
26 spouse.

27 (e) Compensation from a publicly held corporation that has  
28 shares that are listed or traded over the counter or on an  
29 organized exchange paid to a business owned by the individual

1 filing the report or in which the individual filing the report has  
2 an interest, if the report under subsection (1) includes a complete  
3 statement of the identity and value of that business.

4 (f) Benefits received under the social security act, chapter  
5 531, 49 Stat 620.

6 (5) Subject to subsection (6), information an individual is  
7 required to report under this section includes information with  
8 respect to the income from a trust or other financial arrangement  
9 from which income is received by, or with respect to which a  
10 beneficial interest in principal or income is held by, an  
11 individual required to file a report under this section or a member  
12 of the immediate family of that individual.

13 (6) If an individual required to file a report under this  
14 section or an immediate family member of the individual holds a  
15 beneficial interest in a blind trust, the individual is not  
16 required to include the interests or assets of the blind trust in  
17 his or her statement under subsection (1). However, the individual  
18 must indicate in his or her report that the individual or the  
19 immediate family member of the individual holds a beneficial  
20 interest in a blind trust.

21 (7) As used in this section:

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

26 (b) "Blind trust" means a qualified blind trust as that term  
27 is defined in 5 CFR 2634.402 or a qualified diversified trust as  
28 that term is defined in 5 CFR 2634.402.

29 (c) "Committee" means the committee created or designated by

1 the state house of representatives or state senate under section 7,  
2 as applicable.

3 (d) "Earned income" means salary, tips, or other compensation,  
4 and net earnings from self-employment for the taxable year.

5 (e) "Immediate family of an individual", except as otherwise  
6 provided in this section, means a spouse, dependent child, or a  
7 person claimed as a dependent by the individual or the individual's  
8 spouse for federal income tax purposes.

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

15 (g) "Legislator" means a state representative or state  
16 senator.

17 Enacting section 1. This amendatory act takes effect January  
18 1, 2022.

19 Enacting section 2. This amendatory act does not take effect  
20 unless Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
21 00307'21) of the 101st Legislature is enacted into law.