Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 1196 and 1197 (reported without amendment)
Senate Bill 1198 (Substitute S-1 as reported)
Sponsor: Senator Jeremy Moss (S.B. 1196)
       Senator Ed McBroom (S.B. 1197)
       Senator Sam Singh (S.B. 1198)
Committee: Oversight

CONTENT

Senate Bill 1196 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 Honoria to the officer.
-- Require the Department of State to make available the most recent reporting form by March 1, 2025.
-- Require the Secretary of State (SOS) to accept emailed statements and reports that were otherwise required to be filed with the SOS via the Act's electronic filing system.

Senate Bill 1197 would amend the Candidate for Office Financial Disclosure

-- Modify the definition of "candidate for office" to specify that the term would mean that the candite intended to appear on the ballot during the election cycle.
-- 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 reporting form by March 1, 2025.
-- Require the SOS to accept emailed statements and reports that were otherwise required to be filed with the SOS via the Act's electronic filing system.

Senate Bill 1198 (S-1) would amend the lobbyist registration Act to modify the definition of "gift" to specify that it would not include tickets to a charity event or admission to a conference or educational event that was directly related to the accepting public official's duties. Additionally, the bill would prescribe the method to determine the fair market value of an item or service.

MCL 15.703 et al (S.B. 1196)
     169.303 et al (S.B. 1197)
     4.413 et al. (S.B. 1198)

BRIEF 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 SOS, and the Attorney General, and expanded its 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 direction on sources of unearned income and gifts, among other directions.[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.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

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

Date Completed: 12-12-24   Fiscal Analyst: Joe Carrasco, Jr.

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[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 Received 12-11-24.