

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 614

A bill to require certain candidates for state elective office to file financial disclosure reports; to create a financial disclosure form; to prescribe penalties and civil sanctions; and to provide for the powers and duties of certain state and local governmental officers and entities.

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

1           Sec. 1. (1) This act may be cited as the "candidate for office  
2 financial disclosure act".

3           (2) The financial disclosures required by this act represent a  
4 minimum expectation of transparency, and individuals subject to  
5 this act are encouraged to make financial disclosures in addition  
6 to those required by this act.

7           Sec. 3. As used in this act:

1 (a) "Candidate" means that term as defined in section 3 of the  
2 Michigan campaign finance act, 1976 PA 388, MCL 169.203.

3 (b) "Candidate for office" means a candidate for any of the  
4 following offices who is subject to the Michigan campaign finance  
5 act, 1976 PA 388, MCL 169.201 to 169.282, and whose candidate  
6 committee received or expended more than \$1,000.00 during the  
7 election cycle:

8 (i) Governor.

9 (ii) Lieutenant governor.

10 (iii) Secretary of state.

11 (iv) Attorney general.

12 (v) State representative.

13 (vi) State senator.

14 (c) "Department" means the department of state.

15 (d) "Earned income" means salaries, wages, tips, bonuses,  
16 commissions, or other compensation or earnings from employment  
17 earned during the reporting period.

18 (e) "Form" means the financial disclosure form created by the  
19 department in accordance with section 11.

20 (f) "Gift" means that term as defined in section 7 of the  
21 Michigan campaign finance act, 1976 PA 388, MCL 169.207.

22 (g) "Honorarium" means that term as defined in section 7 of  
23 the Michigan campaign finance act, 1976 PA 388, MCL 169.207.

24 (h) "Liabilities" means what a person owes to another person,  
25 including, but not limited to, mortgages or other debts. For  
26 purposes of this act, a debt does not include a revolving debt, an  
27 unsecured debt that is from a financial institution or the federal  
28 government, or a debt owed by a business entity.

29 (i) "Report" means the financial disclosure report required

1 under section 10 of article IV of the state constitution of 1963.

2 (j) "Reporting period" means the preceding calendar year.

3 (k) "Spouse" means an individual who is lawfully married to a  
4 candidate for office as described under 26 CFR 30.7701-18.

5 (l) "Unearned income" means income that is not earned from  
6 employment, including, but not limited to, financial prize,  
7 unemployment benefits, annuities, stock dividends, deferred  
8 compensation, pension, profit sharing, or retirement income.  
9 Unearned income does not include inheritance money or a familial  
10 gift.

11 Sec. 5. (1) A candidate for office shall file a financial  
12 disclosure report with the department.

13 (2) Subject to subsection (4), the report required under this  
14 section must first be filed by May 15, 2024, and by May 15 of each  
15 year thereafter in which there is an election involving a candidate  
16 for office, or if the candidate for office files a statement of  
17 organization for that candidate's candidate committee after May 15  
18 in order to be nominated by a political party at the political  
19 party's nominating convention, the report required to be filed  
20 under this subsection must be filed no later than 15 days after  
21 that candidate files the statement of organization for that  
22 candidate's candidate committee.

23 (3) If a candidate for office who is required to file a report  
24 under this act receives notice from the secretary of state under  
25 section 13(1)(g), the candidate for office shall, within 9 business  
26 days after receiving the notice, file corrections to the errors or  
27 omissions or file the report, as applicable.

28 (4) If a candidate for office is not elected, that candidate  
29 for office is not required to file the report required under this

1 section for any year after the year in which the candidate for  
2 office ran for that public office unless that candidate runs again  
3 as a candidate for office.

4 Sec. 7. (1) A report required under section 5 must include a  
5 complete statement of all of the following:

6 (a) The full name, mailing address, telephone number, and  
7 email address of the candidate for office.

8 (b) The name and address of the employer of the candidate for  
9 office and the positions held during the reporting period, if the  
10 candidate for office receives \$1,000.00 or more in annual income  
11 from each position.

12 (c) The name of the spouse of the candidate for office, the  
13 occupation of the spouse of the candidate for office, and the name  
14 of the employer or employers of the candidate for office's spouse.

15 (d) Whether the spouse of the candidate for office was  
16 registered as a lobbyist or lobbyist agent under 1978 PA 472, MCL  
17 4.411 to 4.431, during the reporting period.

18 (e) A list of all positions currently held as an officer,  
19 director, trustee, partner, proprietor, representative, employee,  
20 or consultant of any organization, corporation, firm, partnership,  
21 or other business enterprise, nonprofit organization, labor  
22 organization, or educational or other institution other than this  
23 state. If this subdivision applies, the candidate for office shall  
24 include the name of the organization. For purposes of this  
25 subdivision, positions held in any religious, social, fraternal, or  
26 political entity, or positions that are solely of an honorary  
27 nature, are excluded.

28 (f) The source of earned income received during the reporting  
29 period by the candidate for office. For purposes of this

1 subdivision, the candidate for office must report each source of  
2 income received during the reporting period that is \$1,000.00 or  
3 more.

4 (g) Except as otherwise provided in this subdivision, a list  
5 of each asset, excluding a business asset, held for investment or  
6 production of income with a fair market value of \$1,000.00 or more  
7 during the reporting period and any sources of unearned income that  
8 exceed \$200.00 during the reporting period. The fair market value  
9 for the purpose of listing each asset, excluding a business asset,  
10 held for investment or production of income under this subdivision  
11 must be adjusted for inflation every 4 years using the Detroit  
12 Consumer Price Index, and rounded up to the nearest \$1,000.00.

13 (h) A list of all liabilities that exceed \$10,000.00 owed by  
14 the candidate for office to a creditor at any time during the  
15 reporting period.

16 (i) Except as otherwise provided in this subdivision, a list  
17 of any stocks, bonds, or other forms of securities held by the  
18 candidate for office or held jointly with the spouse of the  
19 candidate for office during the reporting period, if the security  
20 has a total aggregate fair market value of \$1,000.00 or more. The  
21 fair market value for the purpose of listing stocks, bonds, or  
22 other forms of securities under this subdivision must be adjusted  
23 for inflation every 4 years using the Detroit Consumer Price Index,  
24 and rounded up to the nearest \$1,000.00. For purposes of this act,  
25 a candidate for office is not required to disclose a stock in a  
26 widely held investment fund, including, but not limited to, a  
27 mutual fund, regulated investment company, pension or deferred  
28 compensation plan, or other investment fund, if both of the  
29 following apply:

1           (i) Either the fund is publicly traded or the assets of the  
2 fund are widely diversified.

3           (ii) The candidate for office or the candidate for office's  
4 spouse does not exercise control over or have the ability to  
5 exercise control over the financial interests held by the fund.

6           (j) A list of any real property in which the candidate for  
7 office holds an ownership or other financial interest. For purposes  
8 of this subdivision, the candidate for office is required to  
9 include a real property in the report only if that real property  
10 has a fair market value of \$1,000.00 or more during the reporting  
11 period. A candidate for office filing a report may exclude the  
12 street number of a parcel of real property under this subdivision.

13           (k) The date, identity of parties to, and general terms of any  
14 agreements or arrangements with respect to future employment, a  
15 leave of absence while a candidate for office, continuation or  
16 deferral of payments by a former or current employer other than  
17 this state, or continuing participation in an employee welfare or  
18 benefit plan maintained by a former employer.

19           (l) If applicable, a statement indicating that the candidate  
20 for office or the spouse of the candidate for office is a  
21 registered vendor with this state, has a majority interest in a  
22 company that is a registered vendor with this state, or is employed  
23 by a company that is a registered vendor with this state. If the  
24 candidate for office or the spouse of the candidate for office is a  
25 registered vendor with this state or has a majority interest in a  
26 company that is a registered vendor with this state, the candidate  
27 for office shall include the name of the company and a description  
28 of all contracts entered into with this state by the candidate for  
29 office, public spouse of the candidate for office, or company in

1 which the candidate for office or spouse of the candidate for  
2 office has a majority interest during the reporting period. If the  
3 candidate for office or spouse of the candidate for office is  
4 employed by a company that is a registered vendor with this state,  
5 the candidate for office shall include the name of the company and  
6 a description of all contracts entered into with this state that  
7 the candidate for office or the spouse of the candidate for office  
8 worked on directly during the reporting period.

9 (2) A candidate for office is not required to disclose the  
10 value of any real property or property disclosed under subsection  
11 (1).

12 (3) A report required under section 5 must include the  
13 following certification: "I certify that the statements I have made  
14 on this financial disclosure form are true, complete, and correct  
15 to the best of my knowledge and belief, and that I have not moved  
16 assets during the reporting period for the purpose of avoiding  
17 disclosure under the candidate for office financial disclosure  
18 act."

19 Sec. 9. A candidate for office filing a report under section 5  
20 may omit any of the following:

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

23 (b) An item otherwise required to be reported under section  
24 7(1)(i) or (j) if all of the following apply:

25 (i) The item represents the exclusive financial interest and  
26 responsibility of the spouse of the candidate for office about  
27 which the candidate for office does not have control.

28 (ii) The item is not in any way derived from the income,  
29 assets, or activities of the candidate for office.

1           (iii) The candidate for office does not derive, or expect to  
2 derive, financial benefit from the item.

3           (c) An item that concerns a spouse who is living separate and  
4 apart from the candidate for office with the intention of  
5 terminating the marriage or maintaining a legal separation.

6           (d) An item that concerns income of the candidate for office  
7 arising from dissolution of the candidate for office's marriage or  
8 a permanent legal separation from the spouse of the candidate for  
9 office.

10           Sec. 11. (1) Within 30 days after the effective date of this  
11 act, the department shall create a standard financial disclosure  
12 form that incorporates the requirements of section 7 for use by a  
13 candidate for office to file the financial disclosure report  
14 required under this act.

15           (2) The department shall, no later than March 15, 2024, make  
16 the form created under this section easily accessible on its  
17 website.

18           Sec. 13. (1) The secretary of state shall do all of the  
19 following:

20           (a) Make available through the secretary of state's offices  
21 appropriate forms, instructions, and manuals required by this act.

22           (b) Create and operate an electronic, internet-accessible  
23 system to receive all statements and reports required by this act  
24 to be filed with the secretary of state.

25           (c) Create all forms, instructions, and manuals required under  
26 this act.

27           (d) Issue declaratory rulings to implement this act under the  
28 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
29 24.328.



1 (e) On receiving a written request and the required filing,  
2 waive payment of a late filing fee if the request for the waiver is  
3 based on good cause and accompanied by adequate documentation. One  
4 or more of the following reasons constitute good cause for a late  
5 filing fee waiver:

6 (i) The incapacitating physical illness, hospitalization,  
7 accident involvement, death, or incapacitation for medical reasons  
8 of a candidate for office or an individual whose participation is  
9 essential to the preparation of the report.

10 (ii) Other unique, unintentional factors beyond the control of  
11 the candidate for office that are not the result of a negligent act  
12 or nonaction so that a reasonably prudent person would excuse the  
13 filing on a temporary basis. These factors include the loss or  
14 unavailability of records because of a fire, flood, theft, or  
15 similar reason and difficulties related to the transmission of the  
16 filing to the secretary of state, such as exceptionally bad  
17 weather.

18 (f) As soon as practicable, but not later than 5 business days  
19 after a report required to be filed under this act is received,  
20 make the report or all of the contents of the report available  
21 without charge to the public on a separate webpage or its website  
22 homepage.

23 (g) Within 9 business days after the deadline for filing a  
24 report under this act, notify, by registered mail or email, an  
25 individual of any error or omission in the individual's report or  
26 that the individual failed to file the required report.

27 (2) The secretary of state shall issue a declaratory ruling  
28 under this section only if the person requesting the ruling has  
29 provided a reasonably complete statement of facts necessary for the

1 ruling or if the person requesting the ruling has, with the  
2 permission of the secretary of state, supplied supplemental facts  
3 necessary for the ruling. Within 2 business days after receiving a  
4 request for a declaratory ruling, the secretary of state shall make  
5 the request available in the manner provided for under subsection  
6 (1)(f). An interested person may submit written comments regarding  
7 the request to the secretary of state within 10 business days after  
8 the date the request is made available to the public. Within 45  
9 business days after receiving a declaratory ruling request, the  
10 secretary of state shall make a proposed response available in the  
11 manner provided for under subsection (1)(f). An interested person  
12 may submit written comments regarding the proposed response to the  
13 secretary of state within 5 business days after the date the  
14 proposal is made available to the public. Except as otherwise  
15 provided in this section, the secretary of state shall issue a  
16 declaratory ruling within 60 business days after receiving a  
17 request for a declaratory ruling. The secretary of state may refuse  
18 to issue a declaratory ruling or an interpretive statement under  
19 this act if the request is anonymous, the secretary of state  
20 determines that the subject matter of the request is frivolous on  
21 its face, or the request is indefinite or lacks specificity. If the  
22 secretary of state refuses to issue a declaratory ruling, the  
23 secretary of state shall notify the person making the request of  
24 the reasons for the refusal and issue an interpretive statement  
25 providing an informational response to the question presented  
26 within the 60-day period. A declaratory ruling or interpretive  
27 statement issued under this section must not state a general rule  
28 of law, other than that which is stated in this act, or under  
29 judicial order.

1           (3) Under extenuating circumstances, the secretary of state  
2 may issue a notice extending, for not more than 30 business days,  
3 the period during which the secretary of state shall respond to a  
4 request for a declaratory ruling. The secretary of state shall not  
5 issue more than 1 notice of extension for a particular request. A  
6 person requesting a declaratory ruling may waive, in writing, the  
7 time limitations provided by this section.

8           (4) The secretary of state shall make available to the public  
9 an annual summary of the declaratory rulings and interpretive  
10 statements issued by the secretary of state under this section.

11           (5) A person may file with the secretary of state a complaint  
12 that alleges a violation of this act. Within 5 business days after  
13 a complaint that meets the requirements of subsection (6) is filed,  
14 the secretary of state shall mail notice to the person against whom  
15 the complaint is filed. The notice must include a copy of the  
16 complaint. Within 15 business days after the notice is mailed, the  
17 person against whom the complaint was filed may submit a response  
18 to the secretary of state. The secretary of state may extend the  
19 period for submitting a response an additional 15 business days for  
20 good cause. The secretary of state shall mail a copy of a response  
21 received to the complainant. Within 10 business days after the  
22 response is mailed, the complainant may submit a rebuttal statement  
23 to the secretary of state. The secretary of state may extend the  
24 period for submitting a rebuttal statement an additional 10  
25 business days for good cause. The secretary of state shall provide  
26 a copy of the rebuttal statement to the person against whom the  
27 complaint was filed. If, on review of the complaint, the secretary  
28 of state determines that the complaint is frivolous, illegible,  
29 indefinite, or unsigned, or does not identify an alleged violator,

1 allege a violation of the act, or contain a verification statement,  
2 the secretary of state may summarily dismiss the complaint without  
3 prejudice. If a complaint is summarily dismissed, the complainant  
4 must be notified in writing as to the reason the complaint was  
5 dismissed. The secretary of state may consolidate similar  
6 complaints.

7 (6) A complaint filed under subsection (5) must satisfy all of  
8 the following requirements:

9 (a) Be signed by the complainant.

10 (b) State the name, address, and telephone number of the  
11 complainant.

12 (c) Include the complainant's certification that, to the best  
13 of the complainant's knowledge, information, and belief, formed  
14 after a reasonable inquiry under the circumstances, each factual  
15 contention of the complaint is supported by evidence. However, if,  
16 after a reasonable inquiry under the circumstances, the complainant  
17 is unable to certify that certain factual contentions are supported  
18 by evidence, the complainant may certify that, to the best of the  
19 complainant's knowledge, information, or belief, there are grounds  
20 to conclude that those specifically identified factual contentions  
21 are likely to be supported by evidence after a reasonable  
22 opportunity for further inquiry.

23 (7) A person shall not file a complaint with a false  
24 certificate under subsection (6)(c). A person may file a complaint  
25 under subsection (5) alleging that another person has filed a  
26 complaint with a false certificate under subsection (6)(c).

27 (8) The secretary of state shall investigate allegations  
28 brought under this act. If an allegation involves the secretary of  
29 state, or the secretary of state's spouse, the secretary of state

1 shall refer the matter to the attorney general to determine whether  
2 a violation of this act occurred.

3 (9) No later than 45 business days after receiving a rebuttal  
4 statement submitted under subsection (5) or, if no response or  
5 rebuttal is received under subsection (5), 45 business days after  
6 receiving a complaint under subsection (5), the secretary of state  
7 shall post on the secretary of state's website whether there may be  
8 reason to believe that a violation of this act occurred. If the  
9 secretary of state determines whether there may be reason to  
10 believe that a violation of this act occurred or determines to  
11 terminate its proceedings, the secretary of state shall, within 30  
12 days after that determination, post on the secretary of state's  
13 website any complaint, response, or rebuttal statement received  
14 under subsection (5) regarding that violation or alleged violation  
15 and any correspondence that is dispositive of that violation or  
16 alleged violation between the secretary of state and the  
17 complainant or the person against whom the complaint was filed. If  
18 the secretary of state determines there may be reason to believe  
19 that a violation of this act occurred, the secretary of state shall  
20 endeavor to correct the violation or prevent a further violation by  
21 using informal methods such as a conference, conciliation, or  
22 persuasion, and may enter into a conciliation agreement with the  
23 person involved. Unless violated, a conciliation agreement is a  
24 complete bar to any further civil action with respect to matters  
25 covered in the conciliation agreement. The secretary of state  
26 shall, within 30 days after a conciliation agreement is signed,  
27 post that agreement on the department's website. If, after 90  
28 business days, the secretary of state is unable to correct or  
29 prevent further violation by these informal methods, the secretary

1 of state may commence a hearing as provided in subsection (10) for  
2 enforcement of this act.

3 (10) The secretary of state may commence a hearing to  
4 determine whether a violation of this act occurred. The hearing  
5 must be conducted in accordance with chapter 4 of the  
6 administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to  
7 24.288.

8 (11) A final decision or order issued by the secretary of  
9 state under this act is subject to judicial review as provided  
10 under chapter 6 of the administrative procedures act of 1969, 1969  
11 PA 306, MCL 24.301 to 24.306. The secretary of state shall deposit  
12 a civil fine imposed under this act in the general fund. The  
13 secretary of state may bring an action in circuit court to recover  
14 the amount of a civil fine.

15 (12) The secretary of state shall review a report or statement  
16 filed under this act and may investigate an apparent violation of  
17 this act. If the secretary of state determines that there may be  
18 reason to believe a violation of this act occurred and the  
19 procedures prescribed in subsection (9) have been complied with,  
20 the secretary of state may commence a hearing under subsection (10)  
21 to determine whether a violation of this act occurred.

22 (13) There is no private right of action, either in law or in  
23 equity, under this act. The remedies provided in this act are the  
24 exclusive means by which this act may be enforced and by which any  
25 harm resulting from a violation of this act may be redressed.

26 (14) The secretary of state shall preserve a report filed  
27 under this act for 15 years after the date the report is filed. If  
28 the secretary of state or attorney general determines under this  
29 section that a violation of this act occurred, the secretary of

1 state shall preserve all complaints, orders, decisions, or other  
2 documents related to that violation for 15 years after the date of  
3 the determination or the date the violation is corrected, whichever  
4 is later. Reports filed under this act may be reproduced under the  
5 records reproduction act, 1992 PA 116, MCL 24.401 to 24.406. After  
6 the required preservation period, the reports, or the reproductions  
7 of the reports, may be disposed of in the manner prescribed in the  
8 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and  
9 section 11 of the Michigan history center act, 2016 PA 470, MCL  
10 399.811.

11       Sec. 15. (1) An individual who fails to file a report as  
12 required under this act shall pay a late filing fee of \$25.00 for  
13 each business day after the first 10 business days that the report  
14 remains unfiled. The fee imposed under this subsection must not  
15 exceed \$1,000.00.

16       (2) A late filing fee collected under this act must be  
17 deposited into the general fund.

18       (3) An individual who knowingly files an incomplete or  
19 inaccurate report in violation of this act may be ordered to pay a  
20 civil fine of not more than \$2,000.00.

21       (4) A late filing fee assessed or civil fine imposed under  
22 this act that remains unpaid for more than 180 days must be  
23 referred to the department of treasury for collection.

24       (5) The amount of a late filing fee assessed or civil fine  
25 imposed under this act must be adjusted for inflation every 4 years  
26 using the Detroit Consumer Price Index.

27       Enacting section 1. This act does not take effect unless  
28 Senate Bill No. 613 of the 102nd Legislature is enacted into law.