

**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 public officer's spouse was registered as a  
16 lobbyist or lobbyist agent under 1978 PA 472, MCL 4.411 to 4.431,  
17 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 (2) A candidate for office is not required to disclose the  
20 value of any real property or property disclosed under subsection  
21 (1).

22 (3) A report required under section 5 must include the  
23 following certification: "I certify that the statements I have made  
24 on this financial disclosure form are true, complete, and correct  
25 to the best of my knowledge and belief, and that I have not moved  
26 assets during the reporting period for the purpose of avoiding  
27 disclosure under the candidate for office financial disclosure  
28 act."

29 Sec. 9. A candidate for office filing a report under section 5

1 may omit any of the following:

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

4 (b) An item otherwise required to be reported under section  
5 7(1)(i) or (j) if all of the following apply:

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

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

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

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

16 (d) An item that concerns income of the candidate for office  
17 arising from dissolution of the candidate for office's marriage or  
18 a permanent legal separation from the spouse of the candidate for  
19 office.

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

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

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

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

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

6 (c) Create all forms, instructions, and manuals required under  
7 this act.

8 (d) Issue declaratory rulings to implement this act under the  
9 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
10 24.328.

11 (e) On receiving a written request and the required filing,  
12 waive payment of a late filing fee if the request for the waiver is  
13 based on good cause and accompanied by adequate documentation. One  
14 or more of the following reasons constitute good cause for a late  
15 filing fee waiver:

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

20 (ii) Other unique, unintentional factors beyond the control of  
21 the candidate for office that are not the result of a negligent act  
22 or nonaction so that a reasonably prudent person would excuse the  
23 filing on a temporary basis. These factors include the loss or  
24 unavailability of records because of a fire, flood, theft, or  
25 similar reason and difficulties related to the transmission of the  
26 filing to the secretary of state, such as exceptionally bad  
27 weather.

28 (f) As soon as practicable, but not later than 5 business days  
29 after a report required to be filed under this act is received,



1 make the report or all of the contents of the report available  
2 without charge to the public on a separate webpage or its website  
3 homepage.

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

8 (2) The secretary of state shall issue a declaratory ruling  
9 under this section only if the person requesting the ruling has  
10 provided a reasonably complete statement of facts necessary for the  
11 ruling or if the person requesting the ruling has, with the  
12 permission of the secretary of state, supplied supplemental facts  
13 necessary for the ruling. Within 2 business days after receiving a  
14 request for a declaratory ruling, the secretary of state shall make  
15 the request available in the manner provided for under subsection  
16 (1)(f). An interested person may submit written comments regarding  
17 the request to the secretary of state within 10 business days after  
18 the date the request is made available to the public. Within 45  
19 business days after receiving a declaratory ruling request, the  
20 secretary of state shall make a proposed response available in the  
21 manner provided for under subsection (1)(f). An interested person  
22 may submit written comments regarding the proposed response to the  
23 secretary of state within 5 business days after the date the  
24 proposal is made available to the public. Except as otherwise  
25 provided in this section, the secretary of state shall issue a  
26 declaratory ruling within 60 business days after receiving a  
27 request for a declaratory ruling. The secretary of state may refuse  
28 to issue a declaratory ruling or an interpretive statement under  
29 this act if the request is anonymous, the secretary of state

1 determines that the subject matter of the request is frivolous on  
2 its face, or the request is indefinite or lacks specificity. If the  
3 secretary of state refuses to issue a declaratory ruling, the  
4 secretary of state shall notify the person making the request of  
5 the reasons for the refusal and issue an interpretive statement  
6 providing an informational response to the question presented  
7 within the 60-day period. A declaratory ruling or interpretive  
8 statement issued under this section must not state a general rule  
9 of law, other than that which is stated in this act, or under  
10 judicial order.

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

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

21 (5) A person may file with the secretary of state a complaint  
22 that alleges a violation of this act. Within 5 business days after  
23 a complaint that meets the requirements of subsection (6) is filed,  
24 the secretary of state shall mail notice to the person against whom  
25 the complaint is filed. The notice must include a copy of the  
26 complaint. Within 15 business days after the notice is mailed, the  
27 person against whom the complaint was filed may submit a response  
28 to the secretary of state. The secretary of state may extend the  
29 period for submitting a response an additional 15 business days for

1 good cause. The secretary of state shall mail a copy of a response  
2 received to the complainant. Within 10 business days after the  
3 response is mailed, the complainant may submit a rebuttal statement  
4 to the secretary of state. The secretary of state may extend the  
5 period for submitting a rebuttal statement an additional 10  
6 business days for good cause. The secretary of state shall provide  
7 a copy of the rebuttal statement to the person against whom the  
8 complaint was filed. If, on review of the complaint, the secretary  
9 of state determines that the complaint is frivolous, illegible,  
10 indefinite, or unsigned, or does not identify an alleged violator,  
11 allege a violation of the act, or contain a verification statement,  
12 the secretary of state may summarily dismiss the complaint without  
13 prejudice. If a complaint is summarily dismissed, the complainant  
14 must be notified in writing as to the reason the complaint was  
15 dismissed. The secretary of state may consolidate similar  
16 complaints.

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

19 (a) Be signed by the complainant.

20 (b) State the name, address, and telephone number of the  
21 complainant.

22 (c) Include the complainant's certification that, to the best  
23 of the complainant's knowledge, information, and belief, formed  
24 after a reasonable inquiry under the circumstances, each factual  
25 contention of the complaint is supported by evidence. However, if,  
26 after a reasonable inquiry under the circumstances, the complainant  
27 is unable to certify that certain factual contentions are supported  
28 by evidence, the complainant may certify that, to the best of the  
29 complainant's knowledge, information, or belief, there are grounds

1 to conclude that those specifically identified factual contentions  
2 are likely to be supported by evidence after a reasonable  
3 opportunity for further inquiry.

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

8 (8) The secretary of state shall investigate allegations  
9 brought under this act. If an allegation involves the secretary of  
10 state, or the secretary of state's spouse, the secretary of state  
11 shall refer the matter to the attorney general to determine whether  
12 a violation of this act occurred.

13 (9) No later than 45 business days after receiving a rebuttal  
14 statement submitted under subsection (5) or, if no response or  
15 rebuttal is received under subsection (5), 45 business days after  
16 receiving a complaint under subsection (5), the secretary of state  
17 shall post on the secretary of state's website whether there may be  
18 reason to believe that a violation of this act occurred. If the  
19 secretary of state determines whether there may be reason to  
20 believe that a violation of this act occurred or determines to  
21 terminate its proceedings, the secretary of state shall, within 30  
22 days after that determination, post on the secretary of state's  
23 website any complaint, response, or rebuttal statement received  
24 under subsection (5) regarding that violation or alleged violation  
25 and any correspondence that is dispositive of that violation or  
26 alleged violation between the secretary of state and the  
27 complainant or the person against whom the complaint was filed. If  
28 the secretary of state determines there may be reason to believe  
29 that a violation of this act occurred, the secretary of state shall

1 endeavor to correct the violation or prevent a further violation by  
2 using informal methods such as a conference, conciliation, or  
3 persuasion, and may enter into a conciliation agreement with the  
4 person involved. Unless violated, a conciliation agreement is a  
5 complete bar to any further civil action with respect to matters  
6 covered in the conciliation agreement. The secretary of state  
7 shall, within 30 days after a conciliation agreement is signed,  
8 post that agreement on the department's website. If, after 90  
9 business days, the secretary of state is unable to correct or  
10 prevent further violation by these informal methods, the secretary  
11 of state may commence a hearing as provided in subsection (10) for  
12 enforcement of this act.

13 (10) The secretary of state may commence a hearing to  
14 determine whether a violation of this act occurred. The hearing  
15 must be conducted in accordance with chapter 4 of the  
16 administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to  
17 24.288.

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

25 (12) The secretary of state shall review a report or statement  
26 filed under this act and may investigate an apparent violation of  
27 this act. If the secretary of state determines that there may be  
28 reason to believe a violation of this act occurred and the  
29 procedures prescribed in subsection (9) have been complied with,

1 the secretary of state may commence a hearing under subsection (10)  
2 to determine whether a violation of this act occurred.

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

7 (14) The secretary of state shall preserve a report filed  
8 under this act for 15 years after the date the report is filed. If  
9 the secretary of state or attorney general determines under this  
10 section that a violation of this act occurred, the secretary of  
11 state shall preserve all complaints, orders, decisions, or other  
12 documents related to that violation for 15 years after the date of  
13 the determination or the date the violation is corrected, whichever  
14 is later. Reports filed under this act may be reproduced under the  
15 records reproduction act, 1992 PA 116, MCL 24.401 to 24.406. After  
16 the required preservation period, the reports, or the reproductions  
17 of the reports, may be disposed of in the manner prescribed in the  
18 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and  
19 section 11 of the Michigan history center act, 2016 PA 470, MCL  
20 399.811.

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

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

28 (3) An individual who knowingly files an incomplete or  
29 inaccurate report in violation of this act may be ordered to pay a

1 civil fine of not more than \$2,000.00.

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

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

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