

## TRANSPARENCY

Openness and transparency are key pillars of a strong democracy. For too long, Michigan has left voters in the dark. The passage of [Proposal 22-1](#) means that Michigan's elected officials must finally report their financial ties, exposing potential conflicts of interest. This is a great start, but 22-1 sets a floor, not a ceiling; we can do better. Michigan [SB 194 \(Beida 2015\)](#) and [HB 4232 \(LeGrand 2021\)](#) show the way forward.

- **Expand the list of public officials who must comply.** Prop. 22-1 applies only to sitting legislators and statewide elected officials. Instead, follow SB 194, which includes every member of the Board of Education, supreme court justice and any state or local judge, governance boards of the University of Michigan, Michigan State University and Wayne State University, and holders of any public office where compensation is more than twice the statewide median gross income; plus candidates for any of those offices.
- **Extend to immediate family.** Prop. 22-1 applies only to public officials themselves and neglects to include immediate family members who are financially intertwined with them. Sound policy includes the spouse and dependent children claimed by either the official or spouse for federal income tax purposes. See SB 194 & HB 4232.
- **Specify reportable assets, unearned income, and liabilities, and reporting thresholds.** Prop. 22-1 contains only general mandates such as the need to describe "assets and sources of unearned income." Adopt the detailed descriptions of reportable assets, including real or personal property or cash or securities included in SB 194 or HB 4232. Include reasonable reporting thresholds (e.g., \$10,000 for assets and liabilities and \$1,000 for purchases or sales of non-mutual fund securities, as in SB194) and make clear that any interest in an annuity, plan, pension, and the like worth more than the reporting threshold must be reported (HB 4232).
- **Keep up with prevailing best practices.** Do not let Michigan return to the bottom of the barrel with respect to financial disclosure. Require Michigan's disclosure requirements to be at least as stringent as for members of Congress.
- **Require disclosure of donors and amounts solicited for non-profits and 527s.** Expose the contributions, donations and expenditures of dark money "nonprofits" associated with elected officials.

## ENFORCEMENT

For the new standards and transparency reforms to have any meaning, we must strengthen enforcement and authorize higher penalties for noncompliance.

- **Authorize citizens to file complaints with BOE.**
- **Empower BOE to investigate complaints and refer cases to the Attorney General for prosecution.**
- **Impose penalties for failures to file** – SB 194 provides a good model: (1) late filing fee capped at \$1,000; (2) knowing filing of incomplete or inaccurate report is a misdemeanor subject to imprisonment of less than 90 days or \$1,000 fine or both; and (3) two or more outstanding reports at one time for more than 30 days is a misdemeanor subject to imprisonment of less than 90 days or \$1,000 fine or both.

*Voters Not Politicians is the leading democracy and voting rights group in Michigan. We fight for structural democracy reform to put voters at the center of policy-making.*

## TRANSPARENCY

Openness and transparency are key pillars of a strong democracy, but for too long Michigan voters have been left in the dark. The following reforms will prevent corruption and improve the public's trust in government.

- **Require robust public financial disclosure (Implement Proposal 22-1)** – Require politicians, candidates and other public officers to file easily accessible annual public disclosures of personal and family financial interests, including large investments and sources of outside income, and the source and value of any non-familial gifts of more than \$50.00, including free or reduced cost of travel, meals and gifts. Our laws should be at least as stringent as for members of Congress.
- **Require disclosure of donors and amounts solicited for non-profits and 527s.**
- **Expand the Freedom of Information Act (FOIA/LORA)** – The governor and legislators should no longer be exempt from Michigan's sunshine laws.

## BETTER STANDARDS

Michigan's ethical standards for state officials are notoriously low. We propose the higher standards below to guard against conflicts and corruption.

- **Ban financial conflicts of interest** – Ban (1) state officers or legislators from negotiating or having any other involvement in state contracts that cause a conflict of interest; (2) legislators from voting or taking official action on bills in which they have a conflict of interest; and (3) judicial branch officials from being officially involved in any suit or proceeding in which they have a conflict of interest. A conflict of interest is a personal, private or professional interest, or an appearance of one, that benefits the official or any individual or entity that the conflicted individual is financially, legally, or personally obligated. A conflict of interest includes current conflicts as well as those at least two years prior to any official action. Also applies to conflicts held by family members. Votes or other official acts in violation of these requirements would void the action.
- **Ban out of state lobbying by legislators.**
- **Ban civil appointments for lobbyists** – Lobbyists will be prohibited from receiving an appointment to a state board or commission while registered, unless appointing authority determines there is no conflict.
- **Close the 'revolving door'** – Legislators and department heads will be prohibited from becoming lobbyists for two years after the end of their term or tenure.
- **Ban lobbyist gifts** – Ban lobbyists from giving anything of value to "lobbyable public officials." Expand "lobbyable public officials" to include candidates and staff in the legislature and executive office, except individuals serving in a clerical or non-policymaking capacity.

## ENFORCEMENT

For the new standards and transparency reforms to be impactful, we must strengthen enforcement and authorize higher penalties for unethical conduct.

- **Strengthen financial disclosure enforcement** – Strengthen power of MDOS to enforce including late fees as well as civil fines for up to [\$10,000] for a knowing (1) failure to file or (2) inaccurate submission.
- **Expand penalties for lobbyist gift violations** – Unlawful gifts less than \$3,000 to state officials subject to a criminal fine up to [\$10,000] as well as a new civil fine up to [\$2,500] per violation.

*Voters Not Politicians* is the leading democracy and voting rights group in Michigan. We fight for structural democracy reform to put voters at the center of policy-making.