



**House  
Legislative  
Analysis  
Section**

Olds Plaza Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

**LOCAL ELECTIONS: CAMPAIGN  
CONTRIBUTION LIMITS**

**House Bill 5074 as passed by the House  
Second Analysis (8-5-96)**

**Sponsor: Rep. Frank M. Fitzgerald  
Committee: House Oversight and Ethics**

***THE APPARENT PROBLEM:***

The Michigan Campaign Finance Act limits the amount that individuals and political action committees (PACs) can contribute to candidates for state political offices (state senator, state representative, governor, attorney general, secretary of state, supreme court justices, state board of education, and the boards of the three largest state universities, Wayne State, Michigan State, and the University of Michigan). However, state statute doesn't impose any such limits on candidates in local elections. In fact, the act prohibits political subdivisions from passing ordinances or resolutions that are more restrictive than the provisions contained in the law, and a 1977 attorney general opinion (AGO No. 5211) confirmed that the then-newly enacted campaign finance act did indeed preempt city charter provisions and prevented cities from enacting ordinances which established campaign expenditure limits for candidates for a city office.

Although most local elections in the state do not involve large campaign contributions, a number of newspaper articles dating from 1992 through 1994 indicate that in southeast Michigan — particularly, in Detroit mayoral campaigns — candidates have accepted very large campaign contributions, in some cases larger than those a gubernatorial candidate or a U. S. Senate candidate could legally accept. Because individuals and groups could have an undue influence over candidates and public officials through large campaign contributions, as noted by the U. S. Supreme Court (in Buckley v. Valeo), for years contribution limits have been in place nationwide for federal and state candidates, and, in many other states, for local candidates. Many people believe that similar limits should be placed on candidates for local offices in Michigan.

***THE CONTENT OF THE BILL:***

The bill would amend the Michigan Campaign Finance Act to limit the amount of campaign contributions that could be made by individuals, businesses, and political action committees (PACs) each election cycle to candidates for local elected offices. The limits would be

based on the number of voters in the local candidate's district, and would parallel existing limits placed by the act on candidates for state elected offices. The bill would have a "rolling" effective date, going into effect for candidates the day after each next local election.

Contribution limits. Currently, except for independent committees and political party committees, the campaign finance act limits election cycle contributions by "persons" (individuals or various kinds of business entities) to candidates ("a candidate committee of a candidate") for state office to the following maximums: \$500 for candidates for state representative; \$1,000 for candidates for state senator; and \$3,400 for other state-wide candidates (governor, attorney general, secretary of state, supreme court justices, board of education, and state-wide elected university boards).

"Independent committees" (other than political party caucus committees) and "political party committees" (other than state central committees) can make contributions to candidate committees that are up to ten times the amounts listed above; that is, \$5,000 for candidates for state representative, \$10,000 for candidates for state senator, and \$34,000 for statewide candidates. House and Senate political party caucus committees, which are special kinds of independent committees, have no contribution limits. State central committees of political parties can make contributions to candidates for the state legislature (either for the state Senate or for the House of Representatives) that are up to ten times the amounts listed above for legislative candidates (i.e. \$5,000 for candidates for the House and \$10,000 for candidates for the Senate); for other state-wide offices (such as governor, secretary of state, attorney general, and so on), state central committees may contribute up to 20 times the amounts listed (i.e. \$68,000). (The further limits the total contributions in an election cycle by political party committees to gubernatorial candidates who accept public funds as follows: \$750,000 by a state central political party committee, and \$30,000 by congressional district committees or county committees. Gubernatorial

House Bill 5074 (8-5-96)

candidates and their immediate family members -- spouses, parents, brothers, sisters, sons, or daughters -- may not contribute, in an election cycle, more than \$50,000.)

The bill would put limits on contributions to candidates for local elective offices during each election cycle as follows: In local electoral districts with populations up to 85,000, \$500 for individuals and \$5,000 for independent or political party committees; for districts with more than 85,000 and up to 250,000 people, \$1,000 for individuals and \$10,000 for independent or political party committees; and for districts with populations of more than 250,000, \$3,400 for individuals and \$34,000 for independent or political party committees.

The bill would define "local elective office" to mean an elective office at the local unit of government level (i.e. "a district, authority, county, city, village, township, board, school district, intermediate school district, or community college district"), and would include judges of the court of appeals and judges of the circuit, recorder's, district, probate, and municipal courts.

Definition of "independent committee." Currently, the act defines an "independent committee" as one that files a statement of organization at least six months before an election, receives contributions from at least 25 "persons" (individuals or committees), and makes contributions to three or more candidates for state elective office. The bill would change this last requirement so that an independent committee could make contributions to three or more candidates for any elective office, whether state or local.

Disclosure of local campaign statements. Currently, the committees of candidates for state elective office or a judicial office must file copies of their campaign statements with the secretary of state, who must reproduce each copy and transmit it to the clerk of the candidate's county of residence. Copies of campaign statements of candidates for all other offices must be filed with the clerk of the candidate's county of residence; copies of campaign statements of committees supporting or opposing candidates for multicounty school board districts must be filed in the county with the greatest number of registered voters eligible to vote for the candidates for those school board offices.

The bill would delete the requirement that copies of campaign statements of candidates for all offices other than state elective or judicial offices be filed with the clerk of the candidate's county of residence, but would keep the requirement that committees reporting contributions or expenditures for candidates within only

one county file statements only with the clerk of that county.

The bill would eliminate the current reference to multicounty "school board" candidates (the only candidates for local elective office currently mentioned in this part of the act), and instead would require committees supporting or opposing candidates for multicounty "local elective office" to file copies of their campaign statements with the clerk of the county where the greatest number of registered voters eligible to vote on the office lived.

Finally, the bill would require that local units of government that received copies of campaign statements make those statements available for public inspection and reproduction during regular business hours and not later than three business days after receiving them.

Effective date. The contribution limits in the bill would go into effect beginning with the first election cycle for a candidate for local elective office after the bill took effect.

MCL 169.205 et al.

### ***BACKGROUND INFORMATION:***

According to the Michigan Department of State, only the City of Detroit and the state's seven largest counties (Genesee, Ingham, Kent, Macomb, Oakland, Washtenaw, and Wayne) would have local election districts with populations of more than 250,000. The City of Detroit has the following local elective offices: mayor, city council (all at large), the at-large members of the Detroit board of education, and city clerk. Wayne County has the following county-wide elective offices: county executive, county clerk, county treasurer, prosecuting attorney, sheriff, and register of deeds. Ingham, Genesee, Kent, Macomb, Oakland, and Washtenaw counties all have the following county-wide elective offices: county clerk, sheriff, county treasurer, prosecuting attorney, and register of deeds.

Local electoral districts with populations of between 85,001 and 250,000 would include the 15 Wayne County commissioner districts (with average populations of 135,000), and city-wide electoral districts (for mayor, city clerk, and at-large city council seats) in eight cities: Grand Rapids, Warren, Flint, Lansing, Sterling Heights, Ann Arbor, Livonia, and Dearborn. In addition, the Detroit board of education members elected by district would fall under this population category, as well as, according to the Michigan Chamber of Commerce, 14 counties with county-wide offices and one township (Clinton Township in Macomb County).

According to the Michigan Chamber of Commerce, Local election districts with populations of 85,000 or less would include 263 villages, 262 cities, 1,240 townships, 683 county commissioners in 82 counties, and 62 counties with county-wide offices.

### **FISCAL IMPLICATIONS:**

Fiscal information is not available.

### **ARGUMENTS:**

#### **For:**

Currently, in Michigan there are no statutory limits on the amount of contributions that can be made to candidates for local offices, unlike as is the case with state elective offices. Moreover, state law explicitly prohibits political subdivisions in the state from enacting such limits. Not only have local candidates been allowed to take unlimited amounts of money, in local units of government with high population densities -- particularly in southeast Michigan -- there have been a number of reports of local candidates accepting very large campaign contributions. In fact, in some cases, these contributions have surpassed the amounts a U.S. Congressional candidate or a Michigan gubernatorial candidate could accept. Even if these large contributions -- often from developers, business owners, unions, contractors, and so forth -- have been legal under existing law, and have been reported in regular campaign filing statements, they nevertheless certainly have at least the appearance of impropriety. The primary goal of contribution limits is to prevent individuals and groups from having undue influence over candidates and public officials through large campaign contributions. As the U.S. Supreme Court noted in Buckley v. Valeo, "To the extent that large contributions are given to secure a political quid pro quo from current and potential officeholders, the integrity of our system of representational democracy is undermined."

In contrast to Michigan's lack of limits on local campaign contributions, of 41 states providing information to the Council of State Government Council on Governmental Ethics Law (COGEL), 24 have contribution limits for county and/or municipal offices, with most (16) of these placing the same contribution limits on candidates for local office as they place on candidates for the legislature. Two states, New York and Louisiana, base the contribution limits for local candidates on the population of the voting district. The bill would place campaign contribution limits on candidates for local office based on population levels that roughly mirror those already in place for candidates for state office, namely, state representative, state

senators, and other, statewide offices (governor, secretary of state, board of education, attorney general, state supreme court, and so forth).

Not only is there no reason to exempt local candidates from contribution limits, those candidates for local office who do take large campaign contributions should be held to the same standards as other public officials.

#### **Against:**

Some people believe that contribution limits should be applied to the calendar year, rather than "election cycle," particularly given the variability in local election cycles. In addition, some people believe that the proposed limits, particularly for the state's largest cities (such as Grand Rapids and Detroit), are based on population levels that are too low and should be revised, say, to apply to population increments of 75,000. That is, the three-tiered system could apply to districts with fewer than 75,000, those with 75,000 to 150,000, and those with more than 150,000 people. With officeholder expense funds abolished (by Public Act 411 of 1994), local elected officials may have no other source for funds from which to pay for incidental expenses, a situation exacerbated by the fact that local candidates don't qualify for state campaign funds (unlike gubernatorial candidates, for example) and that, reportedly, political party resources may not be available to local elected officials.

#### **Reply:**

Very few local elected officials would be affected by the bill's contribution limits, because most receive small -- if any -- campaign contributions. But in those few cases where the bill's limits would apply, there have been reports of very large campaign contributions that certainly raise the possibility of undue influence on the targeted candidates or officeholders. To eliminate even the appearance of possible impropriety, limits should be imposed on contributions to candidates for local elective offices.

### **POSITIONS:**

The League of Women Voters of Michigan supports the bill. (8-7-96)

Michigan Citizen Action supports the bill. (8-7-96)

The Michigan Association of Counties opposes the bill. (8-7-96)

Analyst: S. Ekstrom

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.