

Chapter 226 Campaign Finance Reform

City of Hudson Codified Ordinances

**Presented by Mayor Craig A. Shubert
Hudson City Council Workshop
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226.01 CAMPAIGN FINANCE REFORM.

(a) **Preamble.** In order to demonstrate and promote ethics by government within the City of Hudson; to further integrity in campaigns for public office; **to prevent corruption and/or the appearance of corruption**; and to restore and enhance the faith of the citizenry in government, this Council does hereby establish this Amendment to the Codified Ordinances of the City of Hudson.

(b) **Limits on cash contributions.** **No candidate for Mayor or Council** shall accept, as a campaign contribution, more than **one hundred dollars (\$100.00)** in cash (i.e., hard currency) from any person **within any calendar year**. No person shall contribute cash in excess of said amount.

(c) **Limits on non-cash monetary and in-kind contributions and loans.** No candidate for Mayor or Council shall accept or solicit, as a non-cash monetary (i.e., checks, money orders, credit cards) **or in-kind campaign contribution or loan**, more than one hundred dollars (\$100.00) from any person, campaign committee, political party, or political action committee within any calendar year. No person, **political action committee, political party or political campaign** shall contribute funds or in-kind contributions in excess of said amounts. Contributions from the candidate and labor of volunteers are exempt from these provisions.

(d) **Severability.** If any provision of the amendment, or the application of a provision to any person or circumstance, is held to be invalid, the remainder of this amendment, and the application of the provisions to any person or circumstance, shall not be affected by the holding.

(Ord. 08-82. Passed 8-6-08.)

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Buckley v. Valeo, 424 U.S. 1 (1976)

Landmark decision by the United State Supreme Court

- Limits on Election Spending was found to be Unconstitutional
- Expenditure Limits Restrict First Amendment Rights to Free Speech
- Limitations on Contributions were found to be Constitutional
- Considered Effective **to Prevent Corruption and/or the Appearance of Corruption**

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Buckley v. Valeo, 424 U.S. 1 (1976)

Landmark decision by the United State Supreme Court

The Court recognized Limitations too low may not survive Constitutional Scrutiny:

“... contribution restrictions could have a severe impact on political dialogue if the limitations prevents candidates and political committees from amassing the resources necessary for effective advocacy.”

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Randall v. Sorrell, 548 U.S. 230 (2006)

Significant decision by the United State Supreme Court

- A Cap on Financial Donations to Politicians was found to be Unconstitutional
- Hindered the Candidate's First Amendment Right to Free Speech
- Cap limited the challenger's ability to mount effective campaigns against an incumbent officeholder

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Randall v. Sorrell, 548 U.S. 230 (2006)

Four Warning Signs

- Limits are set per Election Cycle v. Divided between Primary and General Elections
- Limits apply Equally to Individuals and Political Parties
- Limits are the Lowest in the Nation
- Limits are below what the Court considers acceptable

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Randall v. Sorrell, 548 U.S. 230 (2006)

Five Factor Test

- Will the **contribution limit** restrict the amount of funding available for challengers to run competitive campaigns?
- Should **political parties** be held to the same low contribution limits that apply to other contributors?
- Whether volunteer **in-kind services** are limited?
- Is there inflationary adjustment provision for contribution limits?
- Is there any special justification to warrant a contribution so low or restrictive?

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Citizens United v. Federal Elections Commission, 558 U.S. 310 (2010)

**Addressed the Issue of Corruption
and the State's Interest to Limit Campaign Contributions:**

"Quid Pro Quo"

Dollars for Political Favors

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Potential Issues Related to Hudson's Ordinance

City's objective **"to prevent corruption and / or the appearance of corruption"** under the Buckley rule was limited by the Randall rule to **"quid pro quo"**

The \$100.00 Campaign Donation Limit most likely would not survive a First Amendment Challenge because the amount is not **"closely drawn"** to the Narrower Objective.

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Potential Issues Related to Hudson's Ordinance

In the Randall case, Justice Stephen Breyer wrote:

“Contributions limits that are too low also can harm the electoral process by preventing challengers from mounting effective campaigns against incumbent officeholders, thereby reducing democratic accountability.”

Holding **Mayoral and Council At-Large** Candidates
to the same contribution limits as **Council Ward** Candidates
is problematic under this opinion.

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Potential Issues Related to Hudson's Ordinance

Hudson's campaign finance law holds
political action committees, political parties and political campaigns
to the same restrictions as individual donors
in a manner identified in Randall as a potential warning sign.

Hudson's campaign finance law cannot unduly restrict **in-kind contributions**
nor prohibit **electioneering communication** from outside organizations
and independent expenditure groups.

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Potential Issues Related to Hudson's Ordinance

Hudson's Campaign Finance Law is Incomplete

**The current legislation does not address
how a candidate, committee, or resident may file a complaint**

**The current legislation does not identify
which governmental body is to adjudicate the complaint**

**The current legislation does not render guidance
on penalties for campaign finance violations**

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Summary

**In light of the U.S. Supreme Court's rulings,
Hudson's Campaign Finance Law is vulnerable to a First Amendment Challenge**

Hudson's Legislation appears to Favor Incumbents over Challengers

**Chapter 226 seemingly Restricts Political Speech of Candidates, Donors, and
Political Organizations to the an Unreasonably Low Contribution Limit
(including in-kind contributions)**

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Summary

Most communities in Ohio do not have Campaign Finance Laws

Does Hudson have Political Corruption?

Does Hudson need this Law?

If the Answer is 'No' ... Chapter 226 should be Repealed

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Summary

If the Answer is 'Yes' ... Chapter 226 should be Rewritten and Enforced

- **Individual & In-Kind Contribution Limits per Election Cycle**

Mayoral and Council At-Large Candidates	\$1,000.00
Council Ward Candidates	\$ 500.00
- **Penalty could be One-to-Three Times the Amount of Violation, per O.R.C.**
- **Complaint Filed with the Board of Elections; Appealed to Common Pleas Court**