

STATEWIDE BALLOT PROPOSAL 22-1

Financial Disclosure Reports & Legislative Term Limits

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Proposal 22-1 will appear on the ballot as follows:

Statewide Ballot Proposal 22-1

A proposal to amend the state constitution to require annual public financial disclosure reports by legislators and other state officers and change state legislator term limit to 12 total years in legislature.

This proposed constitutional amendment would:

- Require members of legislature, governor, lieutenant governor, secretary of state, and attorney general file annual public financial disclosure reports after 2023, including assets, liabilities, income sources, future employment agreements, gifts, travel reimbursements, and positions held in organizations except religious, social, and political organizations.
- Require legislature implement but not limit or restrict reporting requirements.
- Reduce current term limits for state representatives and state senators with a 12-year total limit in any combination between house and senate, except a person elected to senate in 2022 may be elected the number of times allowed when that person became a candidate.

Should this proposal be adopted? Yes No

About the Proposal

The proposed constitutional amendment, as outlined in House Joint Resolution R (Mich. House of Representatives, 2022) would amend Article IV, Sections 10 and 54 of the Michigan Constitution to:

- Replace current state legislative term limits with a 12-year total between the house and senate.
- Effectively reduce term limits in Michigan from 14 years to 12 years, while allowing all 12 years to be served in the same chamber.
- Require the governor, lieutenant governor, secretary of state, and state legislators to file annual financial disclosure reports that would include:
 - » Description of assets.

- » Sources of unearned income. (“Unearned income” is income that was not earned from a job. It could come from the sale or rental of property, from investments, or from interest or dividends.)
- » Sources of earned income.
- » Description of liabilities. (“Liabilities” may include debts and other financial obligations.)
- » Positions currently held as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any organization, corporation, firm, partnership, or other business enterprise, nonprofit organization, labor organization, or educational or other institution other than the state of Michigan. Positions held in a religious, social, fraternal, or

political entity, or positions that are solely of an honorary nature, would not have to be disclosed.

- » Agreements or arrangements with respect to future employment, a leave of absence while serving as a legislator or state officer, continuation or deferral of payments by a former or current employer other than the state of Michigan, or continuing participation in an employee welfare or benefit plan maintained by a former employer.
- » Gifts received and required to be reported by a lobbyist or lobbyist agent, as prescribed by state law. (Under the Michigan Lobby Registration Act, each year the Michigan Bureau of Elections [2021] issues a document that describes the types and amounts of gifts and transactions that must be reported. The 2022 guidelines are available at <https://bit.ly/3KAcsCI>.)
- » Travel payments and reimbursements received and required to be reported by a lobbyist or lobbyist agent, as prescribed by state law.
- » Payments to a charity made by a lobbyist or lobbyist agent in lieu of honoraria.

The full text of the proposal is available in the Elections section of the Michigan Secretary of State website at <https://www.michigan.gov/sos/elections/bsc>.

Background

This proposal was placed on the ballot by a two-thirds vote in both the Michigan House of Representatives and the Michigan Senate. House Joint Resolution R (Mich. House of Representatives, 2022) was approved by the State House of Representatives 76-28 and by the State Senate 26-6 on May 10, 2022, placing this proposal on the ballot for the November 2022 election.

The proposal would change Michigan’s legislative term limits for the first time since they were approved by voters in 1992. The 1992 amendment (which was Proposal B) limits state representatives to a maximum of three 2-year terms, for a total of 6 years. It limits state senators to two 4-year terms for a total of 8 years. The current overall limit is 14 years in the state legislature.

The proposed amendment would reduce the total years allowed from 14 to 12, but would remove the chamber-specific restrictions so that a person could either serve all 12 years in one chamber or split the 12 years between the chambers.

The proposal’s financial disclosure requirement for elected officials would be new to Michigan. Currently, the “Standing Rules of the Michigan House of Representatives” state that a representative may abstain from a vote because of a conflict of interest (Mich. House of Representatives, 2020) but no law requires them to do so, and there is no oversight or enforcement of the rule. Michigan Senate rules require senators to abstain in the event of a conflict (Mich. Senate, n.d.), but the requirement is rarely enforced (Hernández, para. 3).

Term Limits in Other States

Interestingly, 21 states enacted term limits between 1990 and 2000. In six of those states—Idaho, Massachusetts, Oregon, Utah, Washington, and Wyoming—the legislature or the courts have since repealed those laws (National Conference of State Legislatures, 2020).

Of the 15 states that still have legislative term limits, Michigan’s limits are among the most restrictive, alongside Nebraska’s (see table; NCSL, 2020). (Nebraska is unique in that it has only one legislative chamber.) Eight states allow lawmakers to serve 8 years in the house and 8 years in the senate before being term limited. Three states allow a total of 12 years of service, without specific limits on each chamber, and two states allow their legislators to serve 12 years in each chamber.

Table: Legislative Term Limits by States.

State	Number of years allowed in legislature
Michigan (lifetime cap)	6 in the house and 8 in the senate
Nebraska (single chamber)	8 total
Alaska, Colorado, Florida, Maine, Missouri (lifetime cap), Montana, Ohio, South Dakota	8 in the house and 8 in the senate
Arkansas, California (lifetime cap), Oklahoma (lifetime cap)	12 total
Louisiana, Nevada (lifetime cap)	12 in the house and 12 in the senate

Note. Unless a state is noted as having a lifetime cap, its term-limited legislators can run for office again after a set period. Adapted from National Conference of State Legislatures, 2020, *The Term-Limited States* (<https://bit.ly/3R7polN>).

Michigan is one of only five states with lifetime term limits, meaning that once a legislator reaches the limit, they are barred from running for election to that office ever again. The other 10 states allow lawmakers to run for election again after a set period out of office, then serve up to the limit again.

If Proposal 22-1 is adopted, Michigan would join Arkansas, California, and Oklahoma in having a 12-year total term limit. (**Note:** California originally had chamber-specific limits of six and eight years, just like Michigan, before a 2012 voter-approved initiative changed the limit to 12 years total.)

The Impacts of Term Limits

With such a variety of term limits in the U.S., generalizing about their impact is challenging because it's hard to tell whether changes are caused by term limits in general or by a state's specific limits. The most thorough examination of the impact of term limits in Michigan is found in *Implementing Term Limits: The Case of the Michigan Legislature*, by Marjorie Sarbaugh-Thompson and Lyke Thompson (2017). A Citizens Research Council of Michigan report by the same authors, titled, "[Evaluating the Effects of Term Limits on the Michigan Legislature](#)" (2018), is a thorough yet concise summary of the book.

Sarbaugh-Thompson & Thompson (2017 & 2018) note that in Michigan, term limits have:

- Increased turnover in Michigan's legislature (a stated goal of term limit advocates).
- Reduced the experience and knowledge of legislators.
- Concentrated power and influence in the hands of legislators who hold formal leadership positions in party caucuses and committees.
- Increased the autonomy and power of the executive branch (the governor and state agencies).
- Increased the influence of interest groups on the legislative process.
- Increased the influence of party elites and interest groups in recruiting candidates.
- Given incumbent legislators a larger advantage in seeking re-election.
- Reduced the average number of candidates running for election in competitive districts, limiting voter choice.

Some voters believe Michigan's term limits have had such negative effects that they must be changed. Others believe

that the benefits of requiring the regular turnover of state legislators outweigh any negative effects.

California and Arkansas originally had chamber-specific term limits but have since moved to a limit on total years served. Their experience with total term limits seems to suggest that some of the negative effects of Michigan's term limits have more to do with the strictness of the limits rather than with term limits themselves.

Kurtz (2021) notes that in California and Arkansas, the switch to a limit on total years served has:

- Improved the balance of power between the House and the Senate.
- Reduced the frequency with which legislators change chambers, because members who want to increase their influence often choose to serve in only one chamber.
- Helped lawmakers develop greater expertise in key policy areas.
- Allowed more experienced legislators to balance the power and influence of their colleagues who hold leadership positions.
- Increased the likelihood of effective leaders serving in formal leadership positions for more than one term. For example, "Arkansas has had two two-term speakers since the change in the law" (Kurtz, 2021, "Two Loosen Limits" section). Such stability is rare in Michigan, where the past four speakers have served only single terms in the post.

Financial Disclosure Requirements in Other States

Michigan is one of just two states—Idaho is the other—without financial disclosure requirements for elected officials. Requirements in the other 48 states vary, but most require at least the disclosure of income, personal services, gifts, and honoraria. [The National Conference of State Legislatures](#) (2021) details specific disclosure requirements for each state.

Proposal 22-1 outlines the required content of the annual financial disclosure report, which would have to be submitted beginning in 2024. The proposal would also require the legislature to implement this requirement through legislation, meaning the legislature could require additional information in the disclosure reports in their initial legislation, or in future legislative sessions.

The Impacts of Financial Disclosure Requirements

Financial disclosure laws are generally intended to:

- Enable the public or an oversight body to evaluate potential conflicts of interest.
- Deter corruption.
- Increase public confidence in government.

Because Michigan currently has no financial disclosure requirements, state lawmakers must police themselves and self-disclose potential conflicts, which rarely happens. Instead, there are multiple examples of Michigan lawmakers voting on bills even after they have admitted a conflict of interest.

According to the Center for Public Integrity, from 2009 to 2017 the Michigan House of Representatives voted on more than 10,000 bills. In that period, 25 state representatives disclosed a total of 38 potential conflicts, but five of them still voted on bills in which they had noted a conflict. During the same period, the Michigan Senate voted on more than 5,900 bills. Only three state senators disclosed possible conflicts, and two of them voted on the bills anyway (Hernández, 2018).

Without knowing the content of the laws the legislature might pass to implement the financial disclosure requirements, it is hard to predict all the ways Proposal 22-1 would affect how state government works. What is clear is that self-policing of conflicts of interest and potential corruption is generally ineffective. The requirements outlined in this proposal would, at a minimum, be positive steps toward illuminating the financial interests and potential conflicts of interest of elected officials in Michigan.

Summary

This proposal represents a significant change to term limits and financial disclosure in Michigan. If approved, it would bring Michigan more in line with other states regarding term limits and financial disclosure requirements.

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