

Michigan Law Banning Automatic Payroll Deductions For Political Contributions Upheld

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The Michigan Campaign Finance Act will live on following a federal appellate court's decision to [uphold the law](#). By way of background, the Michigan Campaign Finance Act generally prohibits corporations and unions from contributing directly via automatic payroll deduction to political candidates, but allows contributions to political action committees (PAC). The Act was amended in 2015 to also prohibit automatic payroll deduction programs for PAC or campaign contributions, with limited exceptions. The Michigan State AFL-CIO challenged the provision in federal court, alleging in part that it violated the union members' First Amendment rights to free speech. Essentially, the union argued that the law acted as a "viewpoint restriction on speech." Last week, a U.S. Court of Appeals for the Sixth Circuit panel reversed the lower court's ruling in favor of the union. [Michigan State AFL-CIO v. Schuette, No. 16-2100, at *2 \(6th Cir., Feb. 9, 2017\)](#). Sixth Circuit Judge Jeffrey Sutton, writing for the panel, relied on similar cases holding that, while payroll deductions can enhance the union's speech, it was otherwise still free to engage in such speech. The court even considered modern advancements in political fundraising and the ease with which one can make a contribution (i.e. PayPal, online credit card payments, etc.). Ultimately, the court said, "[T]he unions remain free to collect donations and to use those donations for political purposes. . . . [T]hey do not have a constitutional right to corporate-subsidized speech." Several other states (e.g. Pennsylvania, Texas) have begun attempts to pass similar laws restricting automatic payroll deductions for political contributions. The impact on political campaigning, if such laws became commonplace in many states, could be significant. Stay tuned.

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