

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN

SECRETARY OF STATE

STATE TREASURY BUILDING



5-82-CI

LANSING

MICHIGAN 48918

April 26, 1982

Honorable Martin D. Buth  
Michigan State Representative  
Nineteenth District  
The Capitol Building  
Lansing, Michigan 48909

Dear Representative Buth:

This is in response to your letter requesting a declaratory ruling with respect to the officeholder expense fund provisions of the Campaign Finance Act (the "Act"), 1976 PA 388, as amended.

Specifically you ask whether an officeholder can accept contributions to an officeholder expense fund (O.E.F.) from a corporation and whether there are limits on the amount of such contributions.

O.E.F.'s were created by section 49 (MCL 169.249) of the Act which reads as follows:

"Sec. 49. (1) An elected public official may establish an officeholder expense fund. The fund may be used for expenses incidental to the person's office. The fund may not be used to make contributions and expenditures to further the nomination or election of that public official.

(2) The contributions and expenditures made pursuant to subsection (1) are not exempt from the contribution limitations of this act but any and all contributions and expenditures shall be recorded and shall be reported on forms provided by the Secretary of State and filed not later than January 31 of each year and shall have a closing date of January 1 of that year.

(3) A person who knowingly violates this section is guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000.00 or imprisoned for not more than 90 days or both."

Previously in a letter to Senator Gary Corbin, a copy of which is enclosed, the Department of State expressed its view that an O.E.F. may receive corporate donations. In the Corbin letter of February 1, 1980, it was also indicated that an O.E.F. which had been the recipient of corporate funds would be precluded from purchasing tickets to the fund raising events of other candidates. An O.E.F. which has received corporate donations is "tainted" when it comes to purchasing tickets to the fund raising events of other candidates. Since the Corbin letter was issued the Department's views with respect to corporate donations to O.E.F.'s have not changed.

April 26, 1982

Page 2

You also ask about limits on donations to O.E.F.'s. Section 49(2) states that "The contributions and expenditures made pursuant to subsection (1) are not exempt from the contribution limitations of this act . . . ."

Section 52(1) of the Act sets forth various limitations on contributions as follows:

"Sec. 52. (1) A person other than an independent committee or a political party committee shall not make contributions to a candidate committee of a candidate for state elective office which, with respect to a single election, are more than the following:

- (a) \$1,700.00 in value for a candidate for state elective office other than the office of state legislator.
- (b) \$450.00 in value for a candidate for state senator.
- (c) \$250.00 in value for a candidate for state representative."

These limitations are based on the election cycle. Thus it appears that even though the O.E.F. is not to be used to support the election of the public official who sponsors the O.E.F., the contributors to the fund may not exceed the limits established by section 52 on a per election basis.

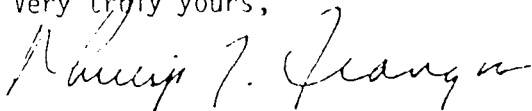
The Act makes this quite explicit and does not adopt the annual cycle utilized for reporting O.E.F. activity. A donor is limited to \$250.00 in donations to a state representative's O.E.F. for each election period for that office. For example, between November 5, 1980 and August 3, 1982, a person could donate \$250.00 to the O.E.F. of a state representative. Between August 4, 1982 and November 2, 1982 the same person could contribute up to \$250.00. For those public officials who are elected for longer terms there would be correspondingly longer period between a general election and a primary. For a state senator or the governor the period could be 45 months during which a contributor would be limited to \$450.00 and \$1,700.00 in donations respectively.

Exceeding the limitations set forth in section 52 is a violation by the donor which upon conviction could result in up to 90 days in jail and/or a fine of up to \$1,000.00.

The preceding information relates only to O.E.F.'s. A person who donates to an O.E.F. is not precluded from making otherwise lawful contributions to an officeholder's campaign committee.

This response is informational only and does not constitute a declaratory ruling. A declaratory ruling is not being issued because your request did not include a specific set of facts.

Very truly yours,



Phillip T. Frangos, Director  
Office of Hearings and Legislation