

MICHIGAN DEPARTMENT OF STATE
RICHARD H. AUSTIN SECRETARY OF STATE



LANSING
MICHIGAN 48918

October 14, 1977

Mr. Robert P. Duff, Treasurer
NBD Good Citizenship Committee
611 Woodward Avenue
Detroit, MI 48226

Dear Mr. Duff:

This is in response to your request of July 5, 1977, for a declaratory ruling concerning the applicability of P.A. 388 of 1976 ("The Act") to a separate segregated fund sponsored by a national bank incorporated under Federal law.

Your request presents the following factual situation. The National Bank of Detroit (NBD) is a corporation organized and existing under the laws of the United States. Under Federal laws and regulations, NBD has been allowed and continues to make expenditures for the establishment, administration and solicitation of contributions to a separate segregated fund for purposes of influencing Federal elections. This fund is administered by the NBD Good Citizenship Committee which is a political committee registered with and reporting to the Federal Election Commission pursuant to the Federal Election Campaign Act of 1971. NBD Good Citizenship Committee now desires to make contributions and expenditures, as defined in the Act, to influence state and local elections in Michigan.

However, your concern is that while the Act in Section 55 authorizes the establishment of a separate segregated fund by "a corporation or joint stock company formed under the laws of this or another state or foreign country," this language does not authorize the establishment of a separate segregated fund by a corporation formed under the laws of the United States, such as the National Bank of Detroit which sponsors your separate segregated fund.

Specifically, your question is whether the Act prohibits a national bank formed under the laws of the United States from making disbursements for the establishment, administration, or solicitation of contributions to its own separate segregated fund for the purpose of influencing Michigan elections.

The Department has determined that the Legislature, giving due deference to the United States Congress, intentionally excluded national banks organized under Federal law from Section 55 of the Act because the authority for the establishment of separate segregated funds by such corporations is governed by Federal law. National banks such as your sponsor are referred to 2 USC §441b and Federal Election Commission regulations 11 C.F.R. §§114.2.

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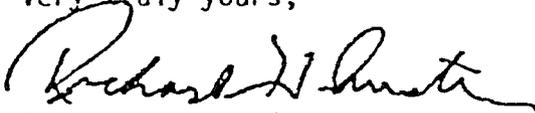
Thus, the Department finds that NBD, being a national bank, is not prohibited from establishing its own separate segregated fund for purposes of influencing Michigan elections. Therefore, your committee which administers this fund is not prohibited from making contributions and expenditures in this State pursuant to the Act.

Although Section 55 of the Act is silent with respect to national banks and their funds, these entities are not excluded from all other provisions of the Act, unless otherwise provided. For example, a fund sponsored by a national bank is subject to filing statements and reports, record keeping, and limitations of the Act. A national bank, like all corporations, is prohibited from making expenditures as provided by Section 54 of the Act.

In conclusion, the Act does not prohibit a national bank formed under the laws of the United States from making disbursements for the establishment, administration, or solicitation of contributions to its own separate segregated fund for political purposes in Michigan.

This response constitutes a declaratory ruling concerning the applicability of the Act to the statement of facts in your request.

Very truly yours,



Richard H. Austin
Secretary of State

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