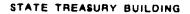
## RICHARD H. AUSTIN • SECRETARY OF STATE





March 31, 1989

Donald W. Freels, CAE Executive Vice President Michigan Association of Realtors P.O. Box 40725 Lansing, Michigan 48901-7925

Dear Mr. Freels:

This is in response to your request for an interpretive statement regarding the requirements of the Campaign Finance Act (the Act), 1976 PA 388, as amended.

The questions you wish the Department to address relate to filing requirements for officers of ballot question committees. Some local associations of realtors intend to form ballot question committees so that they may contribute to future ballot question campaigns. These associations would like to make a staff employee the treasurer of the ballot question committee rather than the association member who serves as the treasurer of the local association.

Specifically, you ask the following questions:

"1. May an incorporated or non-incorporated membership association which registers as a ballot question committee designate as its treasurer for purposes of the Campaign Finance Act a person other than the individual who serves as the treasurer of the association?"

Section 21 of the Act (MCL 169.221) includes various provisions which relate to the appointment and the duties of the treasurer of a committee. These provisions are set forth in the following subsections of section 21:

"(2) A committee shall have a treasurer who is a qualified elector of this state. A candidate may appoint himself or herself as the candidate committee treasurer."

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- "(4) A contribution shall not be accepted and an expenditure shall not be made by a committee which does not have a treasurer. When the office of treasurer in a candidate committee is vacant, the candidate shall be the treasurer until the candidate appoints a new treasurer.
- "(5) An expenditure shall not be made by a committee without the authorization of the treasurer or the treasurer's designee. The contributions received or expenditures made by a candidate or an agent of a candidate shall be considered received or made by the candidate committee.
- "(6) Contributions received by an individual acting in behalf of a committee shall be reported promptly to the committee's treasurer not later than 5 days before the closing date of any campaign statement required to be filed by the committee, and shall be reported to the committee treasurer immediately if the contribution is received less than 5 days before the closing date.
- "(7) A contribution shall be considered received by a committee when it is received by the committee treasurer or a designated agent of the committee treasurer notwithstanding the fact that the contribution is not deposited in the official depository by the reporting deadline."

Section 22 of the Act (MCL 169.222) spells out the record-keeping requirements which a committee treasurer is required to observe.

"Sec. 22. A committee treasurer shall keep detailed accounts, records, bills, and receipts as required to substantiate the information contained in a statement or report filed pursuant to this act or rules promulgated under this act. The treasurer shall record the name and address of a person from whom a contribution is received except for contributions of \$20.00 or less received pursuant to section 41(3). The

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records of a committee shall be preserved for 5 years and shall be made available for inspection as authorized by the secretary of state. 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."

None of the quoted language imposes a requirement that an organization must name any particular person to be the treasurer of a ballot question committee established by the organization. Likewise there is nothing in the rules promulgated to implement the Act which mandates the appointment of any particular person to the position of treasurer.

You wish to advise your local affiliates that a full-time staff member of the association be selected to be the treasurer of the committee. This is certainly consistent with the Act's provisions and may tend to create more continuity in the performance of the duties specified in the Act.

"2. Is it necessary for the statement of organization of a ballot question committee to list all of the current officers of the association which establishes it?"

Section 24 of the Act (MCL 169.224) requires that committees shall file a statement of organization within 10 days of their formation. Pursuant to section 3(4) of the Act, a person becomes a committee be receiving contributions or making expenditures which total \$200.00 or more in a calendar year. Section 24(2) specifies the items to be included in the statement of organization.

- "(2) The statement of organization required by subsection (1) shall include the following information:
- "(a) The name, street address, and where available the telephone number of the committee. A committee address may be the home address of the candidate or treasurer of the committee.
- "(b) The name, street address, and where available the telephone number of the treasurer and other principal officers of the committee.
- "(c) The name and address of the financial institution in which the official committee depository is or is intended to be located, and the name and address of each financial institution in which a secondary depository is or is intended to be located.
- "(d) The name of each person, other than an individual, that is a member of the committee.
  - "(e) The full name of, the office including

district number or jurisdiction sought by, and the county residence of, each candidate, and a brief statement identifying the substance of each ballot question, supported or opposed by the committee. If the ballot question supported or opposed by the committee is not statewide, the committee shall identify the county in which the greatest number of registered voters eligible to vote on the ballot question reside.

"(f) Identification of the committee as a candidate committee, political party committee, independent committee, political committee, or ballot question committee if it is identifiable as such a committee."

Amendments to the statement of organization are required when the information changes. Failure to file an amendment within 10 days of a change subjects the committee to late filing fees of up to \$300.00, as well as possible criminal penalties (MCL 169.224).

However, as previously noted the Act does not require that a committee have a particular set of officers. The only officer required by the Act is a treasurer. In the fact situation you have presented the local association could designate an employee to be treasurer of the committee without naming any other officers. The committee would then operate as an adjunct of the local association. If the treasurer were to be changed then an amendment to the statement of organization would be required. But if the local association's officers are not committee officers the statement of organization would not have to be amended every time new officers were selected for the local association.

The foregoing response is informational only and is not a declaratory ruling with respect to the application of the Act to a specific fact situation.

Very truly yours,

Phillip T. Frangos, Director

Office of Hearings and Legislation

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