

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN • SECRETARY OF STATE

STATE TREASURY BUILDING



LANSING
MICHIGAN 48918

August 21, 1979

Mr. Richard D. McLellan
McLellan, Schlaybaugh & Whitbeck
818 Michigan National Tower
Lansing, Michigan 48933

Dear Mr. McLellan:

This is in response to your request for a declaratory ruling concerning the applicability of the Campaign Finance Act ("the Act"), P.A. 388 of 1976, as amended, to corporate expenditures at a political party convention.

You present the following facts:

"GPR Associates, Inc., is a corporation organized and existing under the provisions of the Michigan Business Corporation Act. It is not a corporation organized for political purposes.

"GPR Associates, Inc. provides consultant services to government agencies, political parties, corporations and other organizations.

"The Board of Directors of the corporation has authorized the officers of the corporation to participate in the State Convention of the Michigan Democratic Party. At this convention the delegates of the Michigan Democratic Party will elect a State Party Chairman. No candidates for elective office will be nominated at the Democratic Party Convention.

"GPR Associates, Inc. proposes to spend funds of the corporation for expenses related to the Democratic Party Convention, including but not limited to hotel rooms, food and beverage, telephone travel.

"The expenditures will be made for the purpose of influencing the decisions of the delegates to the convention with respect to the adoption of certain resolutions and the election of individuals to office in the Democratic Party."

As to the above facts, you ask two questions:

1. Does the Act prohibit the proposed expenditures?
2. If not prohibited, is the expenditure of funds for the purpose of influencing delegates to a Democratic Party Convention at which candidates for elective office will not be nominated exempt from the recordkeeping and reporting requirements of the Act?

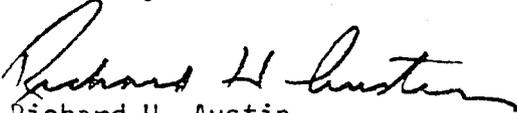
Section 6 of the Act (MCLA § 169.206) defines "expenditure" as meaning anything of ascertainable monetary value given to influence an election. "Election" is defined in Section 5(1) (MCLA § 169.205(1) as "a primary, general, special, or millage election held in this state or a convention or caucus of a political party held in this state to nominate a candidate." "Candidate" is defined in Section 3(1) (MCLA § 169.203(1) as an individual holding or seeking an elective office. "Elective office" is defined as a public office filled by an election.

None of the offices at stake at this particular convention are public offices; moreover, none of the resolutions to be adopted are ballot questions since none will appear on a ballot at an election for public office. Section 2(1) (MCLA § 169.202(1) defines "ballot question" as a question which is submitted or which is intended to be submitted to a popular vote at an election whether or not it qualifies for the ballot.

Accordingly, the expenditures in question are not prohibited by the Act and also need not be reported or recorded as expenditures under the Act.

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

Sincerely



Richard H. Austin
Secretary of State

RHA:dt:mw