

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN

SECRETARY OF STATE

STATE TREASURY BUILDING



9-84-CI

LANSING

MICHIGAN 48918

November 29, 1984

Marc G. Whitefield  
13860 West Ten Mile Road, Suite 200  
Southfield, Michigan 48075

Dear Mr. Whitefield:

This is in response to your inquiry on behalf of your client, the Warren Police Officers Association, with respect to the application of the Campaign Finance Act, 1976 PA 388, as amended (the Act), to a raffle or dinner sponsored by the Association's separate segregated fund.

As indicated in your letter, a corporation is authorized by section 55 of the Act (MCL 169.255) to sponsor a separate segregated fund. A corporation is prohibited from putting corporate monies into its fund. However, a corporation which has established such a fund may utilize corporate funds to defray the costs of "establishment and administration and solicitation of contributions to a separate segregated fund to be used for political purposes."

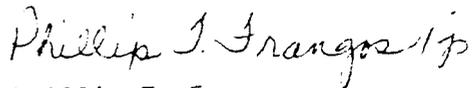
You are particularly interested in knowing whether corporate funds may be used to defray costs associated with fundraising events. Enclosed is a letter which was issued to Mr. Jack Schick which covers the issues you have raised in your letter. As indicated in the letter to Mr. Schick an interpretation of the Act which would permit the corporation to use entertainment premiums or raffle prizes as a solicitation device would authorize the exchange of corporate funds for contributions. These indirect contributions by corporations to a committee that supports candidates are prohibited just as direct contributions to candidates from corporations are prohibited by section 54 of the Act (MCL 169.254). This interpretation, of course, does not preclude the separate segregated fund from utilizing committee funds to defray the expenses of a fundraising event.

Before utilizing a raffle as a fundraising device, you should contact the State of Michigan Lottery Commission to insure that you comply with all the statutes and rules that govern the operation of raffles in this state.

Marc G. Whitefield  
Page 2

This response is an interpretative statement of the Act's separate segregated fund solicitation provisions and is not a declaratory ruling.

Very truly yours,

Handwritten signature of Phillip T. Frangos in cursive script.

Phillip T. Frangos  
Director  
Office of Hearings and Legislation

PTF/cw

Enc.