

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN

SECRETARY OF STATE

STATE TREASURY BUILDING



LANSING
MICHIGAN 489

August 1, 1978

Honorable Jack L. Gingrass
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Representative Gingrass:

This is in response to your letter concerning the applicability of the Campaign Finance Act, P.A. 388 of 1976 ("the Act"), to a testimonial dinner held in your honor.

You state that on September 17, 1977, persons in your district held a "Birthday Party" testimonial in your honor. You indicate the affair was not a fundraiser but rather a dinner at which tribute was given to you.

You accompanied your letter with a statement indicating all sources of income and all disbursements. The latter were made in conjunction with the affair. Income was generated through the sale of tickets. The statement indicates all the net proceeds were donated to Bay de Noc Community College.

Section 7 of the Act (MCLA § 169.207) defines "fund raising event" as a "testimonial...through which contributions are solicited or received by purchase of a ticket..." "Contribution" is defined in Section 4 of the Act (MCLA § 169.204) as a "payment...made for the purpose of influencing the nomination or election of a candidate..."

The Department determines the purchase of tickets to the September 17, 1977, "Birthday Party" testimonial did not constitute a contribution. The net proceeds from ticket sales were donated in their entirety to the local community college and did not benefit your candidate committee. The affair, although an occasion to pay tribute to you, was not a fundraiser for reporting purposes of the Act.

Honorable Jack L. Gingrass
Page Two

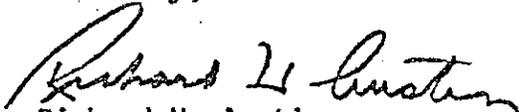
You now report an additional development. Three checks were received on March 20, 1978, for the "Birthday Party." You indicate that these checks are listed on your candidate committee campaign receipt list and that they will be reported in the committee's campaign statements.

The three checks and any similar donations to the "Birthday Party" which are subsequently transferred to your candidate committee shall be considered contributions made directly to your candidate committee by the original donors and must be reported as such. Notice should be given to the original donors as to the amount of contribution to be reported by your candidate committee as having been made by each donor. This will insure that any subsequent contributions do not exceed applicable contribution limitations in the Act.

It should be made clear that although the Department views donations to the testimonial as not constituting contributions in the context of the facts presented in your original inquiry, the transfer of these donations to the candidate committee will be considered reportable contributions, particularly when the non-political testimonial was held in September and the three checks in question were received in late March.

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

Sincerely,


Richard H. Austin
Secretary of State

RHA:pk