

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN

SECRETARY OF STATE

STATE TREASURY BUILDING



LANSING

MICHIGAN 43918

August 21, 1979

Mr. Thomas J. Grzywacz
American-Polish Action Council, Inc.
14183 Wyoming Avenue
Detroit, Michigan 48238

Dear Mr. Grzywacz:

This is in response to your letter concerning the Campaign Finance Act ("the Act"), P.A. 388 of 1976, as amended.

You state your organization, the American-Polish Action Council, Inc., is "requesting written permission from its members to have ninety per cent of all past and present dues and assessments transferred to its independent committee fund."

Although your letter does not state whether your organization is incorporated, your letterhead indicates the organization is incorporated. This response is premised on the assumption your organization is incorporated.

In addition, it is unclear as to which "independent committee fund" you desire to transfer the monies in question. It is assumed your letter refers to the "separate segregated fund" of the American-Polish Action Council, Inc.

Section 55(1) of the Act (MCLA § 169.255(1)) provides:

"Sec.55 (1) A corporation or joint stock company formed under the laws of this or another state or foreign country may make an expenditure for the establishment and administration and solicitation of contributions to a separate segregated fund to be used for political purposes. A fund established under this section shall be limited to making contributions to, and expenditures on behalf of, candidate committees, ballot question committees, political party committees, and independent committees.

(2) Contributions for a fund established by a corporation or joint stock company under this section may be solicited from any of the following persons or their spouses:

- (a) Stockholders of the corporation.
- (b) Officers and directors of the corporation.
- (c) Employees of the corporation who have policy making, managerial, professional, supervisory, or administrative nonclerical responsibilities.

(3) Contributions for a fund established under this section by a corporation which is nonprofit may be solicited from any of the following persons or their spouses:

- (a) Members of the corporation who are individuals.
- (b) Stockholders of members of the corporation.
- (c) Officers or directors of members of the corporation.
- (d) Employees of the members of the corporation who have policy making, managerial, professional, supervisory, or administrative nonclerical responsibilities.

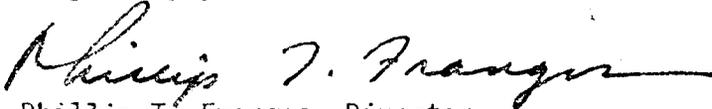
(4) Contributions shall not be obtained for a fund established under this section by use of coercion, physical force, or as a condition of employment or membership or by using or threatening to use job discrimination or financial reprisals.

(5) A person who knowingly violates this section is guilty of a felony and shall be punished by a fine of not more than \$5,000.00 or imprisoned for not more than 3 years, or both, and if the person is other than an individual, the person shall be fined not more than \$10,000.00."

As is evident from the above, only a nonprofit corporation may receive contributions from "members" of the corporation. Moreover, these "members" must be individuals or their spouses. The "members" may not be corporations.

This response is informational only and does not constitute a declaratory ruling.

Very truly yours,



Phillip T. Frangos, Director
Office of Hearings and Legislation

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