

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN

SECRETARY OF STATE

STATE TREASURY BUILDING



MAY 31 1979

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LANSING

MICHIGAN 48918

May 29, 1979

Mr. Clifford L. Johnson  
Chrysler Non-Partisan Political  
Support Committee  
P. O. Box 1919  
Detroit, Michigan 48288

Dear Mr. Johnson:

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

You ask whether a separate segregated fund may act as a third-party conduit for a contribution to a candidate committee.

More specifically, you inquire whether an employee of a corporation may "ear-mark" his or her contribution to a separate segregated fund so that the contribution will be transmitted by the separate segregated fund to the designated candidate consistent with the contributor's intent. You also ask whether it makes a difference as to whom the contribution check is made payable. Finally, you inquire as to the impact of such a transaction upon contribution limits set forth in the Act.

Section 44(1) of the Act (MCLA §169.244(1)) provides "a contribution shall not be made by a person to another person with the agreement or arrangement that the person receiving the contribution will then transfer that contribution to a particular candidate committee." Section 11(1) (MCLA §169.211(1)) defines "person" to include a committee. In order to function pursuant to this Act, a separate segregated fund must register and report as a committee.

The Attorney General in OAG No. 5279, dated March 22, 1978, stated, "It must be noted that the administration of such a fund (a separate segregated fund) and the authorization of expenditures from the fund must be by the board of directors of the corporation or by a committee authorized by the board of directors of the corporation."

The definition of "expenditures" in Section 6(2) of the Act (MCLA §169.206(2)) includes "contributions".

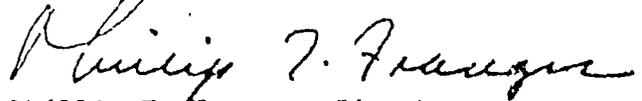
Accordingly, a separate segregated fund may not receive a contribution designated by the contributor to be given to a specific candidate committee. To allow an "ear-marked" contribution of this type would violate the prohibition of Section 44(1). It would place the "authorization of expenditures" function in the hands of the contributing corporate employee, contrary to the ruling of the Attorney General.

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The answer to your first principal question makes answers to your ancillary queries unnecessary.

This response may be considered as informational only and does not constitute a declaratory ruling.

Very truly yours,



Phillip T. Frangos, Director  
Office of Hearings & Legislation

PTF/jmp