

M I C H I G A N D E P A R T M E N T O F S T A T E

RICHARD H. AUSTIN • SECRETARY OF STATE

STATE TREASURY BUILDING



LANSING
MICHIGAN 48918

August 6, 1980

Mr. Robert J. Kauflin
Attorney at Law
Two Crocker Boulevard
Mount Clemens, Michigan 48043

Dear Mr. Kauflin:

You have requested on behalf of four candidates a declaratory ruling concerning the applicability of the Campaign Finance Act ("the Act"), 1976 PA 388, as amended, to cash contributions made at a joint fundraising event.

Specifically, you indicate that you have been asked to serve as treasurer for four circuit court judges who will be seeking reelection in 1980. These candidates propose to conduct a joint fundraiser.

In keeping with the guidelines for conducting joint fundraisers, previously established by the Department in a letter addressed to Mr. Michael W. Hutson and dated September 20, 1978, you state that prior to the event the candidates will execute a written agreement establishing, among other things:

- "A. The exact share of contributions to be assigned to each committee from contributions received from the event shall be twenty-five percent (25%).
- B. The proportional share of expenditures to be allocated to each committee shall be twenty-five percent (25%).
- C. A joint account (in the name of the joint committee) constituting a 'secondary depository' shall be set up in a proper depository for deposit of all contributions from the joint fundraising event.
- D. One of the candidate committees shall be designated to pay all expenses of the joint fundraising event as they arise.
- E. Each candidate committee shall reimburse the designated candidate committee for their proportionate share of the expenses attributable to the joint fundraising event.
- F. The joint committee shall pay to each candidate committee, within a reasonable time, their proportionate share of the contributions."

Mr. Robert J. Kauflin
Page Two
August 6, 1980

You also state all advertising, either before or at the event, will indicate that the event is a joint fundraiser, the names of the candidates involved, the office sought by each candidate, the agreed share of each contribution to be allocated to each candidate, and the manner of writing checks or other written instruments.

Finally, you indicate each contribution to the joint fund raising event will be \$60.00, and each candidate's proportional share will be \$15.00. It is your belief that many contributors "will pay cash at the door on the evening of the event."

You ask whether acceptance of a \$60.00 cash contribution violates section 41(1) of the Act (MCL 169.241(1)) which provides (in part):

"A person shall not make or accept any single contribution of \$20.01 or more in cash nor make or accept any single expenditure of \$50.01 or more in cash. Contributions of \$20.01 or more and expenditures of \$50.01 or more, other than an in-kind contribution or expenditure, shall be made by written instrument containing the names of the payor and the payee."

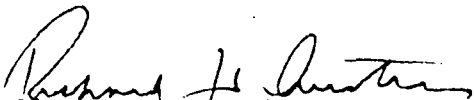
It is your opinion that acceptance of \$60.00 in cash does not violate the Act where the actual share of the contribution received by each candidate is \$15.00, and each contributor is fully informed of this fact by advertising or other communications. However, section 41, when read in conjunction with section 11(1) (MCL 169.211(1)), contradicts your position.

As noted above, section 41 prohibits any "person" from accepting a contribution of \$20.01 or more in cash. "Person" is defined in section 11 as including any "organization or group of persons acting jointly."

Accordingly, those who act jointly for the purpose of conducting a fundraising event are a "person" within the meaning of the Act, and as such may not accept contributions of \$20.01 or more in cash.

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

Very truly yours,


Richard H. Austin
Secretary of State

RHA/jmp