

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN o SECRETARY OF STATE

STATE TREASURY BUILDING



LANSING MICHIGAN 48910

October 26, 1983

Mr. Robert S. LaBrant
Vice-President
Michigan State Chamber of Commerce
200 North Washington Square
Lansing, MI 48933

Dear Mr. LaBrant:

This is in response to your request for a declaratory ruling concerning applicability of the Campaign Finance Act (the "Act"), 1976 PA 388, as amended, to operation of out-of-state political action committees in Michigan elections.

In making your request, you state the following facts:

- 1) You are a qualified elector of the State of Michigan.
2) You propose to serve as the treasurer of a committee or committees to be established in Michigan as affiliates of out-of-state political action committees which (1) are registered with the Federal Election Commission and (2) do not solicit or accept contributions from persons other than those specified in section 55(2) and 55(3) of the Act (MCL 169.255).
3) The Michigan committees will maintain a Michigan depository on which you will serve as treasurer.
4) The Michigan committees intend to receive transfers of funds from their affiliated out-of-state committees and to make expenditures in Michigan elections.
5) The Michigan committees will receive detailed information on contributors, as required by the Act, from their out-of-state affiliates in accordance with the so-called LIFO method. The Michigan committees will then report the information as required in the reporting sections of the Act for those persons contributing more than \$20.00 and \$200.00.

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- 6) The Michigan committees will also report expenditures made in Federal elections or elections in other states in a lump amount.

Based upon the facts stated, the establishment and operation of Michigan affiliates of out-of-state political action committees is permissible under the Act.

An out-of-state political action committee, which (1) is registered with the Federal Election Commission and (2) does not solicit or accept contributions from persons other than those specified in section 55(2) and 55(3) of the Michigan Campaign Finance Act may transfer funds to an affiliated committee which has a Michigan depository and treasurer and makes expenditures in Michigan state elections.

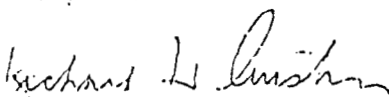
The out-of-state committee must provide detailed information on contributions, as required by the Act, to its Michigan affiliate. This information is to be provided by the so-called LIFO method. The Michigan affiliate will then be able to report detailed information as required in the reporting sections of the Act for those contributing more than \$20.00 and \$200.00.

Like all committees, the Michigan affiliate must file a statement of organization within 10 days of receiving contributions or making expenditures in excess of \$200.00 in a calendar year. A Michigan affiliated committee may receive contributions from qualified persons no matter where they reside.

A Michigan affiliated committee may report expenditures made in Federal elections or elections in other states in a lump sum or may report such expenditures in detail.

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

Very truly yours,

  
Richard H. Austin  
Secretary of State

RHA/jep