

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN

SECRETARY OF STATE

STATE TREASURY BUILDING



LANSING

MICHIGAN 48918

April 8, 1982

Mr. Conrad L. Mallett, Jr.
669 Federal Building
231 West Lafayette
Detroit, Michigan 48226

Dear Mr. Mallett:

This is in response to your request for an interpretation of the Campaign Finance Act (the "Act"), 1976 PA 388, as amended, as it relates to the information set forth below.

You state:

"As you are aware, supporters of Congressman John Conyers, Jr. will be conducting a fundraiser to meet the Congressman's anticipated 1980 campaign expenses. In the past, public response to fundraising events benefitting the Congressman has been overwhelming. It is the opinion of staff advisors and fundraising committee members, that this year's efforts will generate more than enough funds to defray all potential campaign costs."

You ask:

"If, in fact, monies are collected which exceed anticipated campaign expenses, are there any statutes, regulations or rules promulgated under Public Act No. 388, which would prevent the transfer of the excess to a local candidate committee?"

Finally, you inquire as to whether any violation of the Act would occur if you take the following steps:

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- "1. Form a political committee
2. Under the auspices of this committee, conduct the fundraising event.
3. Collect the funds and compare revenues with anticipated campaign expenses.
4. Transfer any excess to the local candidate's committee, bearing in mind the April, 1978 bulletin produced by the Department of State Elections Division which states that political committees may make unlimited contributions to local candidates.
5. Transfer anticipated campaign funds to the federally registered congressional campaign committee known as Citizens for Conyers.
6. Dissolve the political committee when the funding task has been completed."

Although this response is not timely for the 1980 elections, it is being issued for future reference. The issues you raised require clarification.

Section 6(2) of the Act (MCL 169.206(2)) defines "expenditure" as including a contribution or transfer of anything of ascertainable monetary value given to influence the nomination or election of a candidate. A "committee" is defined in section 3(4) (MCL 169.203(4)) as a person who receives or expends \$200.000 or more for the purpose of influencing the action of the voters for or against the nomination or election of a candidate. Thus, if the supporters of Congressman Conyers propose to transfer \$200.00 or more to a local candidate, the Act does require you to register as a committee.

Section 11(2) (MCL 169.211(2)) defines a "political committee" as "a committee which is not a candidate committee, political party committee, independent committee or a ballot question committee." The proposed committee is clearly not a candidate, political party, or ballot question committee. Since steps have not been taken to meet the special requirements of an independent committee as defined by section 8(2) (MCL 169.208(2)), you may register as a political committee.

Under the Act, a political committee may make unlimited contributions to local candidates, i.e., individuals seeking an office other than state elective office. However, if the committee collects contributions from persons with the intent, agreement, or arrangement that the money will then be transferred to a particular local candidate committee, the provisions of section 44(1) (MCL 169.244(1)) will be violated.

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It would be more appropriate for a federal candidate committee registered pursuant to the FECA and a political committee registered under the Act to hold a joint fundraiser. Contributors would have to be informed prior to making a contribution as to the allocation of proceeds between the committees. Expenses of the fundraiser would be borne by the committees according to the same numerical allocation.

At such time as the political committee has no assets or outstanding debts and determines that it will no longer receive contributions or make expenditures, the committee must file a dissolution statement pursuant to section 24(5) (MCL 169.224(5) and rule 28 (1979 AC R169.28) of the rules promulgated to implement the Act.

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

Very truly yours,



Phillip T. Frangos, Director
Office of Hearings and Legislation

PTF/cw