

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN

• SECRETARY OF STATE

STATE TREASURY BUILDING

LANSINGMICHIGAN 48918

June 20, 1983

Richard J. Padzieski  
1200 Frank Murphy Hall of Justice  
1441 St. Antoine Street  
Detroit, Michigan 48226

Dear Mr. Padzieski:

This is in response to your request for an interpretation of the Campaign Finance Act, 1976 PA 388, as amended (the "Act"), with respect to a school board reimbursing an employee for the price of tickets to fundraisers for candidates for election to public office.

The Attorney General of Michigan has recently issued the enclosed letter opinion. The opinion clearly states that public funds shall not be used for political purposes.

In the materials submitted with your letter it is stated the school board spent public funds to reimburse an employee for the amounts he paid to attend fundraisers for a number of candidates. A contention included in the materials accompanying your letter is that a school board which files pursuant to the "Lobbying Act" may purchase tickets to candidate fundraisers provided the purchases are reported.

The Lobbying Act cited in the materials you provided was enacted as 1978 PA 472. However, this statute has never become operative because its implementation was enjoined by the Ingham County Circuit Court. That injunction has remained in effect until the present time. The case is currently before the Michigan Supreme Court. The law, while being upheld by the Court of Appeals, has not as yet gone into effect. No filings have ever been received by the Secretary of State pursuant to that statute.

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Since 1978 PA 472 and its reporting and disclosure requirements have never gone into effect, the law which it was designed to replace has remained in effect. The statute, 1947 PA 214, as amended, (copy enclosed) provides that a legislative agent must file a sworn statement disclosing information about the legislative agent including the name of those firms retaining the agent. There is no provision requiring a legislative agent or a person employing such an agent to file reports that disclose monies received or spent in lobbying. That was the major change included in 1978 PA 472 which has never gone into effect.

The contention that funds spent for attendance at fundraisers is a lobbying expenditure is totally at odds with all of the statutes discussed above. The 1947 Lobbying Act does not touch the issue in any way. 1978 PA 472 contains a specific exemption in section 4(a) that puts fundraiser ticket purchases within the purview of the Campaign Finance Act. Section 4(2) of the Act clearly defines the term contribution to include fundraiser ticket purchases.

When an item is a contribution under the Act it must be disclosed pursuant to the Act. However, the Attorney General has ruled a number of times that a governmental agency is precluded from participating in elections by making contributions or independent expenditures to support or oppose candidates or ballot questions.

A political subdivision or governmental agency is not subject to the Act. It may not either directly or indirectly make contributions or expenditures pursuant to the Act. Purchases of fundraiser tickets are contributions, not lobbying expenses. Political subdivisions may not reimburse employees for the purchase of fundraiser tickets. If they do so, they have exceeded their authority. When this Department becomes aware of a school district or other political subdivision participating in elections, it will refer the matter to the appropriate unit of the Department of Education or Department of Treasury.

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

Very truly yours,



Phillip T. Frangos, Director  
Office of Hearings & Legislation

PTF/cw

Enc.