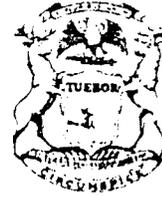


MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN • SECRETARY OF STATE  
STATE TREASURY BUILDING



21-81-CI  
LANSING  
MICHIGAN 48918

November 10, 1981

Mr. John D. Pirich  
Miller, Canfield, Paddock & Stone  
110 Business & Trade Center  
200 Washington Square, North  
Lansing, Michigan 48933

Dear Mr. Pirich:

This is in response to your inquiry concerning applicability of the Campaign Finance Act (the "Act"), 1976 PA 388, as amended, to partnership contributions. Specifically, you have asked:

"May a law firm which is a partnership including professional corporations make firm contributions to a political candidate or committee and have the contributions charged back to only non-professional corporation partners?"

As indicated in an April 29, 1981 letter to Mary F. Galasso, partnerships are unique creatures under Michigan law. A partnership is a separate entity, yet it is also a group of individuals. Under the Department's interpretation of the Act set forth in the Galasso letter, a partnership may act as a single entity or a partnership check may be used to make one lump sum contribution which is attributed in specific amounts to individual partners. Obviously, no part of a campaign contribution may be attributed to an individual partner who is incorporated as a professional corporation because of section 54 of the Act (MCL 169.254). However, the fact that some partners are incorporated does not prevent the unincorporated partners from having contributions made with partnership checks where the contributions are attributed only to the unincorporated partners. Attribution, as used in this context, means the unincorporated partners' shares of the partnership profits shall be reduced by the amount of the contribution while the draw or compensation of the unincorporated partners remains unaffected, i.e., as if no contribution had been made.

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As stated in the Galasso letter, a partnership is presumed to be separate entity when using the partnership checking account unless a written statement identifying the actual individual contributors accompanies the contribution. The proper procedure a partnership must follow when making a contribution bears repeating from the Galasso letter:

"When partners wish to use a partnership check to make a contribution to a committee, the check should be accompanied by a written statement containing the name, address, date, and amount of contribution being made by each partner. The recipient committee should then report the contributions as if they had received a separate check from each partner and no mention should be made of the partnership as a contributor. Those partners whose contributions total more than \$200 must have their occupation, employer, and principal place of business reported in addition to their name, address, date, and amount of contribution. When the partnership acts as a person in its own right, a separate statement should not accompany the check and the amount contributed will not be attributed to the individual partners. By following this contribution and reporting procedure, partnerships and their partners will avoid violating section 41(6) of the Act (MCL 169.241) which prohibits a contribution being made 'by any person in a name other than the name by which that person is identified for legal purposes.'"

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