

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN

SECRETARY OF STATE

STATE TREASURY BUILDING



LANSING

MICHIGAN 48918

November 2, 1978

Mr. Christopher L. Rose, Clerk
Independence Township
90 North Main Street
Clarkston, Michigan 48016

Dear Mr. Rose:

This is in response to your request for an interpretation concerning applicability of the Campaign Finance Act, P.A. 388 of 1976, as amended ("the Act"), to retention by a candidate for personal use after an election of items purchased with campaign contributions. In your letter you pose a series of hypothetical situations, all of which have the candidate committees purchasing assets prior to the election, ostensibly for usage in the election. In each instance, however, the candidate retains the assets after the election.

Section 3(4) of the Act (MCLA § 169.203) defines "committee" as an entity which receives contributions or makes expenditures for the purpose of influencing an election. Section 4(1) (MCLA § 169.204) relates "contribution" to the purpose of influencing an election. Similarly, Section 6(1) (MCLA § 169.206) ties "expenditure" to the same purpose.

Consequently, the moneys in a committee's official account or assets held by a committee are for a single purpose, i.e., to influence an election. In making an expenditure, a committee must do so consistent with the requirements of the Act.

Subsequent to an election, a committee may continue to hold certain moneys and assets. If the committee continues in existence, e.g., the committee is that of a candidate who wins the election and who must retain the committee during his or her tenure as an elected official by virtue of Section 3(1) of the Act, the committee is required to file periodic campaign statements indicating the status of the diverse assets and moneys. It should be stressed the statutory purpose of these assets and moneys remains the same, i.e., to influence an election.

If the committee wishes to dissolve, it must dispose of all financial holdings prior to dissolution pursuant to Rule 169.28 of the General Rules promulgated by the Secretary of State to implement the Act. Section 45(1) of the Act (MCLA § 169.245) permits transfer of funds, in the case of those held by a candidate committee, to another candidate committee of the same individual, provided the contribution limits of the recipient committee are equal to or greater than those of the transferring committee, and both committees are held simultaneously by the same person. Section 45(2) provides that funds not eligible for transfer to another candidate committee shall be given to a political party committee, tax exempt charitable institution, or returned to contributors of the funds upon termination of the committee.

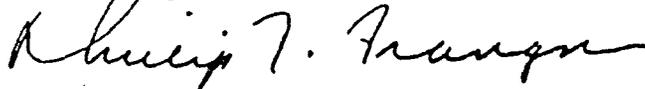
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Therefore, expenditures by a candidate committee must be made for the purpose of influencing an election, not for the personal benefit of an individual.

In the case of assets and moneys remaining with a committee after an election, and in the instance where the committee intends to terminate through dissolution, the Act prescribes the method for disposition of financial holdings. The Act does not expressly permit usage or retention of these assets and moneys by the candidate for his personal benefit.

This response may be considered as informational only and not as constituting a declaratory ruling.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Phillip T. Frangos".

Phillip T. Frangos, Director
Office of Hearings and Legislation

PTF:pj