

RICHARD H. AUSTIN

SECRETARY OF STATE

STATE TREASURY BUILDING



LANSING

MICHIGAN 4891

August 6, 1980

Mr. Douglas K. Weiland, Treasurer  
Committee to Re-Elect Michael J. Carr  
3314 Sherwood Drive  
Flint, Michigan 48503

Dear Mr. Weiland:

This is in response to your inquiries concerning the Campaign Finance Act ("the Act"), 1976 PA 388, as amended.

Specifically, you state in connection with a May 20, 1979 fundraiser, the Committee to Re-Elect Michael J. Carr received funds by selling advertising space in a printed program book. After selling the advertisements, you discovered one of the purchasers of advertising space was an incorporated business.

Your first question is whether the sale of advertising space constitutes a contribution as defined by the Act or whether the sale of goods or services is outside the definition.

Section 4(1) of the Act (MCLA 169.204(1)) defines "contribution" as a "payment, . . . expenditure, (or) . . . payment for services . . . made for the purpose of influencing the nomination or election of a candidate . . ." Since money actually changes hands in the type of transaction you describe, the person who purchases advertising space makes an expenditure or a payment for a service. The printed program is a book which favorably presents the candidate to its readers and the sale of advertising is a source of campaign funds for the candidate. The program, by itself, may be considered a fundraiser. Thus the printed program has two purposes -- it raises money for the candidate and shows to the readers of the program the support the candidate has in the community. The two purposes influence the nomination or election of the candidate. Therefore, the purchase of advertising space constitutes a contribution.

In your second question, you ask if it is permissible to "receipt" the corporate contribution to an officeholder expense fund. Section 54(1) of the Act (MCL 169.254(1)) expressly prohibits a corporation from making a "contribution" to a committee. None of the exceptions in that provision or section 55 (MCL 169.255) apply to your factual situation. As discussed previously, the purchase of an advertisement constitutes a contribution. Since it is improper for your candidate committee to receive this corporate contribution, it would also be improper for the committee to accept the contribution and pass it along to an officeholder expense fund. Additionally, it should be noted section 49(1) (MCL 169.249(1)) precludes usage of the officeholder expense fund for furthering the nomination or election of the public official.

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Mr. Douglas K. Weiland

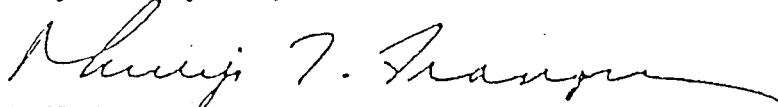
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Finally, you inquire as to how a committee can rectify the situation where it has received a corporate contribution under the above circumstances. The definition of "contribution" in section 4 provides an offer or tender of a contribution is not a contribution if expressly and unconditionally rejected or returned. A return of the contribution does not eliminate the violation, but it may evidence a willingness on the part of the committee to abide by the intent of the Act. Whether or not it does, depends on the facts of the case.

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

Very truly yours,



Phillip T. Frangos, Director  
Office of Hearings & Legislation

PTF/jmp