



August 14, 1978

Mr. Monte Geraldts
28162 Lorenz
Madison Heights, Michigan 48071

Dear Mr. Geraldts:

This is in response to your request for a declaratory ruling concerning the applicability of the Campaign Finance Act ("the Act"), P.A. 388 of 1976, as amended, to a legal defense fund.

You state you have incurred, and will continue to incur, substantial legal fees and costs in defending yourself in respect to bar, criminal, and legislative matters. Some friends wish to establish a legal defense fund, the proceeds of which will not be used for any election purpose.

You ask whether a legal defense fund is subject to the provisions of the Act since the fund may benefit either a member of the House or a candidate.

In responding on March 29, 1978, to Ms. Cindy Sage, Treasurer of the Republican Women's Federation of Michigan ("the RWF"), as to whether the RWF must register and report pursuant to the Act, the Department stated:

"The determination of whether the RWF is subject to the Act's provisions is contingent on whether the state organization or any of the local organizations is a 'committee' as defined in the Act. Section 3 of the Act (MCLA § 169.203) defines a 'committee' as a person who receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of a candidate, or the qualification, passage, or defeat of a ballot question, if contributions received total \$200.00 or more in a calendar year. 'Person' is defined in the Act as including an association, committee, or any other organization or group of persons acting jointly."

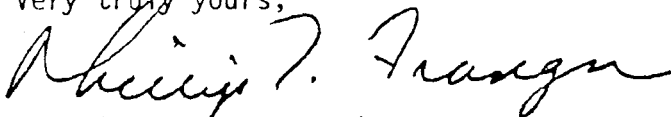
Similarly, unless your legal defense fund receives contributions or makes expenditures to influence an election, it is not subject to the reporting provisions of the Act. However, if any of this money should become utilized in

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influencing or attempting to influence an election, the legal defense fund shall be subject to registering and reporting pursuant to the Act.

Since your letter does not set forth a precise statement of facts as required by Section 63 of the Michigan Administrative Procedures Act with respect to a request for a declaratory ruling, this response should be considered informational as to the interpretation relied upon by the Department in its enforcement of the Act.

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:pk