

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN • SECRETARY OF STATE

STATE TREASURY BUILDING



MAY 31 1979 2 PM

LANSING
MICHIGAN 48918

May 30, 1979

Honorable Leo R. Lalonde
Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48901

Dear Representative Lalonde:

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 newspaper advertisement and brochure paid for by a candidate.

You state the following factual situation:

"On January 10, 1979, I purchased a newspaper advertisement informing my constituents of my office address and telephone number. A copy of the ad is enclosed. The cost of placing this ad was approximately \$220.00. In addition, I had a brochure printed, similar to the ad, at a cost of approximately \$130.00."

In a telephone conversation with Department staff, you indicated you paid for the materials out of your personal funds. Your question to this office is whether you have to list on your next campaign statement the cost of the advertisement and the brochure as an in-kind contribution from yourself to your committee.

Section 26 of the Act (MCLA §169.226) requires the reporting of all expenditures by a candidate committee. However, a disbursement from a candidate's personal funds only has to be reported in a campaign statement when the disbursement is campaign related, i.e., the disbursement qualifies as an "expenditure" under the Act.

Section 6(1) of the Act (MCLA §169.206(1)) defines an "expenditure" as a payment made in various forms for the purpose of influencing an election. The materials you have submitted merely inform your constituents where they may contact you, and of your interest in hearing from them concerning matters relating to state government. There is no mention of an election nor is there an appeal for the support of your constituents in any election.

The advertisement and brochure you submitted could have been purchased with funds from an officeholder expense fund established pursuant to Section 49 of the Act (MCLA §169.249). A fund of this type may be used for expenses incidental to

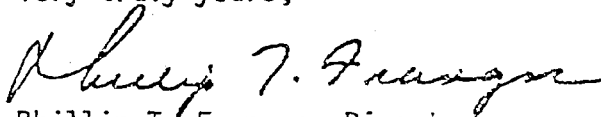
Honorable Leo R. Lalonde
May 30, 1979
Page 2

the person's office. The disbursements in the present case are clearly incidental to your office. Disbursements from an officeholder expense fund are not to be used for campaigning and are not reportable as campaign expenditures.

In conclusion, the disbursement of personal funds for office expenses is not prohibited by the Act and does not have to be reported by a candidate committee. Disbursements of this type may be made from an officeholder expense fund established pursuant to the Act.

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

Very truly yours,



Phillip T. Frangos, Director
Office of Hearings & Legislation

PTF/jmp