MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN • SECRETARY OF STATE

STATE TREASURY BUILDING

5-90-CI

LANSING

MICHIGAN 48918

July 17, 1990

Mr. Charles A. Anglin
5101 Arden
Warren, Michigan 48092

Dear Mr. Anglin:

This is in response to your request for an interpretation concerning the applicability of the Campaign Finance Act ("the Act"), 1976 PA 388, as amended, to a campaign advertisement for election to the School Board of the Warren Consolidated School District.

You indicate that a direct mail advertisement promoting your candidacy for the School Board is produced by Copy Center USA, Inc., and inserted in local newspapers for distribution. Your letter states:

> "The Committee To Elect Chuck Anglin pays Copy Center USA, Inc. for the advertising space the same way the other advertisers pay Copy Center USA, Inc. for their advertisement."

You further indicate that Jets Pizza purchased advertisements from Copy Center USA, Inc., for its business. Its advertisement appeared in the same newspaper insert with your campaign advertisement. Jets Pizza is owned by Jet's Pizza, Inc., a corporation.

One of the purposes of the Act is to regulate the financing of campaigns for "elective office". Subsection 5(2) of the Act (MCL 169.205) was amended by 1989 PA 95, and provides, in pertinent part:

> "(2) 'Elective office' . . . <u>Except for the purposes of sections 54 and 55, elective office does not include a school</u>

> board member in a primary or fourth class school district." (Emphasis added.)

The Warren Consolidated School District is a fourth class district. As such, the district's School Board elections are generally excluded from the Act's requirements. However, sections 54 and 55 of the Act (MCL 169.254 and 169.255) remain applicable to school board elections in a fourth class district. These sections prohibit a corporation from making a contribution to a candidate committee.

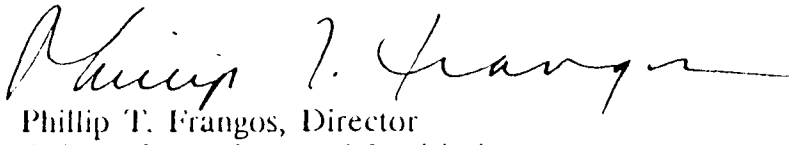
Section 4 of the Act (MCL 169.204) defines a campaign "contribution" as follows:

> "Sec. 4. (1) 'Contribution' means a payment, gift, subscription, assessment, expenditure, contract, payment for services, dues, advance, forbearance, loan, or donation of money or anything of ascertainable monetary value, or a transfer of anything of ascertainable monetary value to a person, made for the purpose of influencing the nomination or election of a candidate . . .
>
> (2) Contribution includes . . . the granting of discounts or rebates not available to the general public; or the granting of discounts or rebates by broadcast media and newspapers not extended on an equal basis to all candidates for the same office."

Assuming that Jets Pizza was merely purchasing commercial advertising from Copy Center USA, Inc., for its business and was not making a "contribution" to your campaign, as defined in section 4 of the Act, nothing in your letter would lead to the conclusion that Jets Pizza has violated the Act or its rules. The Act does not prohibit a corporation from purchasing advertising from the same company which produces and distributes campaign advertising for a candidate committee, provided the advertisements are purchased at fair market value.

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

Very truly yours,



Phillip T. Frangos, Director
Office of Hearings and Legislation

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