



March 24, 1978

Ms. Denise Arnold
Committee Rooms, 4th Floor
State Capitol
Lansing, Michigan 48909

Dear Ms. Arnold:

This is in response to your inquiry regarding P.A. 388 of 1976 ("the Act").

It is the Department's understanding you ran unsuccessfully in the 1976 General Election as the Democratic candidate for State Representative from the 56th District. It is further understood you incurred debts for that campaign which had not been discharged as of the date of your inquiry. You indicated your own and others' funds are being used to retire the debts in existence after June 1, 1977, the effective date of the Act.

You ask whether an individual must file a statement of organization or campaign statement under these circumstances.

Section 4 of the Act (MCLA § 169.204) defines "contribution" as a payment of money made for the purpose of influencing the election of a candidate. "Expenditure" is defined in Section 6 of the Act (MCLA § 169.206) as a payment in assistance of the election of a candidate.

Section 3 of the Act (MCLA § 169.203) indicates the manner by which an individual becomes a candidate. Of the several methods, only one is relevant to this discussion since the election in question took place prior to the effective date of the Act. Specifically, an individual may attain the status of candidate for purposes of the Act by receiving a contribution or making an expenditure.

In the present case, none of the funds are influencing or assisting the election of an individual to a political office, provided they are designated and used to retire campaign debts incurred in an election which was held prior to the effective date of the Act.

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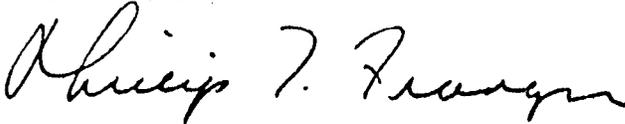
Consequently, an individual is not a candidate solely by virtue of participating in the 1976 General Election, nor are monies designated and used to retire debts from the 1976 General Election to be construed as contributions or expenditures for purposes of the Act. Under these circumstances, a statement of organization or campaign statement would not have to be filed.

However, subsequent to receipt of your inquiry, it has come to the Department's attention that you announced in the media an intention to seek nomination as Democratic candidate for State Representative from the 56th District in the August, 1978, primary election. As noted previously, Section 3 establishes the criteria by which an individual becomes a candidate for purposes of the Act.

In view of this development, any monies received and not applied to retirement of the former campaign debts could subject you to the filing, recording and reporting requirements of the Act.

Since your inquiry was not supported by the precise statement of facts required by Section 63 of the Michigan Administrative Procedures Act (MCLA § 24.262) which establishes the criteria for requesting and issuing a declaratory ruling, this response may be considered as informational only and not as constituting a declaratory ruling.

Very truly yours,



Phillip T. Frangos, Director
Office of Hearings and Legislation

PTF:pk

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