

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN

SECRETARY OF STATE

STATE TREASURY BUILDING



LANSING

MICHIGAN 48918

December 14, 1979

Mr. Lingg Brewer
Ingham County Clerk
Mason, Michigan 48854

Dear Mr. Brewer:

This is in response to your request for an interpretative statement concerning the Campaign Finance Act ("the Act"), 1976 P.A. 388, as amended.

You state the following facts:

"I'm having a neighborhood party-volleyball game. The admission is free. The volleyball game is between old neighborhood friends and some Democratic candidates. In publicizing all aspects on the radio, a part of the ad has political overtones in that I mention the candidates by name, as well as my friends' names. My intent is to try to isolate the 'political' advertising value to each candidate and communicate to him the value of an 'in-kind' contribution."

All expenses are being paid by me, as a private person. It would be difficult to say 'authorized by Jones, Miller, Smith, etc.,' on the ad. The disclaimer would be longer than the ad and the ad is only semi-political in nature."

You inquire as to the legal obligations imposed on you by the Act concerning this event.

There are three issues which must be addressed. First, it must be determined whether you may sponsor the event. Second, it must be determined what reporting must take place with respect to the function. Third, a determination must be made as to which of the Act's advertising requirements apply to the radio advertisement.

Section 44(2) of the Act (MCLA §169.244(2)) provides a candidate committee shall not make a contribution to or an independent expenditure in behalf of another candidate committee. However, the Department, in a letter to Mr. Peter Coughlin dated March 24, 1978, stated the Act does permit a candidate to use personal monies or assets as a contribution or independent expenditure in behalf of another candidate committee. Consequently, you may sponsor the event through the use of your personal funds.

Mr. Lingg Brewer
page 2

Section 7(4) (MCLA §169.207(4)) states:

"'Fund raising event' means an event such as a dinner, reception, testimonial, rally, auction, bingo, or similar affair through which contributions are solicited or received by purchase of a ticket, payment of an attendance fee, donations or chances for prizes, or through purchase of goods or services."

Although you indicate admission is free, it is not clear from the facts given whether contributions will be solicited or received through some other means, e.g., by donations or through purchase of goods, including refreshments. If contributions are not solicited or received, the function is not a fund raising event and need not be reported as such, although other reporting is required as indicated below. Even if contributions are received or solicited thereby qualifying the function as a fund raising event, it need not be reported by any candidate committee as a fund raising event if you alone sponsor the event with your personal funds and there is no financial involvement by any candidate committee.

The degree of involvement the various candidate committees have in sponsoring the event, if any, is not clear from your letter. If the committees have any part in sponsoring the event and the event receives or solicits contributions, the function must be reported as a joint fund raising event by the candidate committees involved, notwithstanding the fact you as an individual are paying all the expenses.

In the event the function constitutes a joint fund raising event, you are referred to a letter from the Department to Mr. Michael Hutson, dated September 20, 1978, a copy of which is enclosed. The criteria and guidelines for reporting a joint fund raising event are set forth in detail in the Hutson letter.

If the function qualifies as a fund raising event, the committees of participating candidates must report all contributions and in-kind contributions on a prorated basis, from each individual participant or attendee.

If the function does not qualify as a fund raising event, each candidate committee need only report as in-kind contributions, on a prorated basis, your individual expenses for the event including the cost of the radio advertisement.

Finally, with respect to advertising the event, section 47 of the Act (MCLA §169.247) provides that radio advertisements "having reference to a candidate" must include the name of the person paying for the advertisement. Accordingly, your name and the name of each candidate attending the event must be included in the advertisement. The fact that the advertisement is "difficult" or "semi-political" is immaterial.

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