



March 21, 1978

Mr. Timothy Downs
c/o Farber & Downs P.C.
1217 First National Building
Detroit, Michigan 48226

Dear Mr. Downs:

This is in response to your letter in which you asked several questions concerning P.A. 388 of 1976 ("the Act"). The questions, which have been modified for purposes of clarification, are as follows:

- 1) May donations be made specifically to an officeholder's expense fund?
- 2) May contributions be made specifically to a campaign committee?
- 3) May contributions be made specifically to a combined officeholder's expense fund and campaign committee account?
- 4) May funds held in an officeholder's expense fund be transferred to the same officeholder's candidate committee?
- 5) May funds held by an officeholder's candidate committee be transferred to the same officeholder's expense fund?
- 6) What disbursements may be properly made from an officeholder's expense fund?
- 7) Must funds held by a candidate committee or in an officeholder's expense fund as of June 1, 1977, be itemized in a reporting statement, or may they be reported as to total amount?

Section 21 of the Act (MCLA § 169.221) provides a candidate committee shall designate an account in a Michigan financial institution as the official depository for the purpose of depositing all contributions and for the purpose of making all expenditures. A contribution to a candidate committee pursuant to the Act is made for the purpose of influencing the nomination or election of the candidate. An expenditure by a candidate committee for purposes of the Act is generally in assistance of the nomination or election of the candidate.

Mr. Timothy Downs
Page Two

Section 49 of the Act (MCLA § 169.249) enables an elected public official to establish an officeholder's expense fund. The fund may be used for expenses incidental to the person's office. The fund may not be used to make contributions or expenditures to further the nomination or election of the public official who establishes the fund.

Rule 169.39 of the General Rules, promulgated by the Secretary of State pursuant to authority conferred by Section 15 of the Act (MCLA § 169.215) and having the effect of law, provides that money received by an officeholder's expense fund shall be kept in a depository account separate from the candidate committee's funds. Further, the rule states that money given specifically to an officeholder's expense fund shall be designated for that purpose by the donor. It permits the transfer of money from the candidate committee of an elected public official to that official's officeholder expense fund in accordance with the provisions of the Act.

In view of the foregoing provisions, your questions may be answered as follows:

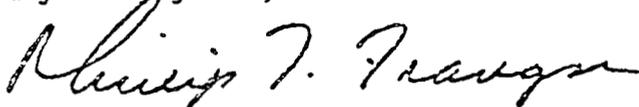
- 1) Donations may be made specifically to an officeholder's expense fund.
- 2) Contributions may be made specifically to a campaign committee.
- 3) Contributions to a combined officeholder's expense fund and campaign committee account are precluded by the Act and rules.
- 4) Funds in an officeholder's expense fund may not be transferred to the same officeholder's candidate committee. As noted above, Section 49 of the Act does not permit monies in the officeholder's expense fund to be used for furthering the nomination or election of the officeholder.
- 5) Funds held by an officeholder's candidate committee may be transferred to the same officeholder's expense fund by virtue of Rule 169.39 promulgated pursuant to the Act.
- 6) The officeholder's expense fund may be used for expenses incidental to the person's office but may not be used to further the nomination or election of that public official.

Mr. Timothy Downs
Page Three

Your last question concerns the proper method for reporting monies held by a candidate committee or in an officeholder's expense fund as of June 1, 1977. Such funds need only be reported as to total amount, and need not be itemized as is the case with funds received after June 1, 1977. It should be noted, however, that Section 25(2) of the Act (MCLA § 169.225) provides a person is not exempted from disclosing transactions which occurred prior to June 1, 1977, according to the laws then in effect.

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