

HOUSE BILL No. 4259

February 11, 1999, Introduced by Rep. Law and referred to the Committee on Gaming and Casino Oversight.

A bill to amend 1975 PA 169, entitled "Charitable organizations and solicitations act," by amending the title and sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 20, 21, and 23 (MCL 400.272, 400.273, 400.274, 400.275, 400.276, 400.277, 400.278, 400.279, 400.280, 400.281, 400.282, 400.283, 400.286, 400.287, 400.288, 400.290, 400.291, and 400.293), section 13 as amended by 1992 PA 299, and by adding sections 3a, 19, 19a, 19b, 19c, 19d, 22a, 23a, 23b, and 23c; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

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An act to regulate organizations and persons soliciting or collecting contributions for charitable purposes; to require registration —, AND disclosure of information ~~and licensing~~ before solicitation of contributions; to provide for reporting of

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1 financial and other information by those ~~licensed or~~ registered
2 and those claiming exemption; to prescribe standards of conduct
3 and administration, and to prohibit certain actions; to provide
4 for enforcement, investigation, and promulgation of rules by the
5 attorney general; to preempt local regulation; to provide penal-
6 ties for violations; and to repeal ~~certain~~ acts and parts of
7 acts.

8 Sec. 2. As used in this act:

9 (a) "Charitable organization" means ~~a benevolent, educa-~~
10 ~~tional, philanthropic, humane, patriotic, or eleemosynary organi-~~
11 ~~zation of persons which solicits or obtains contributions solici-~~
12 ~~ted from the public for charitable purposes. A chapter, branch,~~
13 ~~area office, or similar affiliate or person soliciting contribu-~~
14 ~~tions within the state for a charitable organization which has~~
15 ~~its principal place of business outside the state is a charitable~~
16 ~~organization. This definition does not include duly constituted~~
17 ~~religious organizations or a group affiliated with and forming an~~
18 ~~integral part of a religious organization no part of the net~~
19 ~~income of which inures to the direct benefit of any individual if~~
20 ~~it has received a declaration of current tax exempt status from~~
21 ~~the United States. The affiliated group shall not be required to~~
22 ~~obtain a declaration if the parent or principal organization has~~
23 ~~obtained tax exempt status. Charitable organization does not~~
24 ~~include a candidate or committee as defined in section 901 of Act~~
25 ~~No. 116 of the Public Acts of 1954, being section 168.901 of the~~
26 ~~Michigan Compiled Laws, or a political party qualified to be on~~
27 ~~the general election ballot pursuant to section 560a of Act~~

~~1 No. 116 of the Public Acts of 1954, as added, being section~~
~~2 168.560a of the Michigan Compiled Laws.~~ THE FOLLOWING:

3 (i) A TAX EXEMPT ORGANIZATION UNDER SECTION 501(c)(3) OF THE
4 INTERNAL REVENUE CODE OF 1986.

5 (ii) A PERSON WHOSE PURPOSE, STRUCTURE, OR ACTIVITIES ARE
6 DESCRIBED UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE OF
7 1986.

8 (iii) CHARITABLE ORGANIZATION DOES NOT INCLUDE A FEDERAL,
9 STATE, OR LOCAL UNIT OF GOVERNMENT, A SUBDIVISION, AGENCY, OR
10 INSTRUMENTALITY OF FEDERAL, STATE, OR LOCAL GOVERNMENT, OR A
11 RELIGIOUS ORGANIZATION INCORPORATED OR ESTABLISHED FOR RELIGIOUS
12 PURPOSES.

13 (iv) CHARITABLE ORGANIZATION DOES NOT INCLUDE ANY OF THE
14 FOLLOWING:

15 (A) A CANDIDATE, CANDIDATE COMMITTEE, OR COMMITTEE AS THOSE
16 TERMS ARE DEFINED IN SECTION 3 OF THE MICHIGAN CAMPAIGN FINANCE
17 ACT, 1976 PA 388, MCL 169.203.

18 (B) AN AUTHORIZED COMMITTEE, POLITICAL COMMITTEE, OR PRINCI-
19 PAL CAMPAIGN COMMITTEE AS THOSE TERMS ARE DEFINED IN SECTION 301
20 OF TITLE III OF THE FEDERAL ELECTION CAMPAIGN ACT OF 1971, PUBLIC
21 LAW 92-225, 2 U.S.C. 431.

22 (C) A POLITICAL PARTY AS DESCRIBED IN SECTION 560A OF THE
23 MICHIGAN ELECTION LAW, 1954 PA 116, MCL 168.560A.

24 (B) "CHARITABLE PURPOSE" MEANS THE FOLLOWING:

25 (i) A PURPOSE DESCRIBED IN SECTION 501(c)(3) OF THE INTERNAL
26 REVENUE CODE OF 1986.

1 (ii) A BENEVOLENT, PHILANTHROPIC, EDUCATIONAL, SCIENTIFIC,
2 PUBLIC HEALTH, HUMANE, RELIGIOUS, OR OTHER ELEEMOSYNARY
3 OBJECTIVE.

4 (C) "CHARITABLE SALES PROMOTION" MEANS AN ADVERTISING OR
5 SALES CAMPAIGN REPRESENTING THAT PROCEEDS FROM THE SALE OR USE OF
6 THE GOODS OR SERVICES OFFERED WILL BENEFIT, IN WHOLE OR IN PART,
7 A CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE, OR THAT THE
8 SELLER OR VENDOR WILL MAKE A PAYMENT TO A CHARITABLE ORGANIZATION
9 OR FOR A CHARITABLE PURPOSE.

10 (D) "COMMERCIAL COVENTURER" MEANS A PERSON WHO CONDUCTS
11 CHARITABLE SALES PROMOTIONS. A PERSON WHO ENTERS INTO A LICENS-
12 ING ARRANGEMENT IN WHICH A CHARITABLE ORGANIZATION ALLOWS THE
13 PERSON TO USE THE CHARITABLE ORGANIZATION'S NAME FOR A FEE IS A
14 COMMERCIAL COVENTURER.

15 (E) ~~-(b)-~~ "Contribution" means the promise, grant, or pay-
16 ment of money or property of any kind or value, including
17 ~~promises~~ THE PROMISE to pay. ~~, except payments by members of an~~
18 ~~organization for membership fees, dues, fines, or assessments, or~~
19 ~~for services rendered to individual members, if membership in the~~
20 ~~organization confers a bona fide right, privilege, professional~~
21 ~~standing, honor, or other direct benefit, other than the right to~~
22 ~~vote, elect officers, or hold offices, and except money or prop-~~
23 ~~erty received from a governmental authority or foundation~~
24 ~~restricted as to use.~~ CONTRIBUTION INCLUDES THAT PORTION OF MEM-
25 BERSHIP FEES, DUES, OR ASSESSMENTS THAT EXCEED THE MONETARY VALUE
26 OF MEMBERSHIP BENEFITS AVAILABLE TO A DUES PAYER WHETHER OR NOT
27 THE MEMBERSHIP BENEFITS ARE USED, AND MEMBERSHIP FEES, DUES, OR

1 ASSESSMENTS THAT ARE PAID PRIMARILY TO SUPPORT THE CHARITABLE
2 ORGANIZATION'S ACTIVITIES AND NOT TO OBTAIN BENEFITS OF MORE THAN
3 NOMINAL MONETARY VALUE. CONTRIBUTION DOES NOT INCLUDE ANY OF THE
4 FOLLOWING:

5 (i) A GRANT OR CONTRACT FROM ANY GOVERNMENTAL AGENCY OR A
6 RESTRICTED GRANT FROM A FOUNDATION.

7 (ii) ANY PORTION OF MEMBERSHIP DUES, FEES, OR ASSESSMENTS
8 PAID TO A LABOR ORGANIZATION OR BARGAINING REPRESENTATIVE. AS
9 USED IN THIS SUBPARAGRAPH:

10 (A) "BARGAINING REPRESENTATIVE" MEANS THAT TERM AS DEFINED
11 IN SECTION 1 OF 1947 PA 336, MCL 423.201.

12 (B) "LABOR ORGANIZATION" MEANS THAT TERM AS DEFINED IN SEC-
13 TION 2 OF 1939 PA 176, MCL 423.2, OR SECTION 2 OF THE NATIONAL
14 LABOR RELATIONS ACT, CHAPTER 372, 49 STAT. 450, 29 U.S.C. 152.

15 (F) ~~-(c)-~~ "Person" means an individual, organization, group,
16 association, partnership, corporation, trust, or any combination
17 of them.

18 (G) "PROFESSIONAL FUND-RAISER" MEANS A PERSON, INCLUDING A
19 SUBCONTRACTOR, WHO FOR COMPENSATION OR OTHER CONSIDERATION CON-
20 DUCTS, MANAGES, OR CARRIES ON A DRIVE OR CAMPAIGN TO SOLICIT CON-
21 TRIBUTIONS FOR OR ON BEHALF OF A CHARITABLE ORGANIZATION, RELI-
22 GIOUS ORGANIZATION, OR ANY OTHER PERSON EXCEPT A PERSON DESCRIBED
23 IN SUBDIVISION (A)(iv); OR WHO ENGAGES IN THE BUSINESS OF OR
24 HOLDS HIMSELF OR HERSELF OUT AS INDEPENDENTLY ENGAGED IN THE
25 BUSINESS OF SOLICITING CONTRIBUTIONS FOR CHARITABLE PURPOSES. A
26 BONA FIDE OFFICER OR EMPLOYEE OF A CHARITABLE ORGANIZATION, OR A
27 PERSON WHOSE SERVICE TO A CHARITABLE ORGANIZATION IS LIMITED TO

1 PROVIDING ADVICE, RESEARCH, OR WRITING IS NOT A PROFESSIONAL
2 FUND-RAISER.

3 (H) "SOLICIT" AND "SOLICITATION" MEAN THE FOLLOWING:

4 (i) A DIRECT OR INDIRECT REQUEST FOR A CONTRIBUTION BASED ON
5 THE REPRESENTATION THAT THE CONTRIBUTION WILL OR MAY BE USED FOR
6 A CHARITABLE PURPOSE OR TO BENEFIT A CHARITABLE ORGANIZATION, AND
7 INCLUDES ANY OF THE FOLLOWING METHODS OF SECURING CONTRIBUTIONS:

8 (A) AN ORAL OR WRITTEN REQUEST.

9 (B) DISTRIBUTING, CIRCULATING, MAILING, POSTING, OR PUBLISH-
10 ING A HANDBILL, WRITTEN ADVERTISEMENT, OR OTHER PUBLICATION THAT
11 DIRECTLY OR BY IMPLICATION SEEKS TO OBTAIN A CONTRIBUTION.

12 (C) AN ANNOUNCEMENT TO THE NEWS MEDIA, OR BY RADIO, TELEVI-
13 SION, TELEPHONE, TELEGRAPH, FACSIMILE, OR ANY OTHER COMMUNICATION
14 DEVICE, CONCERNING AN APPEAL OR CAMPAIGN FOR A CHARITABLE ORGANI-
15 ZATION OR PURPOSE.

16 (D) THE SALE, ATTEMPTED SALE, OR OFFER TO SELL AN ADVERTISE-
17 MENT, ADVERTISING SPACE, A BOOK, A COUPON, A MAGAZINE, A MEMBER-
18 SHIP, MERCHANDISE, A SUBSCRIPTION, A TICKET, OR OTHER ITEM IN
19 CONNECTION WITH A REQUEST FOR A CHARITABLE ORGANIZATION OR
20 PURPOSE.

21 (E) A RECEPTACLE FOR CONTRIBUTIONS, SUCH AS HONOR BOXES,
22 VENDING MACHINES, WISHING WELLS, OR CONTRIBUTION BOXES, WHERE A
23 CHARITABLE PURPOSE IS USED, REFERRED TO, OR IMPLIED AS AN INDUCE-
24 MENT TO MAKE A CONTRIBUTION OR PURCHASE.

25 (ii) A SOLICITATION OCCURS WHETHER OR NOT THE PERSON MAKING
26 THE SOLICITATION RECEIVES A CONTRIBUTION. FOR PURPOSES OF THIS
27 ACT, A CHARITABLE ORGANIZATION IS CONSIDERED TO HAVE RECEIVED, IN

1 ADDITION TO CONTRIBUTIONS SOLICITED FROM THE PUBLIC BY IT,
2 CONTRIBUTIONS SOLICITED FROM THE PUBLIC BY ANY OTHER PERSON AND
3 TRANSFERRED TO THAT CHARITABLE ORGANIZATION. A CHARITABLE ORGAN-
4 IZATION THAT RECEIVES AN ALLOCATION FROM A COMMUNITY CHEST,
5 UNITED FUND, OR SIMILAR ORGANIZATION IS CONSIDERED TO HAVE SOLIC-
6 ITED THAT ALLOCATION FROM THE PUBLIC.

7 (I) ~~(d)~~ "Soliciting material" means printed or similar
8 material, including but not limited to labels, posters, televi-
9 sion scripts, radio scripts, or recordings used in soliciting
10 funds from the public.

11 (J) ~~(e)~~ "Solicitor" means a person who solicits on behalf
12 of a charitable organization.

13 ~~(f) "Professional fund raiser" means a person who for com-~~
14 ~~pensation or other consideration plans, conducts, manages, or~~
15 ~~carries on a drive or campaign of soliciting contributions for or~~
16 ~~on behalf of a charitable organization, religious organization,~~
17 ~~or any other person; or who engages in the business of or holds~~
18 ~~himself out as independently engaged in the business of solicit-~~
19 ~~ing contributions for such purposes. A bona fide officer or~~
20 ~~employee of a charitable organization is not a professional fund~~
21 ~~raiser unless his salary or other compensation is computed on the~~
22 ~~basis of funds to be raised or actually raised.~~

23 ~~(g) "Professional solicitor" means a person who is employed~~
24 ~~or retained for compensation by a professional fund raiser to~~
25 ~~solicit contributions for charitable purposes.~~

26 ~~(h) "Prohibited transaction" is that dealing, activity,~~
27 ~~conduct, administration, or management of the charitable~~

~~1 organization or by any of its officers, trustees, personnel, or~~
~~2 related persons which may be prohibited as constituting activity~~
~~3 contrary to proper administration of the charitable organization~~
~~4 or conduct of a fund raising campaign or solicitation by a pro-~~
~~5 fessional fund raiser or solicitor.~~

6 (K) "VENDOR" MEANS A PERSON OTHER THAN A CHARITABLE ORGANI-
 7 ZATION WHO CONDUCTS CHARITABLE SALES OR SOLICITATION COMPAIGNS
 8 THROUGH VENDING MACHINES, HONOR BOXES, NOVELTY MACHINES, OR SIMI-
 9 LAR DEVICES, THAT REPRESENTS THAT IT BENEFITS A CHARITABLE ORGAN-
 10 IZATION OR A CHARITABLE PURPOSE THROUGH A PORTION OF THE PRO-
 11 CEEDS, A FIXED DOLLAR AMOUNT, OR ANY OTHER MANNER.

12 Sec. 3. (1) ~~Before a solicitation, a~~ A charitable organi-
 13 zation ~~which~~ THAT is not ~~an~~ exempt ~~organization and which is~~
 14 ~~not described in~~ FROM REGISTRATION AND REPORTING PURSUANT TO
 15 section 13 ~~, which~~ AND THAT solicits or intends to solicit or
 16 receives or intends to receive contributions from persons by any
 17 means ~~whatsoever,~~ shall ~~file~~ HAVE NOT LESS THAN 2 DIRECTORS,
 18 TRUSTEES, OR MEMBERS AND SHALL REGISTER with the attorney general
 19 upon forms prescribed by ~~him, an application for a license. It~~
 20 THE ATTORNEY GENERAL, TOGETHER WITH ALL NECESSARY SUPPORTING
 21 DOCUMENTATION. THE REGISTRATION shall include the following
 22 information:

23 (a) The name of the organization and ~~the~~ ANY name ~~under~~
 24 ~~which it intends~~ USED BY THAT ORGANIZATION to solicit
 25 contributions.

26 (b) The ~~principal~~ address of the PRINCIPAL OFFICE OF THE
 27 organization and the address of any office in this state. If the

1 organization does not maintain a principal office, the name and
2 address of the person having custody of its financial records.

3 ~~-(c) The names and addresses of the officers, directors,~~
4 ~~trustees, chief executive officer, and state agent.~~

5 (C) ~~-(d) Where and when the organization was legally estab-~~
6 ~~lished --, AND the form of its organization. --, and its tax~~
7 ~~exempt status.~~

8 (D) THE ORGANIZATION'S FEDERAL TAX EXEMPT STATUS AND, WITH
9 ITS INITIAL APPLICATION, A COPY OF ITS INTERNAL REVENUE SERVICE
10 DETERMINATION LETTER.

11 (e) ~~The~~ A STATEMENT OF THE ORGANIZATION'S purpose ~~for~~
12 ~~which it is organized~~ and the purposes for which contributions
13 to be solicited will be used.

14 (f) ~~The fiscal year date of the organization~~ METHODS BY
15 WHICH SOLICITATIONS WILL BE MADE.

16 (g) ~~Whether the organization is or has ever been enjoined~~
17 ~~from soliciting contributions~~ THE NAMES AND ADDRESSES OF ALL
18 PROFESSIONAL FUND-RAISERS WITH WHOM THE ORGANIZATION HAS
19 CONTRACTED.

20 (h) ~~All methods by which solicitations will be made~~ A LIST
21 OF THE NAMES AND ADDRESSES OF THE ORGANIZATION'S BOARD OF DIREC-
22 TORS, OFFICERS, AND TRUSTEES.

23 (i) ~~Copies of contracts between charitable organizations~~
24 ~~and professional fund raisers relating to financial compensation~~
25 ~~or profit to be derived by the professional fund raisers. When~~
26 ~~the contract is executed after filing of application statement, a~~
27 ~~copy shall be filed within 10 days of the date of execution. IF~~

1 THE PRINCIPAL OFFICE OF THE ORGANIZATION IS NOT IN THIS STATE,
2 THE ADDRESS AND TELEPHONE NUMBER OF A RESIDENT AGENT IN THIS
3 STATE.

4 (j) ~~Other information as required by rule.~~ WHETHER THE
5 ORGANIZATION OR ANY OF ITS OFFICERS, DIRECTORS, OR PRINCIPALS IS,
6 OR HAS EVER BEEN, ENJOINED, FINED, CONVICTED, OR SUBJECT TO ANY
7 OTHER SANCTION OR PENALTY AS A RESULT OF SOLICITING CONTRIBUTIONS
8 IN ANY STATE OR COUNTRY, OR WHETHER SUCH PROCEEDINGS ARE
9 PENDING.

10 (K) WHETHER AN OFFICER, DIRECTOR, OR EMPLOYEE OF THE CHARI-
11 TABLE ORGANIZATION OWNS A 10% OR GREATER INTEREST IN A PROFES-
12 SIONAL FUND-RAISER, OR IS AN AGENT OR CONTRACTOR FOR A PROFES-
13 SIONAL FUND-RAISER, DURING A PERIOD OF TIME WHEN THE PROFESSIONAL
14 FUND-RAISER IS UNDER CONTRACT WITH THE CHARITABLE ORGANIZATION TO
15 SOLICIT FUNDS.

16 (l) FINANCIAL INFORMATION NECESSARY FOR THE ATTORNEY GENERAL
17 TO PREPARE REPORTS FOR THE LEGISLATURE OR THE PUBLIC IF THE
18 INFORMATION IS NOT INCLUDED IN THE ORGANIZATION'S INTERNAL REVE-
19 NUE SERVICE FORM 990, 990EZ, OR 990PF, OR IF THE ORGANIZATION IS
20 NOT REQUIRED TO FILE AN INTERNAL REVENUE SERVICE FORM 990, 990EZ,
21 OR 990PF PURSUANT TO SUBSECTION (2).

22 (2) THE CHARITABLE ORGANIZATION SHALL PROVIDE THE FOLLOWING
23 DOCUMENTATION WITH ITS REGISTRATION:

24 (A) UNLESS THE ORGANIZATION HAS NOT COMPLETED ITS FIRST
25 ACCOUNTING PERIOD, A COPY OF ITS FULLY AND PROPERLY COMPLETED
26 INTERNAL REVENUE SERVICE FORM 990, 990EZ, OR 990PF FOR THE
27 IMMEDIATELY PRECEDING TAX YEAR, OR SUCCESSOR FORMS, INCLUDING ALL

1 SCHEDULES, ATTACHMENTS, AND EXHIBITS FILED WITH THE INTERNAL
2 REVENUE SERVICE, EXCEPT THE SCHEDULE OF CONTRIBUTORS. EXCEPT AS
3 OTHERWISE PROVIDED IN THIS SUBSECTION, IF A CHARITABLE ORGANIZA-
4 TION DOES NOT FILE AN INTERNAL REVENUE SERVICE FORM 990, 990EZ,
5 OR 990PF, IT SHALL PREPARE A PRO FORMA FORM 990, 990EZ, OR 990PF
6 RETURN FOR FILING WITH THE REGISTRATION. A PRO FORMA RETURN
7 SHALL BE COMPLETED FULLY AND PROPERLY PURSUANT TO INTERNAL REVE-
8 NUE SERVICE INSTRUCTIONS AND SHALL INCLUDE ALL REQUIRED INFORMA-
9 TION, ATTACHMENTS, SCHEDULES, AND EXHIBITS. IF AN ORGANIZATION
10 IS NOT REQUIRED TO FILE FORM 990EZ WITH THE INTERNAL REVENUE
11 SERVICE BECAUSE OF INSUFFICIENT GROSS RECEIPTS, THAT ORGANIZATION
12 IS NOT REQUIRED TO INCLUDE THAT FORM OR A PRO FORMA RETURN WITH
13 ITS REGISTRATION.

14 (B) FINANCIAL STATEMENTS PREPARED ACCORDING TO GENERALLY
15 ACCEPTED ACCOUNTING PRINCIPLES THAT HAVE BEEN AUDITED BY AN INDE-
16 PENDENT CERTIFIED PUBLIC ACCOUNTANT IF THE AMOUNT OF CONTRIBU-
17 TIONS RECEIVED BY THE CHARITABLE ORGANIZATION DURING ITS FISCAL
18 YEAR REPORTED ON ITS FEDERAL TAX RETURN IS \$250,000.00 OR MORE.
19 IF CONTRIBUTIONS AS REPORTED ON THE CHARITABLE ORGANIZATION'S
20 INTERNAL REVENUE SERVICE FORM 990, 990EZ, OR 990PF ARE
21 \$100,000.00 OR MORE, BUT LESS THAN \$250,000.00, FINANCIAL STATE-
22 MENTS EITHER REVIEWED OR AUDITED BY AN INDEPENDENT CERTIFIED
23 PUBLIC ACCOUNTANT SHALL BE PROVIDED. THE AMOUNT OF CONTRIBUTIONS
24 RECEIVED BY THE ORGANIZATION INCLUDES DIRECT AND INDIRECT PUBLIC
25 SUPPORT AS SHOWN ON THE INTERNAL REVENUE SERVICE FORM 990, 990EZ,
26 OR 990PF, LESS ANY RESTRICTED GRANTS FROM FOUNDATIONS INCLUDED IN
27 THE FEDERAL TAX RETURN, PLUS NET SPECIAL FUND-RAISING EVENTS

1 REVENUE. THE ATTORNEY GENERAL MAY WAIVE THIS REQUIREMENT 1 TIME
2 FOR A CHARITABLE ORGANIZATION.

3 (3) WITH ITS REGISTRATION, OR RENEWAL OF ITS REGISTRATION AS
4 PROVIDED IN SECTION 7, A CHARITABLE ORGANIZATION SHALL PAY THE
5 FOLLOWING REGISTRATION FEE:

6 (A) IF GROSS RECEIPTS FROM ALL SOURCES WERE LESS THAN
7 \$25,000.00 IN THE FISCAL YEAR REPORTED ON THE REGISTRATION, THERE
8 IS NO FEE.

9 (B) IF GROSS RECEIPTS FROM ALL SOURCES WERE AT LEAST
10 \$25,000.00 BUT LESS THAN \$100,000.00 IN THE FISCAL YEAR REPORTED
11 ON THE REGISTRATION, \$20.00.

12 (C) IF GROSS RECEIPTS FROM ALL SOURCES WERE AT LEAST
13 \$100,000.00 BUT LESS THAN \$500,000.00 IN THE FISCAL YEAR REPORTED
14 ON THE REGISTRATION, \$50.00.

15 (D) IF GROSS RECEIPTS FROM ALL SOURCES WERE AT LEAST
16 \$500,000.00 BUT LESS THAN \$1,000,000.00 IN THE FISCAL YEAR
17 REPORTED ON THE REGISTRATION, \$100.00.

18 (E) IF GROSS RECEIPTS FROM ALL SOURCES WERE \$1,000,000.00 OR
19 MORE IN THE FISCAL YEAR REPORTED ON THE REGISTRATION, \$200.00.

20 (F) A PARENT CHARITABLE ORGANIZATION REGISTERED UNDER THIS
21 ACT THAT IS THE PARENT CHARITABLE ORGANIZATION OF 1 OR MORE SUB-
22 SIDIARY CHARITABLE ORGANIZATIONS REQUIRED TO BE REGISTERED UNDER
23 THIS ACT THAT DO NOT MEET THE COMBINED REGISTRATION REQUIREMENTS
24 SET FORTH IN SECTION 9 MAY PAY 1 REGISTRATION FEE OF \$300.00 FOR
25 ITSELF AND ALL OF ITS SUBSIDIARY CHARITABLE ORGANIZATIONS. AS
26 USED IN THIS SUBDIVISION, "PARENT CHARITABLE ORGANIZATION" MEANS
27 AN ORGANIZATION THAT MEETS THE REQUIREMENTS FOR CONSOLIDATING

1 FINANCIAL STATEMENTS UNDER GENERALLY ACCEPTED ACCOUNTING
2 PRINCIPLES.

3 (4) A CHARITABLE ORGANIZATION'S REGISTRATION IS EFFECTIVE
4 IMMEDIATELY UPON RECEIPT BY THE ATTORNEY GENERAL OF THE INFORMA-
5 TION AND FEES REQUIRED UNDER THIS ACT.

6 SEC. 3A. (1) THE CHARITABLE ORGANIZATIONS AND SOLICITATIONS
7 FUND IS CREATED WITHIN THE STATE TREASURY.

8 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS
9 FOR DEPOSIT INTO THE CHARITABLE ORGANIZATIONS AND SOLICITATIONS
10 FUND FROM ANY OF THE FOLLOWING:

11 (A) REGISTRATION FEES COLLECTED UNDER THIS ACT.

12 (B) LATE REGISTRATION FEES COLLECTED UNDER THIS ACT.

13 (C) FINES AND PENALTIES ASSESSED AND COLLECTED UNDER THIS
14 ACT.

15 (D) ANY OTHER SOURCE.

16 (3) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE
17 CHARITABLE ORGANIZATIONS AND SOLICITATIONS FUND AND SHALL CREDIT
18 TO THE CHARITABLE ORGANIZATIONS AND SOLICITATIONS FUND INTEREST
19 AND EARNINGS FROM CHARITABLE ORGANIZATIONS AND SOLICITATIONS FUND
20 INVESTMENTS.

21 (4) MONEY IN THE CHARITABLE ORGANIZATIONS AND SOLICITATIONS
22 FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE CHARITA-
23 BLE ORGANIZATIONS AND SOLICITATIONS FUND AND SHALL NOT LAPSE TO
24 THE GENERAL FUND.

25 (5) THE DEPARTMENT OF ATTORNEY GENERAL SHALL EXPEND MONEY
26 FROM THE CHARITABLE ORGANIZATIONS AND SOLICITATIONS FUND, UPON
27 APPROPRIATION, ONLY FOR THE ADMINISTRATION OF THIS ACT AND TO

1 GATHER AND PROVIDE THE PUBLIC WITH INFORMATION REGARDING PERSONS
2 SUBJECT TO THIS ACT. INFORMATION REGARDING PERSONS SUBJECT TO
3 THIS ACT SHALL BE DISSEMINATED TO THE PUBLIC UNDER THE PLAN
4 DEVELOPED PURSUANT TO SECTION 23B.

5 Sec. 4. (1) ~~True~~ A TRUE and correct ~~copies~~ COPY of ~~the~~
6 ~~contracts of~~ A CONTRACT WITH A professional ~~fund raisers~~
7 FUND-RAISER shall be kept on file in the offices of the charita-
8 ble organization and the professional ~~fund-raiser~~ FUND-RAISER
9 during the term of ~~employment~~ THE CONTRACT and for 6 years
10 ~~subsequent to the date~~ AFTER the solicitation of contributions
11 provided for ~~therein~~ IN THE CONTRACT actually terminates.

12 (2) Copies of A CONTRACT WITH A PROFESSIONAL FUND-RAISER,
13 VENDOR, OR COMMERCIAL COVENTURER AND all soliciting materials
14 shall be supplied TO THE ATTORNEY GENERAL upon request. ~~of the~~
15 ~~attorney general.~~

16 (3) A CHARITABLE ORGANIZATION SHALL TAKE REASONABLE STEPS TO
17 ENSURE THAT A PROFESSIONAL FUND-RAISER WITH WHOM IT HAS CON-
18 TRACTED TO SOLICIT FUNDS IN THIS STATE IS REGISTERED IN THIS
19 STATE AS A PROFESSIONAL FUND-RAISER.

20 Sec. 5. (1) ~~An application~~ THE ATTORNEY GENERAL SHALL
21 REVIEW A REGISTRATION THAT IS SUBMITTED in proper form ~~and sup-~~
22 ~~ported by material information~~ TOGETHER WITH THE DOCUMENTATION
23 AND REGISTRATION FEE required ~~shall be examined by the attorney~~
24 ~~general~~ UNDER THIS ACT. If the ~~application and~~ REGISTRATION,
25 supporting ~~material conforms~~ DOCUMENTATION, AND REGISTRATION
26 FEE CONFORM to the requirements of this act, ~~and the rules,~~ the
27 attorney general shall ~~issue a license to~~ REGISTER the

1 charitable organization, ~~within 30 days, except where~~
2 PROFESSIONAL FUND-RAISER, OR VENDOR UNLESS the CHARITABLE
3 organization, PROFESSIONAL FUND-RAISER, OR VENDOR has
4 ~~materially~~ misrepresented or omitted ~~information~~ required
5 DOCUMENTATION or the CHARITABLE organization, PROFESSIONAL
6 FUND-RAISER, OR VENDOR has ~~acted~~ VIOLATED or is ~~acting in vio-~~
7 ~~lation of~~ VIOLATING this act or rules promulgated ~~hereunder~~
8 UNDER THIS ACT.

9 ~~-(2) The license shall be without charge and issued to the~~
10 ~~charitable organization, its agents and representatives for the~~
11 ~~purpose of soliciting and receiving contributions and donations~~
12 ~~or to sell memberships or otherwise raise moneys from the public~~
13 ~~for the specified charitable purpose.~~

14 (2) ~~-(3) A license issued to a professional fund raiser,~~
15 ~~professional solicitor, or a charitable organization, its agents~~
16 ~~and representatives may be suspended or revoked by the~~ THE
17 attorney general MAY SUSPEND OR RESCIND THE REGISTRATION OF A
18 CHARITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER, OR VENDOR AND
19 AN AGENT OR REPRESENTATIVE OF A CHARITABLE ORGANIZATION, PROFES-
20 SIONAL FUND-RAISER, OR VENDOR for violation of this act ~~or rules~~
21 ~~promulgated hereunder,~~ after reasonable notice and opportunity
22 to be heard. The attorney general may suspend on an emergency
23 basis, without hearing, ~~any license issued to a professional~~
24 ~~fund raiser, professional solicitor, or a charitable organization~~
25 ~~when~~ THE REGISTRATION OF A CHARITABLE ORGANIZATION, PROFESSIONAL
26 FUND-RAISER, OR VENDOR IF the attorney general specifies in the
27 notice of emergency suspension the reasons and grounds indicating

1 a violation of this act or ~~any~~ A rule ~~which~~ PROMULGATED UNDER
2 THIS ACT THAT constitutes the emergency. The notice shall set
3 forth that within 48 hours, at a designated time and place, a
4 hearing shall be held on whether the ~~license~~ REGISTRATION
5 should be permanently suspended or ~~revoked~~ RESCINDED. The
6 ~~professional fund raiser, professional solicitor, or~~ charitable
7 organization, PROFESSIONAL FUND-RAISER, OR VENDOR may show com-
8 pliance with ~~the requirements of~~ this act or the rules
9 PROMULGATED UNDER THIS ACT and ~~shall have~~ HAS the burden of
10 ~~adducing the evidence~~ PROOF IN ESTABLISHING THAT COMPLIANCE.

11 Sec. 6. A charitable organization, PROFESSIONAL
12 FUND-RAISER, OR VENDOR shall notify the attorney general within
13 30 days of any change in the information required to be furnished
14 under ~~section 3~~ THIS ACT. ~~A report shall be filed and signed~~
15 ~~by the president or other authorized officer and the chief fiscal~~
16 ~~officer of the organization.~~

17 Sec. 7. (1) ~~The license of a charitable organization shall~~
18 ~~expire 1 year after the date of issuance. A charitable organiza-~~
19 ~~tion desiring renewal of a license shall file with the attorney~~
20 ~~general a renewal application and supporting information on or~~
21 ~~before 30 days prior to the expiration date.~~ A REGISTERED CHARI-
22 TABLE ORGANIZATION SHALL REPORT ON ITS PREVIOUS FISCAL YEAR AND
23 RENEW ITS REGISTRATION WITHIN 6 MONTHS AFTER THE CLOSE OF ITS
24 FISCAL YEAR. A RENEWAL REGISTRATION AND REPORT SHALL BE ON A
25 FORM PRESCRIBED BY THE ATTORNEY GENERAL AND SHALL INCLUDE THE
26 INFORMATION, SUPPORTING DOCUMENTATION, AND ANY FEE REQUIRED UNDER
27 THIS ACT.

1 (2) A CHARITABLE ORGANIZATION'S REGISTRATION SHALL EXPIRE IF
2 THE CHARITABLE ORGANIZATION'S RENEWAL REGISTRATION AND REPORT IS
3 NOT RECEIVED WITHIN 18 MONTHS AFTER THE END OF THE FISCAL YEAR
4 REPORTED ON THE ORGANIZATION'S MOST RECENTLY FILED REGISTRATION
5 FORM UNLESS THE ATTORNEY GENERAL HAS EXTENDED THE REGISTRATION
6 UNDER SUBSECTION (4).

7 (3) AN ORGANIZATION PREVIOUSLY REGISTERED UNDER THIS ACT
8 THAT IS NO LONGER SUBJECT TO THE REGISTRATION REQUIREMENTS OF
9 THIS ACT SHALL FILE A FINANCIAL REPORT WITHIN 6 MONTHS OF THE
10 CLOSE OF THE MOST RECENTLY COMPLETED FISCAL YEAR IN WHICH THE
11 ORGANIZATION SOLICITED IN THIS STATE UNLESS THE ATTORNEY GENERAL
12 HAS EXTENDED THE PERIOD OF TIME FOR FILING THE REPORT PURSUANT TO
13 SUBSECTION (4). THE REPORT SHALL INCLUDE THE FINANCIAL INFORMA-
14 TION THAT WOULD BE REQUIRED TO RENEW THE ORGANIZATION'S REGISTRA-
15 TION AND ANY REPORTS ON SOLICITATION CAMPAIGNS CONDUCTED BY THE
16 CHARITABLE ORGANIZATION THROUGH A PROFESSIONAL FUND-RAISER AS
17 REQUIRED UNDER SECTION 17(5).

18 (4) IF A CHARITABLE ORGANIZATION RECEIVES AN EXTENSION OF
19 TIME TO FILE THE CHARITABLE ORGANIZATION'S INTERNAL REVENUE SERV-
20 ICE FORM 990, 990EZ, OR 990PF, THE ATTORNEY GENERAL SHALL EXTEND
21 THE CHARITABLE ORGANIZATION'S TIME FOR FILING THE REPORT REQUIRED
22 UNDER SUBSECTION (3) OR ITS REGISTRATION FOR A SIMILAR PERIOD OF
23 TIME.

24 Sec. 8. (1) ~~Documents required to be filed with the attor-~~
25 ~~ney general shall be open to public inspection. Persons subject~~
26 ~~to this act shall maintain accurate and detailed books and~~
27 ~~records at the office of the resident agent or the principal~~

~~1 office which shall be open to inspection at all reasonable times~~
~~2 by the attorney general or his authorized representative.~~ A REG-
3 ISTRATION, ANNUAL REPORT, OR OTHER DOCUMENT REQUIRED TO BE FILED
4 UNDER THIS ACT IS A PUBLIC RECORD IN THE OFFICE OF THE ATTORNEY
5 GENERAL OPEN TO INSPECTION.

6 (2) A CHARITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER, OR
7 VENDOR SHALL MAINTAIN, FOR NOT LESS THAN 3 YEARS FROM THE DATE
8 PREPARED, ACCURATE AND DETAILED RECORDS TO PROVIDE THE INFORMA-
9 TION REQUIRED UNDER THIS ACT. ALL RECORDS ARE OPEN TO INSPECTION
10 AT ALL REASONABLE TIMES BY THE ATTORNEY GENERAL AND COPIES OF THE
11 RECORDS SHALL BE PROVIDED TO THE ATTORNEY GENERAL UPON REQUEST.

12 (3) A CHARITABLE ORGANIZATION OR PERSON, INCLUDING A VENDOR,
13 COMMERCIAL COVENTURER, PROFESSIONAL FUND-RAISER, OR PERSON
14 DESCRIBED IN SECTION 23A, THAT SOLICITS CONTRIBUTIONS, RAISES
15 FUNDS, OR CONDUCTS SALES PROMOTIONS FOR A CHARITABLE PURPOSE,
16 SHALL MAINTAIN AT THE PLACE DESIGNATED IN ITS REGISTRATION OR, IF
17 NOT A CHARITABLE ORGANIZATION, AT ITS PRINCIPAL PLACE OF BUSI-
18 NESS, THE ORIGINAL RECORDS OR TRUE COPIES OF THE RECORDS PERTAIN-
19 ING TO ALL MONEY OR OTHER PROPERTY COLLECTED FROM RESIDENTS OF
20 THIS STATE AND TO THE DISBURSEMENT OF THAT MONEY OR PROPERTY.
21 THE RECORDS SHALL BE PRESERVED FOR NOT LESS THAN 3 YEARS FROM THE
22 DATE PREPARED.

23 (4) A FILE IN THE OFFICE OF THE ATTORNEY GENERAL REGARDING A
24 CLOSED ENFORCEMENT ACTION OR A SETTLEMENT IN A CIVIL CASE UNDER
25 THIS ACT IS OPEN TO PUBLIC INSPECTION AND COPYING. A PROVISION
26 OR REQUIREMENT OF CONFIDENTIALITY OR SEALING OF RECORDS AS A

1 CONDITION OF SETTLEMENT OF AN ENFORCEMENT OR CIVIL ACTION UNDER
2 THIS ACT IS PROHIBITED.

3 Sec. 9. If a local, county, or area division of a charita-
4 ble organization is directly supervised and controlled by a
5 superior or parent organization ~~—, which~~ THAT is incorporated
6 ~~—, AND~~ qualified to do business IN THIS STATE, or IS doing busi-
7 ness within this state, the local, county, or area division OF
8 THAT CHARITABLE ORGANIZATION is not required to register under
9 section 3 if the superior or parent organization ~~files an appli-~~
10 ~~cation statement~~ REGISTERS on behalf of the local, county, or
11 area division in addition to or as part of ~~its application~~
12 ~~statement. When an application statement has been~~ THE SUPERIOR
13 OR PARENT ORGANIZATION'S REGISTRATION. IF A REGISTRATION IS
14 filed by a superior or parent organization, it shall file the
15 annual report required under ~~sections 14 and 16~~ THIS ACT on
16 behalf of the local, county, or area division in ~~such~~ THE
17 detail ~~as~~ required by the ~~rules~~ ATTORNEY GENERAL.

18 Sec. 10. The attorney general may promulgate rules neces-
19 sary for the administration of this act ~~in accordance with and~~
20 ~~subject to Act No. 306 of the Public Acts of 1969, as amended,~~
21 ~~being sections 24.201 to 24.315 of the Michigan Compiled Laws~~
22 UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306,
23 MCL 24.201 TO 24.328. Emergency rules may not be promulgated.
24 ~~pursuant to this act.~~

25 Sec. 11. (1) ~~An application for a license~~ THE ATTORNEY
26 GENERAL shall not ~~be accepted~~ ACCEPT A REGISTRATION from a
27 charitable organization, PROFESSIONAL FUND-RAISER, OR VENDOR

1 located in another state or country unless ~~it~~ THAT CHARITABLE
 2 ORGANIZATION, PROFESSIONAL FUND-RAISER, OR VENDOR first desig-
 3 nates a resident agent in this state ~~for the acceptance of~~ TO
 4 ACCEPT process issued by any court.

5 (2) A charitable organization, person, VENDOR, OR profes-
 6 sional ~~fund raiser, or professional solicitor, soliciting con-~~
 7 ~~tributions in this state but not maintaining an office within the~~
 8 ~~state shall be~~ FUND-RAISER SUBJECT TO THIS ACT IS subject to
 9 service of process as follows:

10 (a) By service on its ~~registered~~ RESIDENT agent within
 11 ~~the~~ THIS state, or if there is no ~~registered~~ RESIDENT agent,
 12 then upon the person ~~who has been~~ designated in the
 13 ~~application statement~~ REGISTRATION as having custody of books
 14 and records within this state, OR UPON AN OFFICER OF THE ORGANI-
 15 ZATION AT ITS PRINCIPAL OFFICE. ~~When~~ IF service is effected
 16 upon the person designated in the registration, ~~statement~~ a
 17 copy of the process shall be mailed to the charitable
 18 organization, PERSON, VENDOR, OR PROFESSIONAL FUND-RAISER at its
 19 last known address.

20 (b) ~~When a charitable organization has solicited contribu-~~
 21 ~~tions in this state but does not maintain an office within the~~
 22 ~~state, have a registered agent within this state and have a des-~~
 23 ~~ignated person having custody of its books and records within the~~
 24 ~~state, or when a registered agent or person having custody of its~~
 25 ~~books and records within the state cannot be found as shown by~~
 26 ~~the return of the sheriff of the county in which the registered~~
 27 ~~agent or person having custody of books and records has been~~

1 ~~represented by the charitable organization as maintaining an~~
 2 ~~office,~~ IF SERVICE CANNOT BE EFFECTED AS PROVIDED BY THIS
 3 SECTION, service may be made as otherwise provided by law or
 4 court rules.

5 (3) Solicitation of a contribution within this state by any
 6 means ~~—~~ is the agreement of the charitable organization,
 7 person, VENDOR, OR professional ~~fund raiser, or professional~~
 8 ~~solicitor,~~ FUND-RAISER that any SERVICE OF process ~~against it~~
 9 ~~or him which is~~ served ~~in accordance with~~ UNDER this section
 10 is of the same legal force and effect as if served personally.

11 Sec. 12. Upon THE initial filing of ~~an application state-~~
 12 ~~ment pursuant to~~ A REGISTRATION UNDER section 3, the attorney
 13 general may suspend for a reasonable, specifically designated
 14 time the filing of reports otherwise required ~~by sections 14 and~~
 15 ~~15~~ UNDER THIS ACT as to a particular charitable ~~corporation,~~
 16 ~~trust, or~~ organization, ~~incorporated or established for chari-~~
 17 ~~table purposes,~~ upon written application filed with the attorney
 18 general, and after the attorney general has determined and acqui-
 19 esced by a written statement that the ~~interest of the~~ the
 20 public INTEREST will not be prejudiced. ~~thereby.~~

21 Sec. 13. The ~~licensing and financial statement~~
 22 REGISTRATION AND REPORTING requirements of this act do not apply
 23 to any of the following:

24 (a) A person who requests a contribution for the relief or
 25 benefit of an individual, specified by name at the time of the
 26 solicitation, if the contributions collected are turned over to
 27 the named beneficiary after deducting reasonable expenses for

1 costs of solicitation, if any, and if all ~~fun-raising~~
2 FUND-RAISING functions are carried on by persons who are unpaid,
3 directly or indirectly, for their services.

4 (b) A ~~person who~~ CHARITABLE ORGANIZATION THAT does not
5 intend to solicit and receive and does not actually receive con-
6 tributions in excess of ~~\$8,000.00~~ \$25,000.00 during ~~any~~
7 ~~12-month period if all of its fund raising functions are carried~~
8 ~~on by persons who are unpaid for their services and if the organ-~~
9 ~~ization makes available to its members and the public a financial~~
10 ~~statement of its activities for the most recent fiscal year. If~~
11 ~~the gross contributions received during any 12-month period~~
12 ~~exceed \$8,000.00, the person shall file an application for~~
13 ~~license with required supporting information as provided in~~
14 ~~section 3 within 30 days after the date it has received total~~
15 ~~contributions in excess of \$8,000.00.~~ ITS FISCAL YEAR. A CHARI-
16 TABLE ORGANIZATION SHALL REGISTER AS REQUIRED UNDER THIS ACT
17 WITHIN 30 DAYS AFTER THE DATE THE CHARITABLE ORGANIZATION
18 RECEIVES TOTAL CONTRIBUTIONS OF MORE THAN \$25,000.00 DURING ITS
19 FISCAL YEAR. THIS SUBDIVISION ONLY APPLIES IF ALL OF THE CHARI-
20 TABLE ORGANIZATION'S FUND-RAISING FUNCTIONS ARE CARRIED ON BY
21 PERSONS WHO ARE NOT PAID FOR THEIR SERVICES.

22 (c) An organization that does not invite the general public
23 to become a member of the organization and confines solicitation
24 activities to solicitation drives solely among its members and
25 the members' immediate families. ~~, if the drives are not held~~
26 ~~more frequently than quarterly.~~ "Immediate family" FOR PURPOSES

1 OF THIS SUBDIVISION means the grandparents, parents, spouse,
2 brothers, sisters, children, and grandchildren OF A MEMBER.

3 (d) ~~An educational institution certified by the state board~~
4 ~~of education~~ A PRIVATE FOUNDATION AS THAT TERM IS DEFINED IN
5 SECTION 509(a) OF THE INTERNAL REVENUE CODE OF 1986 THAT DID NOT
6 RECEIVE CONTRIBUTIONS FROM MORE THAN 25 PERSONS DURING ITS MOST
7 RECENT FISCAL YEAR.

8 (e) A veterans' organization ~~incorporated under federal~~
9 ~~law~~ CHARTERED BY CONGRESS, ITS DULY AUTHORIZED SERVICE FOUNDA-
10 TION, AND A PROFESSIONAL FUND-RAISER WHO FUND-RAISES SOLELY FOR
11 THAT SERVICE FOUNDATION.

12 (f) An organization that receives funds from a charitable
13 organization ~~licensed~~ REGISTERED under this act that does not
14 solicit or intend to solicit or receive or intend to receive con-
15 tributions from persons other than ~~a~~ THE REGISTERED charitable
16 organization, if the organization makes available to its members
17 and the public a financial statement of its activities for ~~the~~
18 ITS most recent fiscal year.

19 (g) ~~A licensed hospital, hospital based foundation, and~~
20 ~~hospital auxiliary that solicit funds solely for 1 or more~~
21 ~~licensed hospitals~~ A BOOSTER GROUP OR A PARENT-TEACHER ORGANIZA-
22 TION THAT IS RECOGNIZED BY THE PUBLIC SCHOOL, NONPUBLIC SCHOOL,
23 OR SCHOOL DISTRICT THAT IT IS ORGANIZED TO SUPPORT.

24 (h) ~~A nonprofit service organization that is exempt from~~
25 ~~taxation pursuant to a provision of the United States internal~~
26 ~~revenue code other than section 501(c)(3), whose principal~~
27 ~~purpose is not charitable, but solicits from time to time funds~~

~~1 for a charitable purpose by members of the organization who are~~
~~2 not paid for the solicitation. The funds shall be wholly used~~
~~3 for the charitable purposes for which they were solicited, and~~
~~4 the organization shall file with the attorney general a federal~~
5 ~~form 990 or 990-A.~~ A PUBLIC SCHOOL, NONPUBLIC SCHOOL, PRE-
6 SCHOOL, OR INSTITUTION OF HIGHER EDUCATION.

7 ~~(i) A nonprofit corporation whose stock is wholly owned by~~
~~8 a religious or fraternal society that owns and operates facili-~~
~~9 ties for the aged and chronically ill in which no part of the net~~
10 ~~income from the operation of the corporation inures to the bene-~~
11 ~~fit of a person other than the residents.~~

12 ~~(j) Charitable organizations licensed by the department of~~
13 ~~social services that serve children and families.~~

14 (I) ~~(k)~~ A person registered under and complying with the
15 requirements of the public safety solicitation act, 1992 PA 298,
16 MCL 14.301 TO 14.327.

17 Sec. 16. The attorney general may CONDITIONALLY continue
18 ~~under conditions~~ the ~~license~~ REGISTRATION of ~~an~~ A
19 CHARITABLE organization, professional ~~fund raiser, or profes-~~
20 ~~sional solicitor which~~ FUND-RAISER, OR VENDOR THAT fails to
21 comply with this act ~~including failure to comply with the rules~~
22 ~~regarding prohibited transactions, standards of solicitation,~~
23 ~~conduct, or administration~~ OR RULES PROMULGATED UNDER THIS ACT.

24 Sec. 17. (1) ~~A person shall not act as a professional fund~~
25 ~~raiser for a charitable organization or charitable purpose before~~
26 ~~he has filed an application for a license with the attorney~~
27 ~~general or after the expiration or cancellation of a license or~~

~~1 renewal thereof. Applications for license shall be in writing,~~
~~2 under oath, in the form prescribed by the attorney general. The~~
~~3 applicant when making application, shall file with and have~~
~~4 approved by the attorney general a bond in which the applicant~~
~~5 shall be the principal obligor, in the sum of \$10,000.00. The~~
~~6 bond shall run to the people of the state and to any person~~
~~7 including charitable organizations who may have a cause of action~~
~~8 against the obligor of the bond for any malfeasance or misfeas-~~
~~9 ance in the conduct of the solicitation. The aggregate limit of~~
~~10 liability of the surety to the state and to all the persons shall~~
~~11 not exceed the sum of the bond. Application for renewal of~~
~~12 licenses when effected shall be for a period of 1 year, or a part~~
~~13 thereof, expiring on June 30, and may be renewed for additional~~
~~14 1-year periods upon written application, under oath, in the form~~
~~15 prescribed by the attorney general and the filing of the bond. A~~
16 PROFESSIONAL FUND-RAISER SHALL NOT SOLICIT OR RECEIVE DONATIONS
17 FOR A CHARITABLE PURPOSE OR ON BEHALF OF A CHARITABLE ORGANIZA-
18 TION OR RELIGIOUS ORGANIZATION, BEFORE REGISTERING WITH THE
19 ATTORNEY GENERAL, OR AFTER THE EXPIRATION, SUSPENSION, REVOCATION,
20 OR DENIAL OF A REGISTRATION.

21 (2) ~~A person shall not act as a professional solicitor in~~
~~22 the employ of a professional fund raiser required to be licensed~~
~~23 before he has registered with the attorney general or after the~~
~~24 expiration or cancellation of registration. Application for THE~~
25 registration ~~or reregistration~~ OF A PROFESSIONAL FUND-RAISER
26 shall be in writing ~~, under oath, in the~~ ON A form prescribed
27 by the attorney general ~~. Registration or reregistration when~~

~~1 effected shall be for a period of 1 year, or a part thereof,~~
~~2 expiring on June 30, and may be renewed upon written application,~~
~~3 under oath, in the form prescribed by the attorney general for~~
~~4 additional 1-year periods.~~ AND SHALL BE ACCOMPANIED BY A PAYMENT
5 OF A \$200.00 FEE. INFORMATION PROVIDED TO THE ATTORNEY GENERAL
6 ON THE REGISTRATION FORM SHALL INCLUDE ALL OF THE FOLLOWING:

7 (A) ALL NAMES CURRENTLY USED BY THE PROFESSIONAL
8 FUND-RAISER.

9 (B) THE ADDRESS AND TELEPHONE NUMBER OF THE PRINCIPAL OFFICE
10 OF THE PROFESSIONAL FUND-RAISER AND OF EACH OFFICE IT MAINTAINS
11 IN THIS STATE.

12 (C) IF THE PRINCIPAL ADDRESS OF THE PROFESSIONAL FUND-RAISER
13 IS NOT IN THIS STATE, THE ADDRESS AND TELEPHONE NUMBER OF A RESI-
14 DENT AGENT IN THIS STATE.

15 (D) WHERE AND WHEN THE PROFESSIONAL FUND-RAISER WAS LEGALLY
16 ESTABLISHED AND THE FORM OF ITS ORGANIZATION. IF A PROFESSIONAL
17 FUND-RAISER IS INCORPORATED, THE REGISTRATION FORM SHALL INCLUDE
18 THE NAME AND BUSINESS OR HOME ADDRESS OF ALL OFFICERS AND
19 DIRECTORS. IF A PROFESSIONAL FUND-RAISER IS A SOLE PROPRIETOR-
20 SHIP, LIMITED LIABILITY COMPANY, OR PARTNERSHIP, THE REGISTRATION
21 FORM SHALL INCLUDE THE NAME AND BUSINESS OR HOME ADDRESS OF THE
22 OWNER, MEMBERS AND MANAGERS, OR ALL PARTNERS.

23 (E) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF ANYONE WITH
24 DIRECT RESPONSIBILITY FOR SOLICITATION ACTIVITY IN THIS STATE.

25 (F) WHETHER THE PROFESSIONAL FUND-RAISER OR ANY OF ITS OFFI-
26 CERS, DIRECTORS, OR PRINCIPALS IS, OR HAS EVER BEEN, ENJOINED,

1 FINED, CONVICTED, OR SUBJECT TO ANY OTHER SANCTION OR PENALTY AS
2 A RESULT OF SOLICITING CONTRIBUTIONS IN ANY STATE OR COUNTRY.

3 (G) A CONCISE DESCRIPTION OF THE PRINCIPAL METHODS BY WHICH
4 THE PROFESSIONAL FUND-RAISER IS, OR WILL BE, SOLICITING
5 CONTRIBUTIONS.

6 (H) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF ANY CHARITA-
7 BLE ORGANIZATION FOR WHICH THE PROFESSIONAL FUND-RAISER HAS
8 AGREED TO SOLICIT FUNDS IN THIS STATE.

9 (I) A COMPLETE COPY OF ANY AGREEMENT BETWEEN THE PROFES-
10 SIONAL FUND-RAISER AND A CHARITABLE ORGANIZATION.

11 (J) A COMPLETE COPY OF ANY SUBCONTRACT AGREEMENT BETWEEN THE
12 PROFESSIONAL FUND-RAISER AND A PERSON THAT WILL ACT AS A PROFES-
13 SIONAL FUND-RAISER ON BEHALF OF A CHARITABLE ORGANIZATION, RELI-
14 GIOUS ORGANIZATION, OR ANY OTHER PERSON SOLICITING FOR A CHARITA-
15 BLE PURPOSE.

16 (K) WHETHER AN OFFICER, DIRECTOR, OR EMPLOYEE OF A CHARITA-
17 BLE ORGANIZATION OWNS A 10% OR GREATER INTEREST IN THE PROFES-
18 SIONAL FUND-RAISER, OR IS AN AGENT OR CONTRACTOR FOR THE PROFES-
19 SIONAL FUND-RAISER, DURING A PERIOD OF TIME WHEN THE PROFESSIONAL
20 FUND-RAISER IS UNDER CONTRACT WITH THAT CHARITABLE ORGANIZATION
21 TO SOLICIT FUNDS, AND WHETHER THAT INFORMATION HAS BEEN FULLY
22 DISCLOSED TO THE BOARD OF DIRECTORS OR OTHER GOVERNING BODY OF
23 THE CHARITABLE ORGANIZATION.

24 (3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4), THE REG-
25 ISTRATION OF A PROFESSIONAL FUND-RAISER THAT RECEIVES, HAS CUS-
26 TODY OF, OR HAS ACCESS TO FUNDS SOLICITED IN THIS STATE FOR A
27 CHARITABLE ORGANIZATION SHALL BE ACCOMPANIED BY A \$25,000.00

1 BOND, OF WHICH THE PROFESSIONAL FUND-RAISER IS THE PRINCIPAL
2 OBLIGOR. THE BOND SHALL RUN TO THE PEOPLE OF THIS STATE AND TO
3 ANY PERSON, INCLUDING A CHARITABLE ORGANIZATION, THAT MAY HAVE A
4 CAUSE OF ACTION AGAINST THE PROFESSIONAL FUND-RAISER AS A RESULT
5 OF THE PROFESSIONAL FUND-RAISER'S CONDUCT OF ANY ACTIVITY SUBJECT
6 TO THIS ACT. THE BOND SHALL BE OBTAINED AND SUBMITTED IN THE
7 FORM PRESCRIBED BY THE ATTORNEY GENERAL. THE BOND SHALL BE
8 ISSUED BY A COMPANY AUTHORIZED TO ENGAGE IN INSURANCE ACTIVITY IN
9 THIS STATE. THE BOND SHALL REMAIN IN EFFECT FOR A PERIOD OF AT
10 LEAST 1 YEAR AFTER THE PROFESSIONAL FUND-RAISER'S REGISTRATION
11 EXPIRES.

12 (4) THE ATTORNEY GENERAL MAY ACCEPT AN IRREVOCABLE LETTER OF
13 CREDIT IN LIEU OF A BOND. AN IRREVOCABLE LETTER OF CREDIT SHALL
14 BE ISSUED BY A FINANCIAL INSTITUTION THAT IS AUTHORIZED TO TRANS-
15 ACT BUSINESS IN THIS STATE AND THAT IS INSURED BY THE FEDERAL
16 DEPOSIT INSURANCE CORPORATION, THE FEDERAL SAVINGS AND LOAN
17 INSURANCE CORPORATION, OR THE NATIONAL CREDIT UNION ASSOCIATION.
18 AN IRREVOCABLE LETTER OF CREDIT SHALL BE SUBMITTED IN THE FORM
19 PRESCRIBED BY THE ATTORNEY GENERAL AND SHALL EXPIRE NOT LESS THAN
20 1 YEAR AFTER THE PROFESSIONAL FUND-RAISER'S REGISTRATION
21 EXPIRES.

22 (5) WITHIN 90 DAYS AFTER A SOLICITATION CAMPAIGN IS COM-
23 PLETED, OR ON THE ANNIVERSARY OF THE COMMENCEMENT OF A SOLICITA-
24 TION CAMPAIGN LASTING MORE THAN 1 YEAR, A PROFESSIONAL
25 FUND-RAISER THAT SOLICITED CONTRIBUTIONS IN THIS STATE ON BEHALF
26 OF A CHARITABLE ORGANIZATION SHALL FILE WITH THE ATTORNEY GENERAL
27 A FINANCIAL REPORT FOR THE CAMPAIGN, INCLUDING GROSS REVENUE AND

1 AN ITEMIZATION OF ALL EXPENSES INCURRED ON BEHALF OF THE
2 CHARITABLE ORGANIZATION. THE REPORT SHALL BE SUBMITTED ON A FORM
3 PRESCRIBED BY THE ATTORNEY GENERAL. THE REPORT SHALL BE SIGNED
4 BY AN AUTHORIZED OFFICIAL OF THE PROFESSIONAL FUND-RAISER AND AN
5 AUTHORIZED OFFICIAL OF THE CHARITABLE ORGANIZATION, WHO SHALL
6 EACH CERTIFY, UNDER OATH, THAT THE REPORT IS TRUE TO THE BEST OF
7 HIS OR HER KNOWLEDGE.

8 (6) A PROFESSIONAL FUND-RAISER'S REGISTRATION IS EFFECTIVE
9 IMMEDIATELY UPON RECEIPT BY THE ATTORNEY GENERAL OF THE INFORMA-
10 TION AND FEES REQUIRED UNDER THIS ACT. THE REGISTRATION SHALL
11 EXPIRE 1 YEAR AFTER THE REGISTRATION IS EFFECTIVE. A PROFES-
12 SIONAL FUND-RAISER'S REGISTRATION IS RENEWABLE BY FILING A
13 RENEWAL REGISTRATION AND PAYING A \$200.00 FEE.

14 Sec. 18. (1) ~~A person shall not use for the purpose of~~
15 ~~soliciting contributions the name of another person, except that~~
16 ~~of an officer, director, or trustee of the charitable organiza-~~
17 ~~tion by or for which contributions are solicited, without the~~
18 ~~consent of such other person.~~ A CHARITABLE ORGANIZATION, PROFES-
19 SIONAL FUND-RAISER, COMMERCIAL COVENTURER, VENDOR, PERSON
20 DESCRIBED IN SECTION 23A, OR AN EMPLOYEE OR AGENT OF A CHARITABLE
21 ORGANIZATION, PROFESSIONAL FUND-RAISER, COMMERCIAL COVENTURER,
22 VENDOR, OR PERSON DESCRIBED IN SECTION 23A SHALL NOT ENGAGE IN
23 ANY OF THE FOLLOWING:

24 (A) A METHOD, ACT, OR PRACTICE IN VIOLATION OF THIS ACT OR A
25 RULE PROMULGATED UNDER THIS ACT, ANY RESTRICTION, CONDITION, OR
26 LIMITATION PLACED ON A REGISTRATION, OR A FINAL ORDER OR CEASE
27 AND DESIST ORDER.

1 (B) REPRESENTING OR IMPLYING THAT A PERSON SOLICITING
2 CONTRIBUTIONS OR OTHER FUNDS FOR A CHARITABLE ORGANIZATION HAS A
3 SPONSORSHIP, APPROVAL, STATUS, AFFILIATION, OR OTHER CONNECTION
4 WITH A CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE THAT THE
5 PERSON DOES NOT HAVE.

6 (C) REPRESENTING OR IMPLYING THAT A CONTRIBUTION IS FOR OR
7 ON BEHALF OF A CHARITABLE ORGANIZATION, OR USING AN EMBLEM,
8 DEVICE, OR PRINTED MATERIAL BELONGING TO OR ASSOCIATED WITH A
9 CHARITABLE ORGANIZATION, WITHOUT FIRST OBTAINING WRITTEN AUTHORI-
10 ZATION FROM THAT CHARITABLE ORGANIZATION.

11 (D) USING A NAME, SYMBOL, OR STATEMENT SO CLOSELY RELATED OR
12 SIMILAR TO A NAME, SYMBOL, OR STATEMENT USED BY ANOTHER CHARITA-
13 BLE ORGANIZATION THAT USE OF THAT NAME, SYMBOL, OR STATEMENT
14 WOULD TEND TO CONFUSE OR MISLEAD A SOLICITED PERSON.

15 (E) USING A BOGUS, FICTITIOUS, OR NONEXISTENT ORGANIZATION,
16 ADDRESS, OR TELEPHONE NUMBER IN ANY SOLICITATION.

17 (F) MISREPRESENTING OR MISLEADING ANY PERSON IN ANY MANNER
18 TO BELIEVE THAT A PERSON ON WHOSE BEHALF A SOLICITATION EFFORT IS
19 CONDUCTED IS A CHARITABLE ORGANIZATION OR THAT THE PROCEEDS OF A
20 SOLICITATION EFFORT ARE FOR CHARITABLE PURPOSES.

21 (G) MISREPRESENTING OR MISLEADING ANY PERSON IN ANY MANNER
22 TO BELIEVE THAT A PERSON SPONSORS, ENDORSES, OR APPROVES A SOLIC-
23 ITATION EFFORT IF THAT PERSON HAS NOT GIVEN WRITTEN CONSENT TO
24 THE USE OF HIS OR HER NAME FOR THAT PURPOSE.

25 (H) MISREPRESENTING OR MISLEADING ANY PERSON IN ANY MANNER
26 TO BELIEVE THAT REGISTRATION UNDER THIS ACT CONSTITUTES

1 ENDORSEMENT OR APPROVAL BY THIS STATE OR A DEPARTMENT OR AGENCY
2 OF THIS STATE.

3 (I) REPRESENTING OR IMPLYING THAT THE AMOUNT OR PERCENTAGE
4 OF A CONTRIBUTION THAT A CHARITABLE ORGANIZATION WILL RECEIVE FOR
5 A CHARITABLE PROGRAM AFTER COSTS OF SOLICITATION ARE PAID IS
6 GREATER THAN THE AMOUNT OR PERCENTAGE OF A CONTRIBUTION THE CHAR-
7 ITABLE ORGANIZATION WILL ACTUALLY RECEIVE.

8 (J) DIVERTING OR MISDIRECTING CONTRIBUTIONS TO A PURPOSE OR
9 ORGANIZATION OTHER THAN THAT FOR WHICH THE FUNDS WERE CONTRIBUTED
10 OR SOLICITED.

11 (K) FALSELY REPRESENTING OR IMPLYING THAT A DONOR WILL
12 RECEIVE SPECIAL BENEFITS OR TREATMENT OR THAT FAILURE TO MAKE A
13 CONTRIBUTION WILL RESULT IN UNFAVORABLE TREATMENT.

14 (L) MISREPRESENTING OR MISLEADING ANY PERSON IN ANY MANNER
15 TO BELIEVE THAT A CONTRIBUTION IS ELIGIBLE FOR TAX ADVANTAGES
16 UNLESS THAT PERSON QUALIFIES FOR THOSE TAX ADVANTAGES AND ALL
17 DISCLOSURES REQUIRED BY LAW ARE MADE.

18 (M) FALSELY REPRESENTING OR IMPLYING THAT THE PERSON BEING
19 SOLICITED OR A FAMILY MEMBER OR ASSOCIATE OF THE PERSON BEING
20 SOLICITED HAS PREVIOUSLY MADE OR AGREED TO MAKE A CONTRIBUTION.

21 (N) EMPLOYING ANY DEVICE, SCHEME, OR ARTIFICE TO DEFRAUD OR
22 OBTAIN MONEY OR PROPERTY FROM A PERSON BY MEANS OF A FALSE,
23 DECEPTIVE, OR MISLEADING PRETENSE, REPRESENTATION, OR PROMISE.

24 (O) REPRESENTING THAT FUNDS SOLICITED WILL BE USED FOR A
25 PARTICULAR CHARITABLE PURPOSE IF THOSE FUNDS ARE NOT USED FOR THE
26 REPRESENTED PURPOSE.

1 (P) SOLICITING CONTRIBUTIONS, CONDUCTING A SALES PROMOTION,
2 OR OTHERWISE OPERATING IN THIS STATE AS A CHARITABLE
3 ORGANIZATION, PROFESSIONAL FUND-RAISER, OR VENDOR UNLESS THE
4 INFORMATION REQUIRED UNDER THIS ACT IS FILED WITH THE ATTORNEY
5 GENERAL AS REQUIRED UNDER THIS ACT.

6 (Q) AIDING, ABETTING, OR OTHERWISE PERMITTING A PERSON TO
7 SOLICIT CONTRIBUTIONS OR CONDUCT A SALES PROMOTION IN THIS STATE
8 UNLESS THE PERSON SOLICITING CONTRIBUTIONS OR CONDUCTING THE
9 SALES PROMOTION HAS COMPLIED WITH THE REQUIREMENTS OF THIS ACT.

10 (R) FAILING TO FILE THE INFORMATION AND REPORTS REQUIRED
11 UNDER THIS ACT OR FAILING TO PROVIDE ANY INFORMATION REQUESTED BY
12 THE ATTORNEY GENERAL IN A TIMELY MANNER.

13 (S) FAILING TO REMOVE A PERSON'S NAME FROM ANY DONOR OR MAIL
14 LIST UTILIZED BY A CHARITABLE ORGANIZATION OR PROFESSIONAL
15 FUND-RAISER FOR SOLICITATION PURPOSES IF THAT PERSON REQUESTS
16 THAT HIS OR HER NAME BE REMOVED FROM THAT LIST.

17 (2) ~~A person has used the name of another person for the~~
18 ~~purpose of soliciting contributions if the latter person's name~~
19 ~~is listed on stationery, an advertisement, brochure, or in corre-~~
20 ~~spondence by which a contribution is solicited by or on behalf of~~
21 ~~a charitable organization or the name is listed or referred to in~~
22 ~~connection with a request for a contribution as one who has con-~~
23 ~~tributed to, sponsored, or indorsed the organization or its~~
24 ~~activities.~~ IN ADDITION TO THE PENALTIES PROVIDED IN SECTION 20,
25 A PERSON WHO ENGAGES IN ANY UNFAIR, UNCONSCIONABLE, OR DECEPTIVE
26 METHOD, ACT, OR PRACTICE IN A SOLICITATION FOR CONTRIBUTIONS IN
27 VIOLATION OF THIS ACT OR RULES PROMULGATED UNDER THIS ACT HAS

1 ENGAGED IN A PROHIBITED ACT IN VIOLATION OF THE MICHIGAN CONSUMER
2 PROTECTION ACT, 1976 PA 331, MCL 445.901 TO 445.922, AND IS
3 SUBJECT TO THE PENALTIES AND REMEDIES PROVIDED IN THAT ACT.

4 (3) This section does not prevent the publication of names
5 of contributors without their written consent in an annual or
6 other periodic report issued by a charitable organization for the
7 purpose of reporting on its operations and affairs to its member-
8 ship or for the purpose of reporting contributions to
9 contributors.

10 ~~(4) A charitable organization or professional fund raiser~~
11 ~~soliciting contributions shall not use a name, symbol, or state-~~
12 ~~ment so closely related or similar to that used by another chari-~~
13 ~~table organization or governmental agency that would tend to con-~~
14 ~~fuse or mislead the public.~~

15 (4) ~~-(5)-~~ A charitable organization, whether OR NOT exempt
16 ~~or not~~ from this act, shall supply to each solicitor and each
17 solicitor shall have in HIS OR HER immediate possession identifi-
18 cation ~~which~~ THAT sets forth the name of the solicitor and the
19 name of the charitable organization on whose behalf the sollicita-
20 tion is conducted.

21 SEC. 19. (1) BEFORE CONDUCTING A SALES OR SOLICITATION CAM-
22 PAIGN, A VENDOR SHALL REGISTER WITH THE ATTORNEY GENERAL ON A
23 FORM PRESCRIBED BY THE ATTORNEY GENERAL. THE REGISTRATION SHALL
24 INCLUDE, BUT IS NOT LIMITED TO, THE FOLLOWING INFORMATION:

25 (A) THE NAME OF THE VENDOR AND ANY OTHER CORPORATE, BUSI-
26 NESS, OR TRADE NAMES USED BY THE VENDOR.

1 (B) THE ADDRESS AND TELEPHONE NUMBER OF THE PRINCIPAL OFFICE
2 OF THE VENDOR.

3 (C) IF THE VENDOR IS NOT A SOLE PROPRIETORSHIP, WHERE AND
4 WHEN THE VENDOR WAS LEGALLY ESTABLISHED AND THE FORM OF ITS
5 ORGANIZATION.

6 (D) A CONCISE DESCRIPTION OF THE PRINCIPAL METHODS BY WHICH
7 THE VENDOR INTENDS TO CONDUCT ITS SALES OR SOLICITATION CAMPAIGN
8 IN MICHIGAN.

9 (E) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF EACH CHARITA-
10 BLE ORGANIZATION WITH WHICH THE VENDOR HAS CONTRACTED.

11 (F) A COMPLETE COPY OF ANY AGREEMENT BETWEEN THE VENDOR AND
12 A CHARITABLE ORGANIZATION.

13 (2) A VENDOR SHALL PAY A FEE OF \$50.00 WITH ITS
14 REGISTRATION.

15 (3) A VENDOR'S REGISTRATION IS EFFECTIVE IMMEDIATELY UPON
16 THE ATTORNEY GENERAL'S RECEIPT OF THE INFORMATION AND FEES
17 REQUIRED UNDER THIS ACT.

18 (4) A VENDOR'S REGISTRATION SHALL EXPIRE 1 YEAR AFTER ITS
19 REGISTRATION IS EFFECTIVE.

20 (5) A VENDOR SHALL NOT CONDUCT A CHARITABLE SALES OR SOLICI-
21 TATION CAMPAIGN IN WHICH IT USES THE NAME OF A CHARITABLE ORGANI-
22 ZATION THAT IS NOT REGISTERED IN THIS STATE.

23 SEC. 19A. A VENDOR SHALL REPORT TO THE ATTORNEY GENERAL THE
24 TOTAL DOLLAR SALES OF EACH CAMPAIGN CONDUCTED IN THIS STATE AND
25 THE AMOUNT PAID TO EACH CHARITABLE ORGANIZATION WITH ITS RENEWAL
26 REGISTRATION OR WITHIN 30 DAYS AFTER THE CONCLUSION OF A SALES
27 CAMPAIGN IN THIS STATE IF NO FURTHER CAMPAIGN IS INTENDED.

1 SEC. 19B. A VENDOR SHALL PROMINENTLY DISPLAY THE FOLLOWING
2 INFORMATION ON EACH VENDING MACHINE, HONOR BOX, NOVELTY MACHINE,
3 OR SIMILAR DEVICE THROUGH WHICH THAT VENDOR CONDUCTS A CHARITABLE
4 SALES OR SOLICITATION CAMPAIGN:

5 (A) THE NAME OF THE VENDOR AND THE FACT THAT THE VENDOR OWNS
6 THE VENDING MACHINE, HONOR BOX, NOVELTY MACHINE, OR SIMILAR
7 DEVICE.

8 (B) THE PERCENTAGE OF SALES, IF ANY, THAT A CHARITABLE
9 ORGANIZATION WILL RECEIVE.

10 (C) THE AMOUNT THAT A CHARITABLE ORGANIZATION WILL RECEIVE
11 REGARDLESS OF SALES, IF ANY.

12 SEC. 19C. (1) BEFORE MAKING AN ORAL REQUEST FOR A CONTRIBU-
13 TION AND CONTEMPORANEOUSLY WITH A WRITTEN REQUEST FOR A CONTRIBU-
14 TION, THE CHARITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER, OR
15 VENDOR SOLICITING THE CONTRIBUTION SHALL DISCLOSE THE NAME AND
16 LOCATION BY CITY AND STATE OF EACH CHARITABLE ORGANIZATION ON
17 BEHALF OF WHICH THE SOLICITATION IS MADE. IF A SOLICITATION IS
18 MADE BY DIRECT PERSONAL CONTACT, THE INFORMATION REQUIRED UNDER
19 THIS SECTION SHALL ALSO BE DISCLOSED PROMINENTLY ON ANY WRITTEN
20 DOCUMENT EXHIBITED TO THE PERSON SOLICITED. IF A SOLICITATION IS
21 MADE BY RADIO, TELEVISION, LETTER, TELEPHONE, OR ANY OTHER MEANS
22 NOT INVOLVING PERSONAL CONTACT, THE INFORMATION REQUIRED UNDER
23 THIS SECTION SHALL BE DISCLOSED PROMINENTLY IN THE SOLICITATION.
24 THE INFORMATION REQUIRED UNDER THIS SECTION SHALL ALSO BE DIS-
25 CLOSED PROMINENTLY ON ANY INVOICES, BILLS, FULFILLMENT REQUESTS,
26 LETTERS, PAMPHLETS, OR BROCHURES USED TO OBTAIN PAYMENT OF A
27 PLEDGE OR PROMISE TO MAKE A CONTRIBUTION.

1 (2) IN ADDITION TO THE INFORMATION REQUIRED UNDER SUBSECTION
 2 (1), A PROFESSIONAL FUND-RAISER THAT ORALLY SOLICITS CONTRIBU-
 3 TIONS IN THIS STATE SHALL ALSO DISCLOSE THE PROFESSIONAL
 4 FUND-RAISER'S NAME AS FILED WITH THE ATTORNEY GENERAL AND A
 5 STATEMENT THAT THE SOLICITATION IS BEING CONDUCTED BY A PROFES-
 6 SIONAL FUND-RAISER. THE INFORMATION REQUIRED UNDER THIS SUBSEC-
 7 TION SHALL BE PROVIDED IN THE SAME MANNER AS THE INFORMATION
 8 REQUIRED UNDER SUBSECTION (1).

9 SEC. 19D. A PERSON REQUIRED TO REGISTER UNDER THIS ACT IS
 10 SUBJECT TO A LATE FEE OF \$1.00 PER DAY UP TO A MAXIMUM LATE FEE
 11 OF \$100.00 IF ANY OF THE FOLLOWING OCCUR:

12 (A) A CHARITABLE ORGANIZATION FAILS TO FILE A REPORT ON OR
 13 BEFORE THE DATE ITS REGISTRATION EXPIRES AS PROVIDED IN SECTION
 14 7(1) UNLESS AN EXTENSION HAS BEEN GRANTED UNDER SECTION 7(4).

15 (B) A PROFESSIONAL FUND-RAISER FAILS TO FILE A REPORT AS
 16 REQUIRED UNDER SECTION 17(5).

17 (C) A VENDOR FAILS TO FILE A CAMPAIGN FINANCIAL REPORT OR
 18 CAMPAIGN SALES REPORT AS REQUIRED UNDER SECTION 19A.

19 (D) A CHARITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER, OR
 20 VENDOR FAILS TO CURE A DEFECT IN ITS REGISTRATION OR ANNUAL
 21 REPORT WITHIN 30 DAYS AFTER NOTICE BY THE ATTORNEY GENERAL THAT A
 22 CORRECTION OR ADDITIONAL INFORMATION IS REQUIRED.

23 Sec. 20. (1) The attorney general may, ~~institute~~ IN ADDI-
 24 TION TO ANY OTHER ACTION AUTHORIZED BY LAW, BRING an action ~~in~~
 25 ~~any circuit court~~ to enjoin ~~preliminarily or permanently a~~
 26 ~~charitable organization, professional fund raiser, solicitor, or~~
 27 ~~other person who:~~ (a) ~~Engages in a method, act, or practice in~~

~~1 violation of this act or any of the rules promulgated hereunder.~~
~~2 (b) Employs or uses in a solicitation or collection of contribu-~~
~~3 tions for a charitable organization on behalf of any other person~~
~~4 for a charitable purpose a device, scheme, or artifice to~~
~~5 defraud, or for obtaining money or property by means of any false~~
~~6 pretense, deception, representation, or promise.~~ AN ACT OR PRAC-
7 TICE PROHIBITED UNDER THIS ACT. AFTER FINDING THAT A PERSON HAS
8 ENGAGED IN OR IS ENGAGING IN A PROHIBITED ACT OR PRACTICE, A
9 COURT MAY ENTER ANY NECESSARY ORDER OR JUDGMENT, INCLUDING, BUT
10 NOT LIMITED TO, AN INJUNCTION, AN ORDER OF RESTITUTION, AN AWARD
11 OF REASONABLE ATTORNEY FEES AND COSTS. A COURT MAY AWARD TO THIS
12 STATE A CIVIL PENALTY OF \$10,000.00 OR LESS FOR EACH VIOLATION OF
13 THIS ACT. A COURT NEED NOT FIND IRREPARABLE HARM TO ENTER AN
14 INJUNCTION, BUT NEED ONLY FIND A VIOLATION OF THIS ACT OR FIND
15 THAT AN INJUNCTION WOULD PROMOTE THE PUBLIC INTEREST.

16 (2) ~~In addition to any relief afforded under this section,~~
17 ~~the attorney general may exercise the authority to suspend or~~
18 ~~revoke a license issued pursuant to this act.~~ A CHARITABLE
19 ORGANIZATION, PROFESSIONAL FUND-RAISER, OR ANY OTHER PERSON WHO
20 VIOLATES AN INJUNCTION OR OTHER ORDER ENTERED UNDER SUBSECTION
21 (1) SHALL, IN ADDITION TO ANY OTHER REMEDY, PAY TO THIS STATE A
22 CIVIL PENALTY OF NOT MORE THAN \$10,000.00 FOR EACH VIOLATION,
23 WHICH MAY BE RECOVERED IN A CIVIL ACTION BROUGHT BY THE ATTORNEY
24 GENERAL.

25 (3) The attorney general may, ~~exercise the authority~~
26 ~~granted in this section against a charitable organization or~~
27 ~~person which or who operates under the guise or pretense of being~~

~~1 an organization or person exempted by this act and is not in fact~~
~~2 an organization or person entitled to such an exemption.~~ IN
3 ADDITION TO ANY OTHER ACTION AUTHORIZED BY LAW, ISSUE A CEASE AND
4 DESIST ORDER, ISSUE A NOTICE OF INTENDED ACTION, OR TAKE OTHER
5 ACTION IN THE PUBLIC INTEREST. THE ATTORNEY GENERAL MAY ACCEPT
6 AN ASSURANCE OF DISCONTINUANCE OF ANY METHOD, ACT, OR PRACTICE IN
7 VIOLATION OF THIS ACT FROM ANY PERSON ALLEGED TO BE ENGAGED IN OR
8 TO HAVE BEEN ENGAGED IN THAT METHOD, ACT, OR PRACTICE. AN ASSUR-
9 ANCE OF DISCONTINUANCE MAY INCLUDE A STIPULATION FOR THE VOLUN-
10 TARY PAYMENT OF THE COSTS OF INVESTIGATION, FOR AN AMOUNT TO BE
11 HELD IN ESCROW PENDING THE OUTCOME OF AN ACTION OR AS RESTITUTION
12 TO AN AGGRIEVED PERSON, OR FOR THE VOLUNTARY PAYMENT TO ANOTHER
13 PERSON IF IN THE PUBLIC INTEREST. AN ASSURANCE OF DISCONTINUANCE
14 SHALL BE IN WRITING AND SHALL BE FILED WITH THE CIRCUIT COURT FOR
15 INGHAM COUNTY. AN ACTION RESOLVED BY AN ASSURANCE OF DISCONTINU-
16 ANCE MAY BE REOPENED BY THE ATTORNEY GENERAL AT ANY TIME FOR
17 ENFORCEMENT BY A COURT OR FOR FURTHER PROCEEDINGS IN THE PUBLIC
18 INTEREST. EVIDENCE OF A VIOLATION OF AN ASSURANCE OF DISCONTINU-
19 ANCE IS PRIMA FACIE EVIDENCE OF A VIOLATION OF THIS ACT IN ANY
20 SUBSEQUENT PROCEEDING BROUGHT BY THE ATTORNEY GENERAL.

21 (4) A PERSON WHO HAS VIOLATED SECTION 18 IS SUBJECT TO 1 OR
22 MORE OF THE FOLLOWING PENALTIES:

23 (A) PLACEMENT OF A RESTRICTION OR CONDITION ON THE PERSON'S
24 REGISTRATION.

25 (B) DENIAL, SUSPENSION, OR REVOCATION OF A REGISTRATION.

26 (C) A CIVIL FINE OF NOT MORE THAN \$10,000.00 TO BE PAID TO
27 THE ATTORNEY GENERAL.

1 (D) A REQUIREMENT TO TAKE SOME TYPE OF AFFIRMATIVE ACTION,
2 INCLUDING THE PAYMENT OF RESTITUTION.

3 (5) THE ATTORNEY GENERAL SHALL, BEFORE SUSPENDING OR REVOK-
4 ING A REGISTRATION, ASSESSING A CIVIL FINE, OR ORDERING RESTITU-
5 TION, PROVIDE THE PERSON AGAINST WHOM THE PENALTY IS TO BE
6 IMPOSED AN OPPORTUNITY FOR A HEARING IN ACCORDANCE WITH THE
7 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
8 24.328.

9 (6) A PERSON WHO SUFFERS A LOSS AS A RESULT OF A VIOLATION
10 OF THIS ACT MAY EXERCISE ANY RIGHT OR REMEDY CREATED UNDER SEC-
11 TION 11 OF THE MICHIGAN CONSUMER PROTECTION ACT, 1976 PA 331,
12 MCL 445.911.

13 Sec. 21. (1) The attorney general may investigate ~~the~~
14 ~~operations or conduct of charitable organizations, professional~~
15 ~~fund raisers, or professional solicitors subject to this act. He~~
16 ~~may require a person, corporation, institution, or association,~~
17 ~~and the officers, members, and employees and agents thereof, to~~
18 ~~appear at a named time and place in the county designated by the~~
19 ~~attorney general or where the person resides or is found, to give~~
20 ~~information under oath and to produce books, memoranda, papers,~~
21 ~~records, documents of title, evidence of assets, liabilities,~~
22 ~~receipts, or disbursements in the possession or control of the~~
23 ~~person ordered to appear.~~ A COMPLAINT FROM ANY PERSON IN WHAT-
24 EVER MANNER THE ATTORNEY GENERAL CONSIDERS APPROPRIATE AND MAY
25 INVESTIGATE ON HIS OR HER OWN INITIATIVE A CHARITABLE ORGANIZA-
26 TION, PROFESSIONAL FUND-RAISER, VENDOR, COMMERCIAL COVENTURER, OR
27 PERSON DESCRIBED IN SECTION 23A. THE ATTORNEY GENERAL MAY

1 REQUIRE A PERSON, CORPORATION, INSTITUTION, OR ASSOCIATION OR AN
2 OFFICER, MEMBER, EMPLOYEE, OR AGENT OF A CORPORATION, INSTITU-
3 TION, OR ASSOCIATION TO APPEAR AT A TIME AND PLACE SPECIFIED BY
4 THE ATTORNEY GENERAL TO GIVE INFORMATION UNDER OATH AND TO
5 PRODUCE BOOKS, MEMORANDA, PAPERS, RECORDS, DOCUMENTS, OR EVIDENCE
6 OF ASSETS, LIABILITIES, RECEIPTS, OR DISBURSEMENTS IN THE POSSES-
7 SION OF THE PERSON ORDERED TO APPEAR.

8 (2) When REQUIRING THE ATTENDANCE OF A PERSON, the attorney
9 general ~~requires the attendance of a person, he~~ shall issue an
10 order setting forth the time when and the place where attendance
11 is required and shall ~~cause the same to be served~~ SERVE THE
12 ORDER upon the person in the manner provided for service of pro-
13 cess in civil cases at least 5 days before the date fixed for
14 attendance. The order shall have the same force and effect as a
15 subpoena and, upon application of the attorney general,
16 ~~obedience to~~ the order may be enforced by a court having juris-
17 diction over the person ~~—~~, OR the circuit court for the county
18 of Ingham ~~—~~, or for the county where the person receiving ~~it~~
19 THE ORDER resides or is found, in the same manner as though the
20 notice were a subpoena. In case of ~~contumacy~~ FAILURE or
21 refusal to obey the order issued by the attorney general, the
22 court may issue an order requiring the person to appear before
23 the court, ~~or~~ to produce documentary evidence, ~~if so ordered,~~
24 or to give evidence ~~touching~~ CONCERNING the matter in
25 question. Failure to obey the order of the court ~~shall be~~
26 ~~punished~~ IS PUNISHABLE by that court as ~~a~~ contempt. The
27 investigation may be ~~made~~ CONDUCTED by ~~or before~~ an assistant

1 attorney general OR OTHER PERSON designated ~~in writing~~ by the
2 attorney general. ~~to conduct the investigation.~~ The attorney
3 general or ~~the assistant attorney general acting in his behalf~~
4 OTHER DESIGNATED PERSON may administer the necessary oath or
5 affirmation to witnesses.

6 (3) THIS ACT DOES NOT LIMIT OR RESTRICT THE POWERS OR DUTIES
7 OF THE ATTORNEY GENERAL THAT ARE AUTHORIZED UNDER ANY OTHER PRO-
8 VISION OF LAW.

9 SEC. 22A. IF AN ORAL PLEDGE OR PROMISE TO MAKE A CONTRIBU-
10 TION IS THE RESULT OF A TELEPHONE OR DOOR-TO-DOOR SOLICITATION,
11 THAT PLEDGE OR PROMISE TO MAKE A CONTRIBUTION IS UNENFORCEABLE.

12 Sec. 23. (1) A person who does any of the following is
13 guilty of a misdemeanor punishable by a fine of not more than
14 ~~\$500.00~~ \$5,000.00, or imprisonment for not more than 6 months,
15 or both:

16 (a) Violates this act.

17 (b) Solicits ~~and~~ OR receives public donations, or sells
18 memberships in this state for ~~and~~ OR on behalf of any organiza-
19 tion, institution, or association subject to the provisions of
20 this act ~~and which~~ THAT is not ~~duly licensed pursuant to~~
21 REGISTERED UNDER this act.

22 (c) Solicits funds under a ~~license~~ REGISTRATION and
23 ~~thereafter~~ diverts the ~~same~~ FUNDS to purposes other than that
24 for which the funds were contributed.

25 (2) This section ~~shall~~ DOES not ~~be construed to~~ limit or
26 restrict prosecution under the general criminal statutes of ~~the~~
27 THIS state.

1 SEC. 23A. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION
2 (2), A PERSON WHO IS NOT A CHARITABLE ORGANIZATION OR A VOLUNTEER
3 SUPERVISED BY A CHARITABLE ORGANIZATION BUT WHO SOLICITS CONTRI-
4 BUTIONS, CONDUCTS A FUND-RAISING EVENT, OR CONDUCTS A SALES PRO-
5 MOTION OR CAMPAIGN FOR A CHARITABLE PURPOSE IS SUBJECT TO THIS
6 ACT.

7 (2) A PERSON SUBJECT TO THIS ACT UNDER SUBSECTION (1) IS NOT
8 REQUIRED TO REGISTER OR FILE REPORTS AS REQUIRED UNDER THIS ACT.

9 SEC. 23B. (1) THE ATTORNEY GENERAL SHALL PREPARE A REPORT
10 TO THE SENATE AND TO THE HOUSE OF REPRESENTATIVES PROVIDING IN
11 DETAIL THE MEANS TO BE IMPLEMENTED TO EDUCATE THE PUBLIC REGARD-
12 ING CHARITABLE ORGANIZATIONS AND PROFESSIONAL FUND-RAISERS OPER-
13 ATING IN OR SOLICITING CONTRIBUTIONS IN THIS STATE.

14 (2) THE REPORT SHALL INCLUDE A DESCRIPTION OF THE INFORMA-
15 TION TO BE DISSEMINATED TO THE PUBLIC AND SHALL INCLUDE A PLAN TO
16 DISSEMINATE THE INFORMATION.

17 (3) THE REPORT SHALL BE PRESENTED TO THE SENATE AND TO THE
18 HOUSE OF REPRESENTATIVES NOT LATER THAN 1 YEAR AFTER THE EFFEC-
19 TIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

20 SEC. 23C. THE PROSECUTING ATTORNEY FOR A COUNTY MAY INVES-
21 TIGATE AND PROSECUTE A PERSON SUBJECT TO THIS ACT IN THE SAME
22 MANNER AS THE ATTORNEY GENERAL.

23 Enacting section 1. Sections 14 and 22 of the charitable
24 organizations and solicitations act, 1975 PA 169, MCL 400.284 and
25 400.292, are repealed.