

HOUSE BILL No. 5568

February 11, 1998, Introduced by Reps. Law and Griffin and referred to the Committee on Regulatory Affairs.

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, and 23b; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE

2

An act to regulate organizations and persons soliciting or

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collecting contributions for charitable purposes; to require

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registration ~~—, AND disclosure of information and licensing~~

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before solicitation of contributions; to provide for reporting of

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 (B) "CHARITABLE PURPOSE" MEANS THE FOLLOWING:

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

16 (ii) A BENEVOLENT, PHILANTHROPIC, EDUCATIONAL, SCIENTIFIC,
17 PUBLIC HEALTH, HUMANE, RELIGIOUS, OR OTHER ELEEMOSYNARY
18 OBJECTIVE.

19 (C) "CHARITABLE SALES PROMOTION" MEANS AN ADVERTISING OR
20 SALES CAMPAIGN REPRESENTING THAT PROCEEDS FROM THE SALE OR USE OF
21 THE GOODS OR SERVICES OFFERED WILL BENEFIT, IN WHOLE OR IN PART,
22 A CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE, OR THAT THE
23 SELLER OR VENDOR WILL MAKE A PAYMENT TO A CHARITABLE ORGANIZATION
24 OR FOR A CHARITABLE PURPOSE.

25 (D) "COMMERCIAL COVENTURER" MEANS A PERSON WHO CONDUCTS
26 CHARITABLE SALES PROMOTIONS. A PERSON WHO ENTERS INTO A
27 LICENSING ARRANGEMENT IN WHICH A CHARITABLE ORGANIZATION ALLOWS

1 THE PERSON TO USE THE CHARITABLE ORGANIZATION'S NAME FOR A FEE IS
2 A COMMERCIAL COVENTURER.

3 (E) ~~-(b)-~~ "Contribution" means the promise, grant, or pay-
4 ment of money or property of any kind or value, including
5 ~~promises~~ THE PROMISE to pay. ~~, except payments by members of an~~
6 ~~organization for membership fees, dues, fines, or assessments, or~~
7 ~~for services rendered to individual members, if membership in the~~
8 ~~organization confers a bona fide right, privilege, professional~~
9 ~~standing, honor, or other direct benefit, other than the right to~~
10 ~~vote, elect officers, or hold offices, and except money or prop-~~
11 ~~erty received from a governmental authority or foundation~~
12 ~~restricted as to use.~~ CONTRIBUTION INCLUDES THAT PORTION OF MEM-
13 BERSHIP FEES, DUES, OR ASSESSMENTS THAT EXCEED THE MONETARY VALUE
14 OF MEMBERSHIP BENEFITS AVAILABLE TO A DUES PAYER WHETHER OR NOT
15 THE MEMBERSHIP BENEFITS ARE USED, AND MEMBERSHIP FEES, DUES, OR
16 ASSESSMENTS THAT ARE PAID PRIMARILY TO SUPPORT THE CHARITABLE
17 ORGANIZATION'S ACTIVITIES AND NOT TO OBTAIN BENEFITS OF MORE THAN
18 NOMINAL MONETARY VALUE. CONTRIBUTION DOES NOT INCLUDE A GRANT OR
19 CONTRACT FROM ANY GOVERNMENTAL AGENCY OR A RESTRICTED GRANT FROM
20 A FOUNDATION.

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

24 (G) "PROFESSIONAL FUND-RAISER" MEANS A PERSON, INCLUDING A
25 SUBCONTRACTOR, WHO FOR COMPENSATION OR OTHER CONSIDERATION CON-
26 DUCTS, MANAGES, OR CARRIES ON A DRIVE OR CAMPAIGN TO SOLICIT
27 CONTRIBUTIONS FOR OR ON BEHALF OF A CHARITABLE ORGANIZATION,

1 RELIGIOUS ORGANIZATION, OR ANY OTHER PERSON; OR WHO ENGAGES IN
2 THE BUSINESS OF OR HOLDS HIMSELF OR HERSELF OUT AS INDEPENDENTLY
3 ENGAGED IN THE BUSINESS OF SOLICITING CONTRIBUTIONS FOR CHARITA-
4 BLE PURPOSES. A BONA FIDE OFFICER OR EMPLOYEE OF A CHARITABLE
5 ORGANIZATION IS NOT A PROFESSIONAL FUND-RAISER.

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

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

11 (A) AN ORAL OR WRITTEN REQUEST.

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

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

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

24 (E) A RECEPTACLE FOR CONTRIBUTIONS, SUCH AS HONOR BOXES,
25 VENDING MACHINES, WISHING WELLS, OR CONTRIBUTION BOXES, WHERE A
26 CHARITABLE PURPOSE IS USED, REFERRED TO, OR IMPLIED AS AN
27 INDUCEMENT TO MAKE A CONTRIBUTION OR PURCHASE.

1 (ii) A SOLICITATION OCCURS WHETHER OR NOT THE PERSON MAKING
2 THE SOLICITATION RECEIVES A CONTRIBUTION. FOR PURPOSES OF THIS
3 ACT, A CHARITABLE ORGANIZATION IS CONSIDERED TO HAVE RECEIVED, IN
4 ADDITION TO CONTRIBUTIONS SOLICITED FROM THE PUBLIC BY IT, CON-
5 TRIBUTIONS SOLICITED FROM THE PUBLIC BY ANY OTHER PERSON AND
6 TRANSFERRED TO THAT CHARITABLE ORGANIZATION. A CHARITABLE ORGAN-
7 IZATION THAT RECEIVES AN ALLOCATION FROM A COMMUNITY CHEST,
8 UNITED FUND, OR SIMILAR ORGANIZATION IS CONSIDERED TO HAVE SOLIC-
9 ITED THAT ALLOCATION FROM THE PUBLIC.

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

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

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

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

4 ~~(h) "Prohibited transaction" is that dealing, activity, con-~~
 5 ~~duct, administration, or management of the charitable organiza-~~
 6 ~~tion or by any of its officers, trustees, personnel, or related~~
 7 ~~persons which may be prohibited as constituting activity contrary~~
 8 ~~to proper administration of the charitable organization or con-~~
 9 ~~duct of a fund raising campaign or solicitation by a professional~~
 10 ~~fund raiser or solicitor.~~

11 (K) "VENDOR" MEANS A PERSON WHO CONDUCTS CHARITABLE SALES
 12 PROMOTIONS THROUGH VENDING MACHINES, HONOR BOXES, NOVELTY
 13 MACHINES, OR SIMILAR DEVICES, THAT REPRESENT THAT THEY BENEFIT A
 14 CHARITABLE ORGANIZATION OR A CHARITABLE PURPOSE THROUGH A PORTION
 15 OF THE PROCEEDS, A FIXED DOLLAR AMOUNT, OR ANY OTHER MANNER.

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

1 (a) The name of the organization and ~~the~~ ANY name ~~under~~
2 ~~which it intends~~ USED BY THAT ORGANIZATION to solicit
3 contributions.

4 (b) The principal address of the organization and the
5 address of any office in this state. If the organization does
6 not maintain a principal office, the name and address of the
7 person having custody of its financial records.

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

10 (C) ~~(d)~~ Where and when the organization was legally estab-
11 lished ~~—~~ AND the form of its organization. ~~—, and its tax~~
12 ~~exempt status.~~

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

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

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

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

25 (h) ~~All methods by which solicitations will be made~~ A LIST
26 OF THE NAMES AND ADDRESSES OF THE ORGANIZATION'S BOARD OF
27 DIRECTORS, OFFICERS, AND TRUSTEES.

1 (i) ~~Copies of contracts between charitable organizations~~
2 ~~and professional fund raisers relating to financial compensation~~
3 ~~or profit to be derived by the professional fund raisers. When~~
4 ~~the contract is executed after filing of application statement, a~~
5 ~~copy shall be filed within 10 days of the date of execution. IF~~
6 THE PRINCIPAL ADDRESS OF THE ORGANIZATION IS NOT IN THIS STATE,
7 THE ADDRESS AND TELEPHONE NUMBER OF A RESIDENT AGENT IN THIS
8 STATE.

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

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

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

23 (A) UNLESS THE ORGANIZATION HAS NOT COMPLETED ITS FIRST
24 ACCOUNTING PERIOD, A COPY OF ITS FULLY AND PROPERLY COMPLETED
25 INTERNAL REVENUE SERVICE FORM 990, 990EZ, OR 990PF FOR THE IMME-
26 DIATELY PRECEDING TAX YEAR, OR SUCCESSOR FORMS, INCLUDING ALL
27 SCHEDULES, ATTACHMENTS, AND EXHIBITS FILED WITH THE INTERNAL

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

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

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

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

(A) REGISTRATION FEES COLLECTED UNDER THIS ACT.

(B) LATE REGISTRATION FEES COLLECTED UNDER THIS ACT.

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

(D) ANY OTHER SOURCE.

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

(4) MONEY IN THE CHARITABLE ORGANIZATIONS AND SOLICITATIONS FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE CHARITABLE ORGANIZATIONS AND SOLICITATIONS FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

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

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

(2) Copies of A CONTRACT WITH A PROFESSIONAL FUND-RAISER, VENDOR, OR COMMERCIAL COVENTURER AND all soliciting materials

1 shall be supplied TO THE ATTORNEY GENERAL upon request. ~~of the~~
2 ~~attorney general.~~

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

7 Sec. 5. (1) ~~An application~~ THE ATTORNEY GENERAL SHALL
8 REVIEW A REGISTRATION THAT IS SUBMITTED in proper form ~~and sup-~~
9 ~~ported by material information~~ TOGETHER WITH THE DOCUMENTATION
10 AND REGISTRATION FEE required ~~shall be examined by the attorney~~
11 ~~general~~ UNDER THIS ACT. If the ~~application and~~ REGISTRATION,
12 supporting ~~material conforms~~ DOCUMENTATION, AND REGISTRATION
13 FEE CONFORM to the requirements of this act, ~~and the rules,~~ the
14 attorney general shall ~~issue a license to~~ REGISTER the charita-
15 ble organization, ~~within 30 days, except where~~ PROFESSIONAL
16 FUND-RAISER, OR VENDOR UNLESS the CHARITABLE organization, PRO-
17 FESSIOAL FUND-RAISER, OR VENDOR has ~~materially~~ misrepresented
18 or omitted ~~information~~ required DOCUMENTATION or the CHARITABLE
19 organization, PROFESSIONAL FUND-RAISER, OR VENDOR has ~~acted~~
20 VIOLATED or is ~~acting in violation of~~ VIOLATING this act or
21 rules promulgated ~~hereunder~~ UNDER THIS ACT.

22 ~~(2) The license shall be without charge and issued to the~~
23 ~~charitable organization, its agents and representatives for the~~
24 ~~purpose of soliciting and receiving contributions and donations~~
25 ~~or to sell memberships or otherwise raise moneys from the public~~
26 ~~for the specified charitable purpose.~~

1 (2) ~~(3) A license issued to a professional fund raiser,~~
2 ~~professional solicitor, or a charitable organization, its agents~~
3 ~~and representatives may be suspended or revoked by the~~ THE
4 attorney general MAY SUSPEND OR RESCIND THE REGISTRATION OF A
5 CHARITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER, OR VENDOR AND
6 AN AGENT OR REPRESENTATIVE OF A CHARITABLE ORGANIZATION, PROFES-
7 SIONAL FUND-RAISER, OR VENDOR for violation of this act ~~or rules~~
8 ~~promulgated hereunder,~~ after reasonable notice and opportunity
9 to be heard. The attorney general may suspend on an emergency
10 basis, without hearing, ~~any license issued to a professional~~
11 ~~fund raiser, professional solicitor, or a charitable organization~~
12 ~~when~~ THE REGISTRATION OF A CHARITABLE ORGANIZATION, PROFESSIONAL
13 FUND-RAISER, OR VENDOR IF the attorney general specifies in the
14 notice of emergency suspension the reasons and grounds indicating
15 a violation of this act or ~~any~~ A rule ~~which~~ PROMULGATED UNDER
16 THIS ACT THAT constitutes the emergency. The notice shall set
17 forth that within 48 hours, at a designated time and place, a
18 hearing shall be held on whether the ~~license~~ REGISTRATION
19 should be permanently suspended or ~~revoked~~ RESCINDED. The
20 ~~professional fund raiser, professional solicitor, or~~ charitable
21 organization, PROFESSIONAL FUND-RAISER, OR VENDOR may show com-
22 pliance with ~~the requirements of~~ this act or the rules
23 PROMULGATED UNDER THIS ACT and ~~shall have~~ HAS the burden of
24 ~~adducing the evidence~~ PROOF IN ESTABLISHING THAT COMPLIANCE.

25 Sec. 6. A charitable organization, PROFESSIONAL
26 FUND-RAISER, OR VENDOR shall notify the attorney general within
27 30 days of any change in the information required to be furnished

1 under ~~section 3~~ THIS ACT. ~~A report shall be filed and signed~~
2 ~~by the president or other authorized officer and the chief fiscal~~
3 ~~officer of the organization.~~

4 Sec. 7. (1) ~~The license of a charitable organization shall~~
5 ~~expire 1 year after the date of issuance. A charitable organiza-~~
6 ~~tion desiring renewal of a license shall file with the attorney~~
7 ~~general a renewal application and supporting information on or~~
8 ~~before 30 days prior to the expiration date.~~ A REGISTERED CHARI-
9 TABLE ORGANIZATION SHALL REPORT ON ITS PREVIOUS FISCAL YEAR AND
10 RENEW ITS REGISTRATION WITHIN 6 MONTHS AFTER THE CLOSE OF ITS
11 FISCAL YEAR. A RENEWAL REGISTRATION AND REPORT SHALL BE ON A
12 FORM PRESCRIBED BY THE ATTORNEY GENERAL AND SHALL INCLUDE THE
13 INFORMATION, SUPPLEMENTAL DOCUMENTATION, AND ANY FEE REQUIRED
14 UNDER THIS ACT.

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

21 (3) AN ORGANIZATION PREVIOUSLY REGISTERED UNDER THIS ACT
22 THAT IS NO LONGER SUBJECT TO THE REGISTRATION REQUIREMENTS OF
23 THIS ACT SHALL FILE A FINANCIAL REPORT WITHIN 6 MONTHS OF THE
24 CLOSE OF THE MOST RECENTLY COMPLETED FISCAL YEAR IN WHICH THE
25 ORGANIZATION SOLICITED IN THIS STATE. THE REPORT SHALL INCLUDE
26 THE FINANCIAL INFORMATION THAT WOULD BE REQUIRED TO RENEW THE
27 ORGANIZATION'S REGISTRATION AND ANY REPORTS ON SOLICITATION

1 CAMPAIGNS CONDUCTED BY THE CHARITABLE ORGANIZATION THROUGH A
2 PROFESSIONAL FUND RAISER AS REQUIRED UNDER SECTION 17(5). THE
3 ATTORNEY GENERAL SHALL EXTEND THE PERIOD FOR FILING THE REPORT
4 REQUIRED UNDER THIS SUBSECTION PURSUANT TO SUBSECTION (4).

5 (4) IF A CHARITABLE ORGANIZATION RECEIVES AN EXTENSION OF
6 TIME TO FILE THE CHARITABLE ORGANIZATION'S INTERNAL REVENUE SERV-
7 ICE FORM 990, 990EZ, OR 990PF, THE ATTORNEY GENERAL SHALL EXTEND
8 THE CHARITABLE ORGANIZATION'S REGISTRATION FOR A SIMILAR PERIOD
9 OF TIME.

10 Sec. 8. (1) ~~Documents required to be filed with the attor-~~
11 ~~ney general shall be open to public inspection. Persons subject~~
12 ~~to this act shall maintain accurate and detailed books and~~
13 ~~records at the office of the resident agent or the principal~~
14 ~~office which shall be open to inspection at all reasonable times~~
15 ~~by the attorney general or his authorized representative. A REG-~~
16 ~~ISTRATION, ANNUAL REPORT, OR OTHER DOCUMENT REQUIRED TO BE FILED~~
17 ~~UNDER THIS ACT IS A PUBLIC RECORD IN THE OFFICE OF THE ATTORNEY~~
18 ~~GENERAL OPEN TO INSPECTION. INVESTIGATIVE DATA OBTAINED BY THE~~
19 ~~ATTORNEY GENERAL IN ANTICIPATION OF OR IN CONNECTION WITH LITIGA-~~
20 ~~TION OR AN ADMINISTRATIVE PROCEEDING IS EXEMPT FROM DISCLOSURE~~
21 ~~UNDER SECTION 13(1)(B) OF THE FREEDOM OF INFORMATION ACT, 1976~~
22 ~~PA 442, MCL 15.243.~~

23 (2) A CHARITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER, OR
24 VENDOR SHALL MAINTAIN FOR NOT LESS THAN 3 YEARS FROM THE DATE
25 PREPARED, ACCURATE AND DETAILED RECORDS TO PROVIDE THE INFORMA-
26 TION REQUIRED UNDER THIS ACT. ALL RECORDS ARE OPEN TO INSPECTION

1 AT ALL REASONABLE TIMES BY THE ATTORNEY GENERAL AND COPIES OF THE
2 RECORDS SHALL BE PROVIDED TO THE ATTORNEY GENERAL UPON REQUEST.

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

14 (4) A FILE IN THE OFFICE OF THE ATTORNEY GENERAL REGARDING A
15 CLOSED ENFORCEMENT ACTION OR A SETTLEMENT IN A CIVIL CASE UNDER
16 THIS ACT IS OPEN TO PUBLIC INSPECTION AND COPYING. A PROVISION
17 OR REQUIREMENT OF CONFIDENTIALITY OR SEALING OF RECORDS AS A CON-
18 DITION OF SETTLEMENT OF AN ENFORCEMENT OR CIVIL ACTION UNDER THIS
19 ACT IS PROHIBITED.

20 Sec. 9. If a local, county, or area division of a charita-
21 ble organization is directly supervised and controlled by a
22 superior or parent organization ~~—, which—~~ THAT is incorporated
23 ~~—,~~ AND qualified to do business IN THIS STATE, or IS doing busi-
24 ness within this state, the local, county, or area division OF
25 THAT CHARITABLE ORGANIZATION is not required to register under
26 section 3 if the superior or parent organization ~~—files an~~
27 ~~application statement—~~ REGISTERS on behalf of the local, county,

1 or area division in addition to or as part of ~~its application~~
2 ~~statement. When an application statement has been~~ THE SUPERIOR
3 OR PARENT ORGANIZATION'S REGISTRATION. IF A REGISTRATION IS
4 filed by a superior or parent organization, it shall file the
5 annual report required under ~~sections 14 and 16~~ THIS ACT on
6 behalf of the local, county, or area division in ~~such~~ THE
7 detail ~~as~~ required by the ~~rules~~ ATTORNEY GENERAL.

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

15 Sec. 11. (1) ~~An application for a license~~ THE ATTORNEY
16 GENERAL shall not ~~be accepted~~ ACCEPT A REGISTRATION from a
17 charitable organization, PROFESSIONAL FUND-RAISER, OR VENDOR
18 located in another state or country unless ~~it~~ THAT CHARITABLE
19 ORGANIZATION, PROFESSIONAL FUND-RAISER, OR VENDOR first desig-
20 nates a resident agent in this state ~~for the acceptance of~~ TO
21 ACCEPT process issued by any court.

22 (2) A charitable organization, person, VENDOR, OR profes-
23 sional ~~fund raiser, or professional solicitor, soliciting con-~~
24 ~~tributions in this state but not maintaining an office within the~~
25 ~~state shall be~~ FUND-RAISER IS subject to service of process as
26 follows:

1 (a) By service on its ~~registered~~ RESIDENT agent within
2 ~~the~~ THIS state or if there is no ~~registered~~ RESIDENT agent,
3 then upon the person ~~who has been~~ designated in the
4 ~~application statement~~ REGISTRATION as having custody of books
5 and records within this state OR UPON AN OFFICER OF THE ORGANIZA-
6 TION AT ITS PRINCIPAL OFFICE. ~~When~~ IF service is effected upon
7 the person designated in the registration, ~~statement~~ a copy of
8 the process shall be mailed to the charitable organization,
9 PERSON, VENDOR, OR PROFESSIONAL FUND-RAISER at its last known
10 address.

11 (b) ~~When a charitable organization has solicited contribu-~~
12 ~~tions in this state but does not maintain an office within the~~
13 ~~state, have a registered agent within this state and have a des-~~
14 ~~ignated person having custody of its books and records within the~~
15 ~~state, or when a registered agent or person having custody of its~~
16 ~~books and records within the state cannot be found as shown by~~
17 ~~the return of the sheriff of the county in which the registered~~
18 ~~agent or person having custody of books and records has been rep-~~
19 ~~resented by the charitable organization as maintaining an~~
20 ~~office,~~ IF SERVICE CANNOT BE EXECUTED AS PROVIDED BY THIS
21 SECTION, service may be made as otherwise provided by law or
22 court rules.

23 (3) Solicitation of a contribution within this state by any
24 means ~~—~~ is the agreement of the charitable organization,
25 person, VENDOR, OR professional ~~fund raiser, or professional~~
26 ~~solicitor,~~ FUND-RAISER that any SERVICE OF process ~~against it~~

1 ~~or him which is~~ served ~~in accordance with~~ UNDER this section
 2 is of the same legal force and effect as if served personally.

3 Sec. 12. Upon THE initial filing of ~~an application state-~~
 4 ~~ment pursuant to~~ A REGISTRATION UNDER section 3, the attorney
 5 general may suspend for a reasonable, specifically designated
 6 time the filing of reports otherwise required ~~by sections 14 and~~
 7 ~~15~~ UNDER THIS ACT as to a particular charitable ~~corporation,~~
 8 ~~trust, or~~ organization, ~~incorporated or established for chari-~~
 9 ~~table purposes,~~ upon written application filed with the attorney
 10 general, and after the attorney general has determined and acqui-
 11 esced by a written statement that the ~~interest of the~~ the
 12 public INTEREST will not be prejudiced. ~~thereby.~~

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

16 ~~(a) A person who requests a contribution for the relief or~~
 17 ~~benefit of an individual, specified by name at the time of the~~
 18 ~~solicitation, if the contributions collected are turned over to~~
 19 ~~the named beneficiary after deducting reasonable expenses for~~
 20 ~~costs of solicitation, if any, and if all fun-raising functions~~
 21 ~~are carried on by persons who are unpaid, directly or indirectly,~~
 22 ~~for their services.~~

23 (A) ~~(b)~~ A ~~person who~~ CHARITABLE ORGANIZATION THAT does
 24 not intend to solicit and receive and does not actually receive
 25 contributions in excess of ~~\$8,000.00~~ \$25,000.00 during ~~any~~
 26 ~~12-month period if all of its fund raising functions are carried~~
 27 ~~on by persons who are unpaid for their services and if the~~

~~1 organization makes available to its members and the public a~~
~~2 financial statement of its activities for the most recent fiscal~~
~~3 year. If the gross contributions received during any 12-month~~
~~4 period exceed \$8,000.00, the person shall file an application for~~
~~5 license with required supporting information as provided in~~
~~6 section 3 within 30 days after the date it has received total~~
~~7 contributions in excess of \$8,000.00. ITS FISCAL YEAR. A CHARI-~~
~~8 TABLE ORGANIZATION SHALL REGISTER AS REQUIRED UNDER THIS ACT~~
~~9 WITHIN 30 DAYS AFTER THE DATE THE CHARITABLE ORGANIZATION~~
~~10 RECEIVES TOTAL CONTRIBUTIONS OF MORE THAN \$25,000.00. THIS SUB-~~
~~11 DIVISION ONLY APPLIES IF ALL OF THE CHARITABLE ORGANIZATION'S~~
~~12 FUND-RAISING FUNCTIONS ARE CARRIED ON BY PERSONS WHO ARE NOT PAID~~
~~13 FOR THEIR SERVICES.~~

~~14 (B) (c) An organization that does not invite the general~~
~~15 public to become a member of the organization and confines solic-~~
~~16 itation activities to solicitation drives solely among its mem-~~
~~17 bers and the members' immediate families, if the drives are not~~
~~18 held more frequently than quarterly. "Immediate family" means~~
~~19 the grandparents, parents, spouse, brothers, sisters, children,~~
~~20 and grandchildren. A PRIVATE FOUNDATION AS THAT TERM IS DEFINED~~
~~21 IN SECTION 509(a) OF THE INTERNAL REVENUE CODE THAT DID NOT~~
~~22 RECEIVE CONTRIBUTIONS FROM MORE THAN 25 PERSONS DURING THE MOST~~
~~23 RECENT FISCAL YEAR.~~

~~24 (d) An educational institution certified by the state board~~
~~25 of education.~~

~~26 (e) A veterans' organization incorporated under federal~~
~~27 law.~~

1 ~~(f) An organization that receives funds from a charitable~~
2 ~~organization licensed under this act that does not solicit or~~
3 ~~intend to solicit or receive or intend to receive contributions~~
4 ~~from persons other than a charitable organization, if the organi-~~
5 ~~zation makes available to its members and the public a financial~~
6 ~~statement of its activities for the most recent fiscal year.~~

7 ~~(g) A licensed hospital, hospital based foundation, and hos-~~
8 ~~pital auxiliary that solicit funds solely for 1 or more licensed~~
9 ~~hospitals.~~

10 ~~(h) A nonprofit service organization that is exempt from~~
11 ~~taxation pursuant to a provision of the United States internal~~
12 ~~revenue code other than section 501(c)(3), whose principal pur-~~
13 ~~pose is not charitable, but solicits from time to time funds for~~
14 ~~a charitable purpose by members of the organization who are not~~
15 ~~paid for the solicitation. The funds shall be wholly used for~~
16 ~~the charitable purposes for which they were solicited, and the~~
17 ~~organization shall file with the attorney general a federal form~~
18 ~~990 or 990 AR.~~

19 ~~(i) A nonprofit corporation whose stock is wholly owned by a~~
20 ~~religious or fraternal society that owns and operates facilities~~
21 ~~for the aged and chronically ill in which no part of the net~~
22 ~~income from the operation of the corporation inures to the bene-~~
23 ~~fit of a person other than the residents.~~

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

1 (C) ~~-(k)-~~ A person registered under and complying with the
2 requirements of the public safety solicitation act, 1992 PA 298,
3 MCL 14.301 TO 14.327.

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

11 Sec. 17. (1) ~~A person shall not act as a professional fund~~
12 ~~raiser for a charitable organization or charitable purpose before~~
13 ~~he has filed an application for a license with the attorney gen-~~
14 ~~eral or after the expiration or cancellation of a license or~~
15 ~~renewal thereof. Applications for license shall be in writing,~~
16 ~~under oath, in the form prescribed by the attorney general. The~~
17 ~~applicant when making application, shall file with and have~~
18 ~~approved by the attorney general a bond in which the applicant~~
19 ~~shall be the principal obligor, in the sum of \$10,000.00. The~~
20 ~~bond shall run to the people of the state and to any person~~
21 ~~including charitable organizations who may have a cause of action~~
22 ~~against the obligor of the bond for any malfeasance or misfeas-~~
23 ~~ance in the conduct of the solicitation. The aggregate limit of~~
24 ~~liability of the surety to the state and to all the persons shall~~
25 ~~not exceed the sum of the bond. Application for renewal of~~
26 ~~licenses when effected shall be for a period of 1 year, or a part~~
27 ~~thereof, expiring on June 30, and may be renewed for additional~~

1 ~~1-year periods upon written application, under oath, in the form~~
2 ~~prescribed by the attorney general and the filing of the bond. A~~
3 PROFESSIONAL FUND-RAISER SHALL NOT SOLICIT OR RECEIVE DONATIONS
4 FOR A CHARITABLE PURPOSE OR ON BEHALF OF A CHARITABLE ORGANIZA-
5 TION OR RELIGIOUS ORGANIZATION, BEFORE REGISTERING WITH THE
6 ATTORNEY GENERAL OR AFTER THE EXPIRATION, SUSPENSION, REVOCATION,
7 OR DENIAL OF A REGISTRATION.

8 (2) ~~A person shall not act as a professional solicitor in~~
9 ~~the employ of a professional fund raiser required to be licensed~~
10 ~~before he has registered with the attorney general or after the~~
11 ~~expiration or cancellation of registration. Application for THE~~
12 ~~registration or reregistration OF A PROFESSIONAL FUND-RAISER~~
13 ~~shall be in writing --, under oath, in the ON A form prescribed~~
14 ~~by the attorney general --. Registration or reregistration when~~
15 ~~effected shall be for a period of 1 year, or a part thereof,~~
16 ~~expiring on June 30, and may be renewed upon written application,~~
17 ~~under oath, in the form prescribed by the attorney general for~~
18 ~~additional 1-year periods.~~ AND SHALL BE ACCOMPANIED BY A PAYMENT
19 OF A \$200.00 FEE. INFORMATION PROVIDED TO THE ATTORNEY GENERAL
20 ON THE REGISTRATION FORM SHALL INCLUDE ALL OF THE FOLLOWING:

21 (A) ALL NAMES CURRENTLY USED BY THE PROFESSIONAL
22 FUND-RAISER.

23 (B) THE ADDRESS AND TELEPHONE NUMBER OF THE PRINCIPAL OFFICE
24 OF THE PROFESSIONAL FUND-RAISER AND OF EACH OFFICE IT MAINTAINS
25 IN THIS STATE.

1 (C) IF THE PRINCIPAL ADDRESS OF THE PROFESSIONAL FUND-RAISER
2 IS NOT IN THIS STATE, THE ADDRESS AND TELEPHONE NUMBER OF A
3 RESIDENT AGENT IN THIS STATE.

4 (D) WHERE AND WHEN THE PROFESSIONAL FUND-RAISER WAS LEGALLY
5 ESTABLISHED AND THE FORM OF ITS ORGANIZATION. IF A PROFESSIONAL
6 FUND-RAISER IS INCORPORATED, THE NAME AND BUSINESS OR HOME
7 ADDRESS OF ALL OFFICERS AND DIRECTORS. IF A PROFESSIONAL
8 FUND-RAISER IS A SOLE PROPRIETORSHIP OR PARTNERSHIP, THE NAME AND
9 BUSINESS OR HOME ADDRESS OF THE OWNER AND ALL PARTNERS.

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

12 (F) WHETHER THE PROFESSIONAL FUND-RAISER OR ANY OF ITS OFFI-
13 CERS, DIRECTORS, OR PRINCIPALS IS, OR HAS EVER BEEN, ENJOINED,
14 FINED, CONVICTED, OR SUBJECT TO ANY OTHER SANCTION OR PENALTY AS
15 A RESULT OF SOLICITING CONTRIBUTIONS IN ANY STATE OR COUNTRY.

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

19 (H) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF ANY CHARITA-
20 BLE ORGANIZATION WITH WHICH THE PROFESSIONAL FUND-RAISER IS UNDER
21 CONTRACT TO SOLICIT FUNDS IN THIS STATE.

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

24 (J) A COMPLETE COPY OF ANY SUBCONTRACT AGREEMENT BETWEEN THE
25 PROFESSIONAL FUND-RAISER AND A PERSON THAT WILL ACT AS A PROFES-
26 SIONAL FUND-RAISER ON BEHALF OF A CHARITABLE ORGANIZATION,

1 RELIGIOUS ORGANIZATION, OR ANY OTHER PERSON SOLICITING FOR A
2 CHARITABLE PURPOSE.

3 (3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4), THE REG-
4 ISTRATION OF A PROFESSIONAL FUND-RAISER THAT RECEIVES, HAS CUS-
5 TODY OF, OR ACCESS TO FUNDS SOLICITED IN THIS STATE FOR A CHARI-
6 TABLE ORGANIZATION SHALL BE ACCOMPANIED BY A \$25,000.00 BOND, IN
7 WHICH THE PROFESSIONAL FUND-RAISER IS THE PRINCIPAL OBLIGOR. THE
8 BOND SHALL RUN TO THE PEOPLE OF THIS STATE AND TO ANY PERSON,
9 INCLUDING CHARITABLE ORGANIZATIONS, THAT MAY HAVE A CAUSE OF
10 ACTION AGAINST THE PROFESSIONAL FUND-RAISER AS A RESULT OF THE
11 PROFESSIONAL FUND-RAISER'S CONDUCT OF ANY ACTIVITY SUBJECT TO
12 THIS ACT. THE BOND SHALL BE OBTAINED AND SUBMITTED ON A FORM
13 PRESCRIBED BY THE ATTORNEY GENERAL. THE BOND SHALL BE ISSUED BY
14 A COMPANY AUTHORIZED TO ENGAGE IN INSURANCE ACTIVITY IN THIS
15 STATE. THE BOND SHALL REMAIN IN EFFECT FOR A PERIOD OF AT LEAST
16 1 YEAR AFTER THE PROFESSIONAL FUND-RAISER'S REGISTRATION
17 EXPIRES.

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

1 (5) WITHIN 90 DAYS AFTER A SOLICITATION CAMPAIGN IS
2 COMPLETED, OR ON THE ANNIVERSARY OF THE COMMENCEMENT OF A
3 SOLICITATION CAMPAIGN LASTING MORE THAN 1 YEAR, A PROFESSIONAL
4 FUND-RAISER THAT SOLICITED CONTRIBUTIONS IN THIS STATE IN CON-
5 JUNCTION WITH A CHARITABLE ORGANIZATION SHALL FILE WITH THE
6 ATTORNEY GENERAL A FINANCIAL REPORT FOR THE CAMPAIGN, INCLUDING
7 GROSS REVENUE AND AN ITEMIZATION OF ALL EXPENSES INCURRED ON
8 BEHALF OF THE CHARITABLE ORGANIZATION. THE REPORT SHALL BE SUB-
9 MITTED ON A FORM PRESCRIBED BY THE ATTORNEY GENERAL. THE REPORT
10 SHALL BE SIGNED BY AN AUTHORIZED OFFICIAL OF THE PROFESSIONAL
11 FUND-RAISER AND AN AUTHORIZED OFFICIAL OF THE CHARITABLE ORGANI-
12 ZATION, WHO SHALL CERTIFY, UNDER OATH, THAT THE REPORT IS TRUE TO
13 THE BEST OF HIS OR HER KNOWLEDGE.

14 (6) A PROFESSIONAL FUND-RAISER'S REGISTRATION IS EFFECTIVE
15 IMMEDIATELY UPON RECEIPT BY THE ATTORNEY GENERAL OF THE INFORMA-
16 TION AND FEES REQUIRED UNDER THIS ACT. THE REGISTRATION SHALL
17 EXPIRE 1 YEAR AFTER THE REGISTRATION IS EFFECTIVE. A PROFES-
18 SIONAL FUND-RAISER'S REGISTRATION IS RENEWABLE BY FILING A
19 RENEWAL REGISTRATION AND PAYING A \$200.00 FEE.

20 Sec. 18. (1) ~~A person shall not use for the purpose of~~
21 ~~soliciting contributions the name of another person, except that~~
22 ~~of an officer, director, or trustee of the charitable organiza-~~
23 ~~tion by or for which contributions are solicited, without the~~
24 ~~consent of such other person.~~ A CHARITABLE ORGANIZATION, PROFES-
25 SIONAL FUND-RAISER, COMMERCIAL COVENTURER, VENDOR, PERSON
26 DESCRIBED IN SECTION 23A, OR AN EMPLOYEE OR AGENT OF A CHARITABLE
27 ORGANIZATION, PROFESSIONAL FUND-RAISER, COMMERCIAL COVENTURER,

1 VENDOR, OR PERSON DESCRIBED IN SECTION 23A SHALL NOT ENGAGE IN
2 ANY OF THE FOLLOWING:

3 (A) A METHOD, ACT, OR PRACTICE IN VIOLATION OF THIS ACT OR A
4 RULE PROMULGATED UNDER THIS ACT, ANY RESTRICTION, CONDITION, OR
5 LIMITATION PLACED ON A REGISTRATION, OR A FINAL ORDER OR CEASE
6 AND DESIST ORDER.

7 (B) REPRESENTING OR IMPLYING THAT A PERSON SOLICITING CON-
8 TRIBUTIONS OR OTHER FUNDS FOR A CHARITABLE ORGANIZATION HAS A
9 SPONSORSHIP, APPROVAL, STATUS, AFFILIATION, OR OTHER CONNECTION
10 WITH A CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE THAT THE
11 PERSON DOES NOT HAVE.

12 (C) REPRESENTING OR IMPLYING THAT A CONTRIBUTION IS FOR OR
13 ON BEHALF OF A CHARITABLE ORGANIZATION, OR USING AN EMBLEM,
14 DEVICE, OR PRINTED MATERIAL BELONGING TO OR ASSOCIATED WITH A
15 CHARITABLE ORGANIZATION, WITHOUT FIRST OBTAINING WRITTEN AUTHORI-
16 ZATION FROM THAT CHARITABLE ORGANIZATION.

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

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

23 (F) MISREPRESENTING OR MISLEADING ANY PERSON IN ANY MANNER
24 TO BELIEVE THAT A PERSON ON WHOSE BEHALF A SOLICITATION EFFORT IS
25 CONDUCTED IS A CHARITABLE ORGANIZATION OR THAT THE PROCEEDS OF A
26 SOLICITATION EFFORT ARE FOR CHARITABLE PURPOSES.

1 (G) MISREPRESENTING OR MISLEADING ANY PERSON IN ANY MANNER
2 TO BELIEVE THAT A PERSON SPONSORS, ENDORSES, OR APPROVES A
3 SOLICITATION EFFORT IF THAT PERSON HAS NOT GIVEN WRITTEN CONSENT
4 TO THE USE OF HIS OR HER NAME FOR THAT PURPOSE.

5 (H) MISREPRESENTING OR MISLEADING ANY PERSON IN ANY MANNER
6 TO BELIEVE THAT REGISTRATION UNDER THIS ACT CONSTITUTES ENDORSE-
7 MENT OR APPROVAL BY THIS STATE OR A DEPARTMENT OR AGENCY OF THIS
8 STATE.

9 (I) REPRESENTING OR IMPLYING THAT THE AMOUNT OR PERCENTAGE
10 OF A CONTRIBUTION THAT A CHARITABLE ORGANIZATION WILL RECEIVE FOR
11 A CHARITABLE PROGRAM AFTER COSTS OF SOLICITATION ARE PAID IS
12 GREATER THAN THE AMOUNT OR PERCENTAGE OF A CONTRIBUTION THE CHAR-
13 ITABLE ORGANIZATION WILL ACTUALLY RECEIVE.

14 (J) DIVERTING OR MISDIRECTING CONTRIBUTIONS TO A PURPOSE OR
15 ORGANIZATION OTHER THAN THAT FOR WHICH THE FUNDS WERE CONTRIBUTED
16 OR SOLICITED.

17 (K) FALSELY REPRESENTING OR IMPLYING THAT DONORS WILL
18 RECEIVE SPECIAL BENEFITS OR TREATMENT OR THAT FAILURE TO MAKE A
19 CONTRIBUTION WILL RESULT IN UNFAVORABLE TREATMENT.

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

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

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

4 (O) REPRESENTING THAT FUNDS SOLICITED WILL BE USED FOR A
5 PARTICULAR CHARITABLE PURPOSE IF THOSE FUNDS ARE NOT USED FOR THE
6 REPRESENTED PURPOSE.

7 (P) SOLICITING CONTRIBUTIONS, CONDUCTING A SALES PROMOTION,
8 OR OTHERWISE OPERATING IN THIS STATE AS A CHARITABLE ORGANIZA-
9 TION, PROFESSIONAL FUND-RAISER, OR VENDOR UNLESS THE INFORMATION
10 REQUIRED UNDER THIS ACT IS FILED WITH THE ATTORNEY GENERAL AS
11 REQUIRED UNDER THIS ACT.

12 (Q) AIDING, ABETTING, OR OTHERWISE PERMITTING A PERSON TO
13 SOLICIT CONTRIBUTIONS OR CONDUCT A SALES PROMOTION IN THIS STATE
14 UNLESS THE PERSON SOLICITING CONTRIBUTIONS OR CONDUCTING THE
15 SALES PROMOTION HAS COMPLIED WITH THE REQUIREMENTS OF THIS ACT.

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

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

23 (2) ~~A person has used the name of another person for the~~
24 ~~purpose of soliciting contributions if the latter person's name~~
25 ~~is listed on stationery, an advertisement, brochure, or in corre-~~
26 ~~spondence by which a contribution is solicited by or on behalf of~~
27 ~~a charitable organization or the name is listed or referred to in~~

1 ~~connection with a request for a contribution as one who has~~
2 ~~contributed to, sponsored, or indorsed the organization or its~~
3 ~~activities.~~ IN ADDITION TO THE PENALTIES PROVIDED IN SECTION 20,
4 A PERSON WHO ENGAGES IN ANY UNFAIR, UNCONSCIONABLE, OR DECEPTIVE
5 METHOD, ACT, OR PRACTICE IN A SOLICITATION FOR CONTRIBUTIONS IN
6 VIOLATION OF THIS ACT OR RULES PROMULGATED UNDER THIS ACT HAS
7 ENGAGED IN A PROHIBITED ACT IN VIOLATION OF THE MICHIGAN CONSUMER
8 PROTECTION ACT, 1976 PA 331, MCL 445.901 TO 445.922, AND IS
9 SUBJECT TO THE PENALTIES AND REMEDIES PROVIDED IN THE MICHIGAN
10 CONSUMER PROTECTION ACT, 1976 PA 331, MCL 445.901 TO 445.922.

11 (3) This section does not prevent the publication of names
12 of contributors without their written consent in an annual or
13 other periodic report issued by a charitable organization for the
14 purpose of reporting on its operations and affairs to its member-
15 ship or for the purpose of reporting contributions to
16 contributors.

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

22 (4) ~~-(5)-~~ A charitable organization, whether exempt or not
23 from this act, shall supply to each solicitor and each solicitor
24 shall have in immediate possession identification ~~which~~ THAT
25 sets forth the name of the solicitor and the name of the charita-
26 ble organization on whose behalf the solicitation is conducted.

1 SEC. 19. (1) BEFORE CONDUCTING A SALES CAMPAIGN, A VENDOR
2 SHALL REGISTER WITH THE ATTORNEY GENERAL ON A FORM PRESCRIBED BY
3 THE ATTORNEY GENERAL. THE REGISTRATION SHALL INCLUDE, BUT IS NOT
4 LIMITED TO, THE FOLLOWING INFORMATION:

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

7 (B) THE ADDRESS AND TELEPHONE NUMBER OF THE PRINCIPAL OFFICE
8 OF THE VENDOR.

9 (C) IF THE VENDOR IS NOT A SOLE PROPRIETORSHIP, WHERE AND
10 WHEN THE VENDOR WAS LEGALLY ESTABLISHED AND THE FORM OF ITS
11 ORGANIZATION.

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

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

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

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

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

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

1 (5) A VENDOR SHALL NOT CONDUCT A CHARITABLE SALES PROMOTION
2 IN WHICH IT USES THE NAME OF A CHARITABLE ORGANIZATION THAT IS
3 NOT REGISTERED IN THIS STATE.

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

9 SEC. 19B. A VENDOR SHALL PROMINENTLY DISPLAY THE FOLLOWING
10 INFORMATION ON EACH VENDING MACHINE, HONOR BOX, NOVELTY MACHINE,
11 OR SIMILAR DEVICE THROUGH WHICH THAT VENDOR CONDUCTS A CHARITABLE
12 SALES PROMOTION:

13 (A) THE NAME OF THE VENDOR AND THE FACT THAT THE VENDOR OWNS
14 THE VENDING MACHINE, HONOR BOX, NOVELTY MACHINE, OR SIMILAR
15 DEVICE.

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

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

20 SEC. 19C. (1) BEFORE MAKING AN ORAL REQUEST FOR A CONTRIBU-
21 TION AND CONTEMPORANEOUSLY WITH A WRITTEN REQUEST FOR A CONTRIBU-
22 TION, THE CHARITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER, OR
23 VENDOR SOLICITING THE CONTRIBUTION SHALL DISCLOSE THE NAME AND
24 LOCATION BY CITY AND STATE OF EACH CHARITABLE ORGANIZATION ON
25 BEHALF OF WHICH THE SOLICITATION IS MADE. IF A SOLICITATION IS
26 MADE BY DIRECT PERSONAL CONTACT, THE INFORMATION REQUIRED UNDER
27 THIS SECTION SHALL ALSO BE DISCLOSED PROMINENTLY ON ANY WRITTEN

1 DOCUMENT EXHIBITED TO THE PERSON SOLICITED. IF A SOLICITATION IS
2 MADE BY RADIO, TELEVISION, LETTER, TELEPHONE, OR ANY OTHER MEANS
3 NOT INVOLVING PERSONAL CONTACT, THE INFORMATION REQUIRED UNDER
4 THIS SECTION SHALL BE DISCLOSED PROMINENTLY IN THE SOLICITATION.
5 THE INFORMATION REQUIRED UNDER THIS SECTION SHALL ALSO BE DIS-
6 CLOSED PROMINENTLY ON ANY INVOICES, BILLS, FULFILLMENT REQUESTS,
7 LETTERS, PAMPHLETS, OR BROCHURES USED TO OBTAIN PAYMENT OF A
8 PLEDGE OR PROMISE TO MAKE A CONTRIBUTION.

9 (2) IN ADDITION TO THE INFORMATION REQUIRED UNDER SUBSECTION
10 (1), A PROFESSIONAL FUND-RAISER THAT ORALLY SOLICITS CONTRIBU-
11 TIONS IN THIS STATE SHALL ALSO DISCLOSE THE PROFESSIONAL
12 FUND-RAISER'S NAME AS FILED WITH THE ATTORNEY GENERAL AND A
13 STATEMENT THAT THE SOLICITATION IS BEING CONDUCTED BY A PROFES-
14 SIONAL FUND-RAISER. THE INFORMATION REQUIRED UNDER THIS SUBSEC-
15 TION SHALL BE PROVIDED IN THE SAME MANNER AS THE INFORMATION
16 REQUIRED UNDER SUBSECTION (1).

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

20 (A) A CHARITABLE ORGANIZATION FAILS TO FILE A REPORT ON OR
21 BEFORE THE DATE ITS REGISTRATION EXPIRES AS PROVIDED IN SECTION
22 7(1) UNLESS AN EXTENSION HAS BEEN GRANTED UNDER SECTION 7(4).

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

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

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

5 Sec. 20. (1) The attorney general may, ~~institute~~ IN ADDI-
6 TION TO ANY OTHER ACTION AUTHORIZED BY LAW, BRING an action ~~in~~
7 ~~any circuit court~~ to enjoin ~~preliminarily or permanently a~~
8 ~~charitable organization, professional fund raiser, solicitor, or~~
9 ~~other person who:~~ (a) ~~Engages in a method, act, or practice in~~
10 ~~violation of this act or any of the rules promulgated hereunder.~~
11 (b) ~~Employs or uses in a solicitation or collection of contribu-~~
12 ~~tions for a charitable organization on behalf of any other person~~
13 ~~for a charitable purpose a device, scheme, or artifice to~~
14 ~~defraud, or for obtaining money or property by means of any false~~
15 ~~pretense, deception, representation, or promise.~~ AN ACT OR PRAC-
16 TICE PROHIBITED UNDER THIS ACT. AFTER FINDING THAT A PERSON HAS
17 ENGAGED IN OR IS ENGAGING IN A PROHIBITED ACT OR PRACTICE, A
18 COURT MAY ENTER ANY NECESSARY ORDER OR JUDGMENT, INCLUDING, BUT
19 NOT LIMITED TO, AN INJUNCTION, AN ORDER OF RESTITUTION, AN AWARD
20 OF REASONABLE ATTORNEY FEES AND COSTS. A COURT MAY AWARD TO THIS
21 STATE A CIVIL PENALTY OF \$10,000.00 OR LESS FOR EACH VIOLATION OF
22 THIS ACT. A COURT NEED NOT FIND IRREPARABLE HARM TO ENTER AN
23 INJUNCTION, BUT NEED ONLY FIND A VIOLATION OF THIS ACT OR FIND
24 THAT AN INJUNCTION WOULD PROMOTE THE PUBLIC INTEREST.

25 (2) ~~In addition to any relief afforded under this section,~~
26 ~~the attorney general may exercise the authority to suspend or~~
27 ~~revoke a license issued pursuant to this act.~~ A CHARITABLE

1 ORGANIZATION, PROFESSIONAL FUND-RAISER, OR ANY OTHER PERSON WHO
2 VIOLATES AN INJUNCTION OR OTHER ORDER ENTERED UNDER SUBSECTION
3 (1) SHALL, IN ADDITION TO ANY OTHER REMEDY, PAY TO THIS STATE A
4 CIVIL PENALTY OF NOT MORE THAN \$10,000.00 FOR EACH VIOLATION,
5 WHICH MAY BE RECOVERED IN A CIVIL ACTION BROUGHT BY THE ATTORNEY
6 GENERAL.

7 (3) The attorney general may, ~~exercise the authority~~
8 ~~granted in this section against a charitable organization or~~
9 ~~person which or who operates under the guise or pretense of being~~
10 ~~an organization or person exempted by this act and is not in fact~~
11 ~~an organization or person entitled to such an exemption.~~ IN
12 ADDITION TO ANY OTHER ACTION AUTHORIZED BY LAW, ISSUE A CEASE AND
13 DESIST ORDER, ISSUE A NOTICE OF INTENDED ACTION, OR TAKE OTHER
14 ACTION IN THE PUBLIC INTEREST. THE ATTORNEY GENERAL MAY ACCEPT
15 AN ASSURANCE OF DISCONTINUANCE OF ANY METHOD, ACT, OR PRACTICE IN
16 VIOLATION OF THIS ACT FROM ANY PERSON ALLEGED TO BE ENGAGED IN OR
17 TO HAVE BEEN ENGAGED IN THAT METHOD, ACT, OR PRACTICE. AN ASSUR-
18 ANCE OF DISCONTINUANCE MAY INCLUDE A STIPULATION FOR THE VOLUN-
19 TARY PAYMENT OF THE COSTS OF INVESTIGATION, FOR AN AMOUNT TO BE
20 HELD IN ESCROW PENDING THE OUTCOME OF AN ACTION OR AS RESTITUTION
21 TO AN AGGRIEVED PERSON, OR FOR THE VOLUNTARY PAYMENT TO ANOTHER
22 PERSON IF IN THE PUBLIC INTEREST. AN ASSURANCE OF DISCONTINUANCE
23 SHALL BE IN WRITING AND SHALL BE FILED WITH THE CIRCUIT COURT FOR
24 INGHAM COUNTY. AN ACTION RESOLVED BY AN ASSURANCE OF DISCONTINU-
25 ANCE MAY BE REOPENED BY THE ATTORNEY GENERAL AT ANY TIME FOR
26 ENFORCEMENT BY A COURT OR FOR FURTHER PROCEEDINGS IN THE PUBLIC
27 INTEREST. EVIDENCE OF A VIOLATION OF AN ASSURANCE OF

1 DISCONTINUANCE IS PRIMA FACIE EVIDENCE OF A VIOLATION OF THIS ACT
2 IN ANY SUBSEQUENT PROCEEDING BROUGHT BY THE ATTORNEY GENERAL.

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

5 (A) PLACEMENT OF A RESTRICTION OR CONDITION ON THE PERSON'S
6 REGISTRATION.

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

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

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

12 (5) THE ATTORNEY GENERAL SHALL, BEFORE SUSPENDING OR REVOK-
13 ING A REGISTRATION, ASSESSING A CIVIL FINE, OR ORDERING RESTITU-
14 TION, PROVIDE THE PERSON AGAINST WHOM THE PENALTY IS TO BE
15 IMPOSED AN OPPORTUNITY FOR A HEARING IN ACCORDANCE WITH THE
16 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
17 24.328.

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

22 Sec. 21. (1) The attorney general may investigate ~~the~~
23 ~~operations or conduct of charitable organizations, professional~~
24 ~~fund raisers, or professional solicitors subject to this act. He~~
25 ~~may require a person, corporation, institution, or association,~~
26 ~~and the officers, members, and employees and agents thereof, to~~
27 ~~appear at a named time and place in the county designated by the~~

~~1 attorney general or where the person resides or is found, to give~~
~~2 information under oath and to produce books, memoranda, papers,~~
~~3 records, documents of title, evidence of assets, liabilities,~~
~~4 receipts, or disbursements in the possession or control of the~~
~~5 person ordered to appear.~~ A COMPLAINT FROM ANY PERSON IN WHAT-
6 EVER MANNER THE ATTORNEY GENERAL CONSIDERS APPROPRIATE AND MAY
7 INVESTIGATE ON HIS OR HER OWN INITIATIVE A CHARITABLE ORGANIZA-
8 TION, PROFESSIONAL FUND-RAISER, VENDOR, COMMERCIAL COVENTURER, OR
9 PERSON DESCRIBED IN SECTION 23A. THE ATTORNEY GENERAL MAY
10 REQUIRE A PERSON, CORPORATION, INSTITUTION, OR ASSOCIATION OR AN
11 OFFICER, MEMBER, EMPLOYEE, OR AGENT OF A CORPORATION, INSTITU-
12 TION, OR ASSOCIATION TO APPEAR AT A TIME AND PLACE SPECIFIED BY
13 THE ATTORNEY GENERAL TO GIVE INFORMATION UNDER OATH AND TO
14 PRODUCE BOOKS, MEMORANDA, PAPERS, RECORDS, DOCUMENTS, OR EVIDENCE
15 OF ASSETS, LIABILITIES, RECEIPTS, OR DISBURSEMENTS IN THE POSSES-
16 SION OF THE PERSON ORDERED TO APPEAR.

17 (2) When REQUIRING THE ATTENDANCE OF A PERSON, the attorney
18 general ~~requires the attendance of a person, he~~ shall issue an
19 order setting forth the time when and the place where attendance
20 is required and shall ~~cause the same to be served~~ SERVE THE
21 ORDER upon the person in the manner provided for service of pro-
22 cess in civil cases at least 5 days before the date fixed for
23 attendance. The order shall have the same force and effect as a
24 subpoena and, upon application of the attorney general,
25 ~~obedience to~~ the order may be enforced by a court having juris-
26 diction over the person ~~—~~ OR the circuit court for the county
27 of Ingham ~~—~~ or for the county where the person receiving ~~it~~

1 THE ORDER resides or is found, in the same manner as though the
2 notice were a subpoena. In case of ~~contumacy~~ FAILURE or
3 refusal to obey the order issued by the attorney general, the
4 court may issue an order requiring the person to appear before
5 the court, ~~or~~ to produce documentary evidence, ~~if so ordered,~~
6 or to give evidence ~~touching~~ CONCERNING the matter in
7 question. Failure to obey the order of the court ~~shall be~~
8 ~~punished~~ IS PUNISHABLE by that court as ~~a~~ contempt. The
9 investigation may be ~~made~~ CONDUCTED by ~~or before~~ an assistant
10 attorney general OR OTHER PERSON designated ~~in writing~~ by the
11 attorney general. ~~to conduct the investigation.~~ The attorney
12 general or ~~the assistant attorney general acting in his behalf~~
13 OTHER DESIGNATED PERSON may administer the necessary oath or
14 affirmation to witnesses.

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

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

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

25 (a) Violates this act.

26 (b) Solicits ~~and~~ OR receives public donations, or sells
27 memberships in this state for ~~and~~ OR on behalf of any

1 organization, institution, or association subject to the
2 provisions of this act ~~and which~~ THAT is not ~~duly licensed~~
3 ~~pursuant to~~ REGISTERED UNDER this act.

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

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

10 SEC. 23A. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION
11 (2), A PERSON WHO IS NOT A CHARITABLE ORGANIZATION BUT WHO SOLIC-
12 ITS CONTRIBUTIONS, CONDUCTS A FUND-RAISING EVENT, OR CONDUCTS A
13 SALES PROMOTION FOR A CHARITABLE PURPOSE IS SUBJECT TO THIS ACT.

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

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

21 (2) THE REPORT SHALL INCLUDE A DESCRIPTION OF THE INFORMA-
22 TION TO BE DISSEMINATED TO THE PUBLIC AND SHALL INCLUDE A PLAN TO
23 DISSEMINATE THE INFORMATION.

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

1 Enacting section 1. Sections 14 and 22 of the charitable
2 organizations and solicitations act, 1975 PA 169, MCL 400.284 and
3 400.292, are repealed.