

# SENATE BILL No. 507

May 16, 2007, Introduced by Senators GEORGE, KUIPERS, BARCIA, BIRKHOLZ, OLSHOVE, PAPPAGEORGE, JANSEN, KAHN, CROPSEY, CASSIS and RICHARDVILLE and referred to the Committee on Economic Development and Regulatory Reform.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to regulate **CHARITABLE** organizations, ~~and PROFESSIONAL FUND-RAISERS AND OTHER~~ persons soliciting or collecting contributions ~~for charitable purposes~~ **ON BEHALF OF CHARITABLE**

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1 ORGANIZATIONS, AND CERTAIN OTHER PERSONS INVOLVED IN THE  
 2 SOLICITATION OF CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS; to  
 3 require registration ~~, AND~~ disclosure of information and ~~licensing~~  
 4 BY CHARITABLE ORGANIZATIONS AND PROFESSIONAL FUND-RAISERS before  
 5 solicitation of contributions; to provide for reporting of  
 6 financial and other information by those ~~licensed or registered~~ and  
 7 those claiming exemption FROM REGISTRATION; to prescribe standards  
 8 of conduct and administration, and to prohibit certain actions, IN  
 9 CONNECTION WITH CHARITABLE SOLICITATIONS; to provide for  
 10 enforcement, ~~investigation, and promulgation of rules by~~ THE POWERS  
 11 AND DUTIES OF the attorney general AND COUNTY PROSECUTING  
 12 ATTORNEYS; to ~~preempt local regulation;~~ to provide REMEDIES AND  
 13 penalties for violations; and to repeal ~~certain acts~~ and parts of  
 14 acts.

15 Sec. 2. As used in this act:

16 (a) "Charitable organization" means a ~~benevolent, educational,~~  
 17 ~~philanthropic, humane, patriotic, or eleemosynary organization of~~  
 18 ~~persons which solicits or obtains contributions solicited from the~~  
 19 ~~public for charitable purposes. A chapter, branch, area office, or~~  
 20 ~~similar affiliate or person soliciting contributions within the~~  
 21 ~~state for a charitable organization which has its principal place~~  
 22 ~~of business outside the state is a charitable organization. This~~  
 23 ~~definition does not include duly constituted religious~~  
 24 ~~organizations or a group affiliated with and forming an integral~~  
 25 ~~part of a religious organization no part of the net income of which~~  
 26 ~~inures to the direct benefit of any individual if it has received a~~  
 27 ~~declaration of current tax exempt status from the United States.~~

1 ~~The affiliated group shall not be required to obtain a declaration~~  
2 ~~if the parent or principal organization has obtained tax exempt~~  
3 ~~status. Charitable organization does not include a candidate or~~  
4 ~~committee as defined in section 901 of Act No. 116 of the Public~~  
5 ~~Acts of 1954, being section 168.901 of the Michigan Compiled Laws,~~  
6 ~~or a political party qualified to be on the general election ballot~~  
7 ~~pursuant to section 560a of Act No. 116 of the Public Acts of 1954,~~  
8 ~~as added, being section 168.560a of the Michigan Compiled Laws.~~ **TAX**  
9 **EXEMPT ORGANIZATION UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE**  
10 **CODE, 26 USC 501, OR A PERSON WHOSE PURPOSES, STRUCTURE, OR**  
11 **ACTIVITIES ARE EXCLUSIVELY THOSE THAT ARE DESCRIBED IN SECTION**  
12 **501(C) (3) OF THE INTERNAL REVENUE CODE, 26 USC 501. THE TERM DOES**  
13 **NOT INCLUDE ANY OF THE FOLLOWING:**

14 (i) A FEDERAL, STATE, OR LOCAL UNIT OF GOVERNMENT OR A  
15 SUBDIVISION, AGENCY, OR INSTRUMENTALITY OF FEDERAL, STATE, OR LOCAL  
16 GOVERNMENT.

17 (ii) A RELIGIOUS ORGANIZATION.

18 (B) "CHARITABLE PURPOSE" MEANS A PURPOSE DESCRIBED IN SECTION  
19 501(C) (3) OF THE INTERNAL REVENUE CODE, 26 USC 501.

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

26 (D) "COMMERCIAL COVENTURER" MEANS A PERSON OTHER THAN A  
27 CHARITABLE ORGANIZATION OR PROFESSIONAL FUND-RAISER WHO CONDUCTS

1 CHARITABLE SALES PROMOTIONS OR A PERSON WHO ENTERS INTO A LICENSING  
2 ARRANGEMENT IN WHICH A CHARITABLE ORGANIZATION ALLOWS THE PERSON TO  
3 USE THE CHARITABLE ORGANIZATION'S NAME FOR A FEE.

4 (E) ~~(b)~~ "Contribution" means the promise, grant, or payment of  
5 money or property of any kind or value, including ~~premises~~ ~~THE~~  
6 **PROMISE** to pay. ~~, except payments by members of an organization for~~  
7 ~~membership fees, dues, fines, or assessments, or for services~~  
8 ~~rendered to individual members, if membership in the organization~~  
9 ~~confers a bona fide right, privilege, professional standing, honor,~~  
10 ~~or other direct benefit, other than the right to vote, elect~~  
11 ~~officers, or hold offices, and except money or property received~~  
12 ~~from a governmental authority or foundation restricted as to use.~~

13 **CONTRIBUTION INCLUDES THAT PORTION OF MEMBERSHIP FEES, DUES, OR**  
14 **ASSESSMENTS THAT EXCEED THE MONETARY VALUE OF MEMBERSHIP BENEFITS**  
15 **AVAILABLE TO A DUES PAYER WHETHER OR NOT THE MEMBERSHIP BENEFITS**  
16 **ARE USED, AND MEMBERSHIP FEES, DUES, OR ASSESSMENTS THAT ARE PAID**  
17 **PRIMARILY TO SUPPORT THE CHARITABLE ORGANIZATION'S ACTIVITIES.**

18 **CONTRIBUTION DOES NOT INCLUDE ANY OF THE FOLLOWING:**

19 (i) A GRANT OR CONTRACT FROM ANY GOVERNMENTAL AGENCY.

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

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

25 (B) "LABOR ORGANIZATION" MEANS THAT TERM AS DEFINED IN SECTION  
26 2 OF 1939 PA 176, MCL 423.2, OR SECTION 2 OF THE NATIONAL LABOR  
27 RELATIONS ACT, 29 USC 152.

1 (F) "MISREPRESENTATION" INCLUDES AN AFFIRMATIVE  
2 MISREPRESENTATION; A FALSE STATEMENT; OR AN OMISSION OF OR FAILURE  
3 TO DISCLOSE A MATERIAL FACT THAT IS NOT OBVIOUS TO THE PERSON TO  
4 WHOM A STATEMENT OR REPRESENTATION IS MADE, IF THE OMISSION OR  
5 FAILURE TO DISCLOSE TENDS TO MISLEAD THAT PERSON.

6 (G) ~~(e)~~—"Person" means an individual, AN organization, A  
7 group, AN association, partnership, corporation, LIMITED LIABILITY  
8 COMPANY, trust, or ~~any combination of them~~ OTHER LEGAL ENTITY.

9 (H) "PRIVATE FOUNDATION" MEANS THAT TERM AS DEFINED IN SECTION  
10 509(A) OF THE INTERNAL REVENUE CODE, 26 USC 509.

11 (I) "PROFESSIONAL FUND-RAISER" MEANS A PERSON, INCLUDING A  
12 SUBCONTRACTOR, WHO FOR COMPENSATION OR OTHER CONSIDERATION  
13 CONDUCTS, MANAGES, OR CARRIES OUT A PLAN, DRIVE, OR CAMPAIGN TO  
14 SOLICIT CONTRIBUTIONS FOR OR ON BEHALF OF A CHARITABLE ORGANIZATION  
15 OR RELIGIOUS ORGANIZATION; A PERSON, INCLUDING A SUBCONTRACTOR, WHO  
16 ENGAGES IN THE BUSINESS OF OR HOLDS HIMSELF OR HERSELF OUT AS  
17 INDEPENDENTLY ENGAGED IN THE BUSINESS OF SOLICITING CONTRIBUTIONS  
18 FOR CHARITABLE PURPOSES; OR A BONA FIDE OFFICER OR EMPLOYEE OF A  
19 CHARITABLE ORGANIZATION IF HIS OR HER SALARY OR OTHER COMPENSATION  
20 IS BASED OR COMPUTED ON THE AMOUNT OF MONEY HE OR SHE RAISES OR IS  
21 EXPECTED TO RAISE. A PERSON WHOSE SERVICE TO A CHARITABLE  
22 ORGANIZATION OR RELIGIOUS ORGANIZATION IS LIMITED TO PROVIDING  
23 TRAINING, ADVICE, RESEARCH, PREPARATION OF GRANT PROPOSALS, OR  
24 DESIGN, WRITING, OR PRODUCTION OF SOLICITING MATERIALS IS NOT A  
25 PROFESSIONAL FUND-RAISER IF ALL OF THE FOLLOWING ARE MET:

26 (i) ANY PROPOSALS, DOCUMENTS, OR MATERIALS WRITTEN OR PRODUCED  
27 BY OR ON BEHALF OF THE PROFESSIONAL FUND-RAISER FOR THE CHARITABLE

1 ORGANIZATION OR RELIGIOUS ORGANIZATION ARE SUBJECT TO REVIEW AND  
2 ACCEPTANCE OR REJECTION BY THE CHARITABLE ORGANIZATION OR RELIGIOUS  
3 ORGANIZATION.

4 (ii) ANY PROPOSALS FOR FUNDING SUBMITTED TO A GRANTOR OR DONOR  
5 ARE SUBMITTED TO THE GRANTOR OR DONOR BY THE CHARITABLE  
6 ORGANIZATION OR RELIGIOUS ORGANIZATION.

7 (iii) THE PERSON DOES NOT DIRECTLY SOLICIT ANY GRANTORS OR  
8 DONORS FOR THE CHARITABLE ORGANIZATION OR RELIGIOUS ORGANIZATION.

9 (iv) THE PERSON'S COMPENSATION IS NOT DIRECTLY OR INDIRECTLY  
10 BASED OR COMPUTED ON THE AMOUNT OF MONEY THE CHARITABLE  
11 ORGANIZATION OR RELIGIOUS ORGANIZATION RAISES OR INTENDS TO RAISE.

12 (J) "RELIGIOUS ORGANIZATION" MEANS ANY OF THE FOLLOWING:

13 (i) A CHURCH, INTEGRATED AUXILIARY OF A CHURCH, OR CONVENTION  
14 OR ASSOCIATION OF CHURCHES DESCRIBED IN SECTION 6033(A)(2)(A)(i) OF  
15 THE INTERNAL REVENUE CODE, 26 USC 6033.

16 (ii) A RELIGIOUS ORDER DESCRIBED IN SECTION 6033(A)(2)(A)(iii) OF  
17 THE INTERNAL REVENUE CODE, 26 USC 6033, ENGAGED SOLELY IN  
18 EXCLUSIVELY RELIGIOUS ACTIVITIES.

19 (K) "SOLICIT" AND "SOLICITATION" MEAN THE FOLLOWING:

20 (i) A DIRECT OR INDIRECT REQUEST FOR A CONTRIBUTION BASED ON  
21 THE REPRESENTATION THAT THE CONTRIBUTION WILL OR MAY BE USED FOR A  
22 CHARITABLE PURPOSE OR TO BENEFIT A CHARITABLE ORGANIZATION, WHETHER  
23 OR NOT THE PERSON MAKING THE SOLICITATION RECEIVES A CONTRIBUTION.  
24 THE TERM INCLUDES, BUT IS NOT LIMITED TO, ANY OF THE FOLLOWING  
25 METHODS OF REQUESTING CONTRIBUTIONS:

26 (A) MAKING AN ORAL OR WRITTEN REQUEST.

27 (B) DISTRIBUTING, CIRCULATING, MAILING, POSTING, OR PUBLISHING

1 A HANDBILL, WRITTEN ADVERTISEMENT, OR OTHER COMMUNICATION THAT  
2 DIRECTLY OR BY IMPLICATION SEEKS TO OBTAIN A CONTRIBUTION.

3 (C) MAKING AN ANNOUNCEMENT TO THE NEWS MEDIA, OR BY RADIO,  
4 TELEVISION, TELEPHONE, TELEGRAPH, FACSIMILE, ELECTRONIC MAIL, OR  
5 ANY OTHER COMMUNICATION DEVICE, OR ON THE INTERNET, CONCERNING AN  
6 APPEAL OR CAMPAIGN FOR A CHARITABLE ORGANIZATION OR PURPOSE.

7 (D) SELLING, ATTEMPTING TO SELL, OR OFFERING TO SELL AN  
8 ADVERTISEMENT, ADVERTISING SPACE, A BOOK, A COUPON, A MAGAZINE, A  
9 MEMBERSHIP, MERCHANDISE, A SUBSCRIPTION, A TICKET, OR OTHER ITEM IN  
10 CONNECTION WITH A REQUEST FOR A CHARITABLE ORGANIZATION OR PURPOSE.

11 (E) UTILIZING RECEPTACLES SUCH AS HONOR BOXES, VENDING  
12 MACHINES, WISHING WELLS, OR CONTRIBUTION BOXES FOR CONTRIBUTIONS,  
13 IF A CHARITABLE PURPOSE OR A CHARITABLE ORGANIZATION'S NAME IS  
14 USED, REFERRED TO, OR IMPLIED AS AN INDUCEMENT TO MAKE A  
15 CONTRIBUTION OR PURCHASE.

16 (ii) KNOWINGLY RECEIVING CONTRIBUTIONS THAT ARE SOLICITED FROM  
17 THE PUBLIC BY A PERSON OTHER THAN A CHARITABLE ORGANIZATION AND  
18 TRANSFERRED TO THAT CHARITABLE ORGANIZATION.

19 (iii) RECEIVING MONEY FROM A COMMUNITY CHEST, UNITED FUND, OR  
20 SIMILAR ORGANIZATION OR FROM A COMBINED SOLICITATION BY 2 OR MORE  
21 CHARITABLE ORGANIZATIONS.

22 (l) ~~(d)~~ "Soliciting material" means ~~printed or similar~~  
23 ~~material,~~ ANY DOCUMENT OR OTHER OBJECT USED TO COMMUNICATE OR AS A  
24 COMMUNICATION AID IN A SOLICITATION, including, but not limited to,  
25 labels, posters, television scripts, radio scripts, or OTHER TEXT  
26 OR recordings used in soliciting funds from the public.

27 (M) ~~(e)~~ "Solicitor" means ~~a person~~ AN INDIVIDUAL who solicits

1 on behalf of a charitable organization.

2 ~~—— (f) "Professional fund raiser" means a person who for~~  
3 ~~compensation or other consideration plans, conducts, manages, or~~  
4 ~~carries on a drive or campaign of soliciting contributions for or~~  
5 ~~on behalf of a charitable organization, religious organization, or~~  
6 ~~any other person; or who engages in the business of or holds~~  
7 ~~himself out as independently engaged in the business of soliciting~~  
8 ~~contributions for such purposes. A bona fide officer or employee of~~  
9 ~~a charitable organization is not a professional fund raiser unless~~  
10 ~~his salary or other compensation is computed on the basis of funds~~  
11 ~~to be raised or actually raised.~~

12 ~~—— (g) "Professional solicitor" means a person who is employed or~~  
13 ~~retained for compensation by a professional fund raiser to solicit~~  
14 ~~contributions for charitable purposes.~~

15 ~~—— (h) "Prohibited transaction" is that dealing, activity,~~  
16 ~~conduct, administration, or management of the charitable~~  
17 ~~organization or by any of its officers, trustees, personnel, or~~  
18 ~~related persons which may be prohibited as constituting activity~~  
19 ~~contrary to proper administration of the charitable organization or~~  
20 ~~conduct of a fund raising campaign or solicitation by a~~  
21 ~~professional fund raiser or solicitor.~~

22 **(N) "VENDOR" MEANS A PERSON OTHER THAN A CHARITABLE**  
23 **ORGANIZATION OR PROFESSIONAL FUND-RAISER WHO CONDUCTS CHARITABLE**  
24 **SALES PROMOTIONS OR SOLICITATION CAMPAIGNS THROUGH VENDING**  
25 **MACHINES, HONOR BOXES, NOVELTY MACHINES, OR SIMILAR DEVICES, THAT**  
26 **REPRESENTS THAT IT BENEFITS A CHARITABLE ORGANIZATION OR A**  
27 **CHARITABLE PURPOSE THROUGH A PORTION OF THE PROCEEDS, A FIXED**



1 DOLLAR AMOUNT, OR ANY OTHER MANNER.

2 Sec. 3. (1) ~~Before a solicitation, a~~ **UNLESS THE** charitable  
 3 organization ~~which is not an exempt organization and which is not~~  
 4 ~~described in~~ **FROM REGISTRATION AND REPORTING UNDER** section 13,  
 5 ~~which~~ **A CHARITABLE ORGANIZATION THAT** solicits or intends to solicit  
 6 or receives or intends to receive contributions from persons by any  
 7 means ~~whatsoever, shall file with the attorney general upon forms~~  
 8 ~~prescribed by him, an application for a license. It~~ **REGISTER WITH**  
 9 **THE ATTORNEY GENERAL AS PROVIDED IN THIS ACT.**

10 (2) **A CHARITABLE ORGANIZATION REGISTERING UNDER THIS ACT SHALL**  
 11 **REGISTER IN WRITING ON FORMS PRESCRIBED BY THE ATTORNEY GENERAL AND**  
 12 shall include **ALL OF** the following information **ABOUT THE CHARITABLE**  
 13 **ORGANIZATION IN THE REGISTRATION FORM:**

14 (a) The name of the organization and ~~the~~ **ANY** name ~~under which~~  
 15 ~~it intends~~ **USED BY THAT ORGANIZATION** to solicit contributions.

16 (b) The ~~principal~~ **address AND TELEPHONE NUMBER** of the  
 17 **PRINCIPAL OFFICE OF THE** organization and the address of any office  
 18 in this state. If the organization does not maintain a principal  
 19 office, **THE ORGANIZATION SHALL INCLUDE** the name, ~~and~~ address, **AND**  
 20 **TELEPHONE NUMBER** of the person having custody of its financial  
 21 records **IN THE REGISTRATION FORM.**

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

24 (C) ~~(d)~~ Where and when the organization was legally  
 25 established, ~~AND~~ the form of its organization. ~~and its tax~~  
 26 ~~exempt status.~~

27 (D) **THE ORGANIZATION'S FEDERAL TAX EXEMPT STATUS.**

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

4           (f) ~~The fiscal year date of the organization~~ **METHODS THE**  
5 **ORGANIZATION WILL USE TO SOLICIT CONTRIBUTIONS.**

6           (g) ~~Whether the organization is or has ever been enjoined from~~  
7 ~~soliciting contributions~~ **THE NAMES AND ADDRESSES OF ALL**  
8 **PROFESSIONAL FUND-RAISERS WITH WHICH THE ORGANIZATION HAS**  
9 **CONTRACTED.**

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

13 ~~—— (i) Copies of contracts between charitable organizations and~~  
14 ~~professional fund raisers relating to financial compensation or~~  
15 ~~profit to be derived by the professional fund raisers. When the~~  
16 ~~contract is executed after filing of application statement, a copy~~  
17 ~~shall be filed within 10 days of the date of execution.~~

18 ~~—— (j) Other information as required by rule.~~

19           **(I) WHETHER THE ORGANIZATION OR ANY OFFICER, TRUSTEE, OR**  
20 **DIRECTOR OF THE ORGANIZATION MEETS ANY OF THE FOLLOWING:**

21           **(i) IS A PARTY TO OR SUBJECT OF A PENDING COURT ACTION OR**  
22 **ADMINISTRATIVE PROCEEDING CONCERNING A SOLICITATION IN ANY STATE OR**  
23 **COUNTRY.**

24           **(ii) AS A RESULT OF A COURT ACTION OR ADMINISTRATIVE**  
25 **PROCEEDING, WHETHER BY AGREEMENT, ORDER, OR JUDGMENT, WAS EVER**  
26 **ENJOINED, FINED, CONVICTED, OR SUBJECTED TO ANY OTHER SANCTION OR**  
27 **PENALTY IN CONNECTION WITH A SOLICITATION IN ANY STATE OR COUNTRY.**

1           (iii) WITHIN THE 10-YEAR PERIOD PRECEDING THE DATE OF THE  
2 APPLICATION, WAS CONVICTED IN ANY STATE OR COUNTRY OF ANY CRIME  
3 INVOLVING DISHONESTY OR FALSE STATEMENT.

4           (iv) WITHIN THE 10-YEAR PERIOD PRECEDING THE DATE OF THE  
5 APPLICATION, WAS CONVICTED IN ANY STATE OR COUNTRY OF ANY FELONY  
6 INVOLVING THEFT.

7           (J) WHETHER AN OFFICER, DIRECTOR, OR EMPLOYEE OF THE  
8 CHARITABLE ORGANIZATION OWNS ANY INTEREST IN A PROFESSIONAL FUND-  
9 RAISER, OR IS AN AGENT OR CONTRACTOR FOR A PROFESSIONAL FUND-  
10 RAISER, DURING A PERIOD OF TIME WHEN THE PROFESSIONAL FUND-RAISER  
11 IS UNDER CONTRACT WITH THE CHARITABLE ORGANIZATION TO SOLICIT  
12 FUNDS.

13           (3) A CHARITABLE ORGANIZATION SHALL PROVIDE COPIES OF ALL OF  
14 THE FOLLOWING REGISTRATION MATERIALS WITH A REGISTRATION FORM  
15 DESCRIBED IN SUBSECTION (2):

16           (A) IF THE CHARITABLE ORGANIZATION IS TAX EXEMPT, A COPY OF  
17 ITS INTERNAL REVENUE SERVICE DETERMINATION LETTER WITH ITS INITIAL  
18 REGISTRATION FORM.

19           (B) SUBJECT TO SUBSECTION (5), 1 OF THE FOLLOWING:

20           (i) A COPY OF ITS FULLY AND PROPERLY COMPLETED INTERNAL REVENUE  
21 SERVICE FORM 990, 990-EZ, OR 990-PF, OR ANY SUCCESSOR INTERNAL  
22 REVENUE FORM FOR THE IMMEDIATELY PRECEDING TAX YEAR. THE CHARITABLE  
23 ORGANIZATION MUST INCLUDE ALL SCHEDULES, ATTACHMENTS, AND EXHIBITS  
24 IT FILED WITH THE INTERNAL REVENUE SERVICE, EXCEPT THAT A  
25 CHARITABLE ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION MAY OMIT  
26 ITS SCHEDULE OF CONTRIBUTORS. IF A CHARITABLE ORGANIZATION IS  
27 FILING ITS INITIAL REGISTRATION FORM AND AT THE TIME OF FILING IT

1 HAS NOT COMPLETED ITS FEDERAL TAX RETURN FOR THE IMMEDIATELY  
2 PRECEDING TAX YEAR OR IT HAS RECEIVED A FILING EXTENSION FROM THE  
3 INTERNAL REVENUE SERVICE FOR THAT TAX YEAR, THE CHARITABLE  
4 ORGANIZATION MAY SATISFY THIS SUBPARAGRAPH BY PROVIDING A COPY OF  
5 ITS MOST RECENTLY FILED INTERNAL REVENUE SERVICE FORM 990, 990-EZ,  
6 OR 990-PF.

7 (ii) IF A CHARITABLE ORGANIZATION DOES NOT FILE AN INTERNAL  
8 REVENUE SERVICE FORM 990, 990-EZ, OR 990-PF, IT SHALL PREPARE A PRO  
9 FORMA FORM 990, 990-EZ, OR 990-PF RETURN AND PROVIDE IT WITH THE  
10 REGISTRATION FORM. A CHARITABLE ORGANIZATION SHALL COMPLETE A PRO  
11 FORMA RETURN FULLY AND PROPERLY PURSUANT TO INTERNAL REVENUE  
12 SERVICE INSTRUCTIONS AND SHALL INCLUDE ALL REQUIRED INFORMATION,  
13 ATTACHMENTS, SCHEDULES, AND EXHIBITS.

14 (C) FINANCIAL STATEMENTS PREPARED ACCORDING TO GENERALLY  
15 ACCEPTED ACCOUNTING PRINCIPLES THAT HAVE BEEN AUDITED BY AN  
16 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT IF THE AMOUNT OF  
17 CONTRIBUTIONS RECEIVED BY THE CHARITABLE ORGANIZATION DURING ITS  
18 IMMEDIATELY PRECEDING TAX YEAR REPORTED ON ITS FEDERAL TAX RETURN  
19 IS \$500,000.00 OR MORE. IF THE AMOUNT OF CONTRIBUTIONS AS REPORTED  
20 ON THE CHARITABLE ORGANIZATION'S INTERNAL REVENUE SERVICE FORM 990,  
21 990-EZ, OR 990-PF IS \$250,000.00 OR MORE, BUT LESS THAN  
22 \$500,000.00, THE CHARITABLE ORGANIZATION SHALL PROVIDE FINANCIAL  
23 STATEMENTS EITHER REVIEWED OR AUDITED BY AN INDEPENDENT CERTIFIED  
24 PUBLIC ACCOUNTANT. THE AMOUNT OF CONTRIBUTIONS RECEIVED BY THE  
25 ORGANIZATION INCLUDES DIRECT AND INDIRECT PUBLIC SUPPORT AS SHOWN  
26 ON THE INTERNAL REVENUE SERVICE FORM 990, 990-EZ, OR 990-PF, PLUS  
27 NET SPECIAL FUND-RAISING EVENTS REVENUE. THE ATTORNEY GENERAL MAY

1 WAIVE THIS REQUIREMENT 1 TIME FOR A CHARITABLE ORGANIZATION.  
2 EFFECTIVE FOR ALL TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 2010  
3 AND BEFORE JANUARY 1, 2015, THE DOLLAR AMOUNTS OF CONTRIBUTIONS AT  
4 WHICH REVIEWED FINANCIAL STATEMENTS AND AT WHICH AUDITED FINANCIAL  
5 STATEMENTS ARE REQUIRED SHALL BE INCREASED BY \$25,000.00.  
6 ADDITIONAL \$25,000.00 INCREASES IN THE DOLLAR AMOUNTS OF  
7 CONTRIBUTIONS SHALL BE MADE EVERY 5 TAX YEARS BEGINNING WITH EACH  
8 FISCAL YEAR BEGINNING ON OR AFTER JANUARY 1, 2015.

9 (4) THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, OR  
10 THE HIGHEST RANKING OFFICER OF A CHARITABLE ORGANIZATION, OR, IF  
11 THE ORGANIZATION IS A TRUST, A TRUSTEE OF THE ORGANIZATION, SHALL  
12 SIGN A REGISTRATION FORM OR A RENEWAL OF REGISTRATION FORM  
13 DELIVERED TO THE ATTORNEY GENERAL UNDER THIS SECTION AND SHALL  
14 CERTIFY UNDER PENALTIES FOR PERJURY THAT THE STATEMENTS MADE IN THE  
15 REGISTRATION FORM AND REGISTRATION MATERIALS ARE TRUE, COMPLETE,  
16 AND CORRECT.

17 (5) THE ATTORNEY GENERAL MAY WAIVE THE REQUIREMENTS OF  
18 SUBSECTION (3) (B) FOR A NEWLY CREATED CHARITABLE ORGANIZATION THAT  
19 HAS NOT COMPLETED ITS INITIAL ACCOUNTING PERIOD OR WHOSE INTERNAL  
20 REVENUE SERVICE FORM 990, 990-EZ, OR 990-PF FOR ITS INITIAL  
21 ACCOUNTING PERIOD HAS NOT YET BEEN PREPARED.

22 SEC. 3A. (1) A PROFESSIONAL FUND-RAISER SHALL NOT SOLICIT OR  
23 RECEIVE DONATIONS FOR A CHARITABLE PURPOSE OR ON BEHALF OF A  
24 CHARITABLE ORGANIZATION OR RELIGIOUS ORGANIZATION BEFORE  
25 REGISTERING WITH THE ATTORNEY GENERAL UNDER THIS SECTION AND PAYING  
26 A REGISTRATION FEE UNDER SECTION 5A, OR AFTER THE EXPIRATION,  
27 SUSPENSION, REVOCATION, OR DENIAL OF ITS REGISTRATION.

1           (2) A PROFESSIONAL FUND-RAISER REGISTERING UNDER THIS ACT  
2 SHALL REGISTER IN WRITING ON FORMS PRESCRIBED BY THE ATTORNEY  
3 GENERAL AND SHALL INCLUDE ALL OF THE FOLLOWING INFORMATION ABOUT  
4 THE PROFESSIONAL FUND-RAISER IN THE REGISTRATION FORM:

5           (A) THE NAME OF THE PROFESSIONAL FUND-RAISER AND ANY OTHER  
6 NAMES PREVIOUSLY OR CURRENTLY USED BY THE PROFESSIONAL FUND-RAISER.

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

10           (C) WHERE AND WHEN THE PROFESSIONAL FUND-RAISER WAS LEGALLY  
11 ESTABLISHED AND THE FORM OF ITS ORGANIZATION.

12           (D) IF THE PROFESSIONAL FUND-RAISER IS A CORPORATION, THE NAME  
13 AND BUSINESS OR HOME ADDRESS OF EACH OFFICER, DIRECTOR,  
14 STOCKHOLDER, OR MEMBER.

15           (E) IF THE PROFESSIONAL FUND-RAISER IS A SOLE PROPRIETORSHIP,  
16 THE NAME AND BUSINESS OR HOME ADDRESS OF THE OWNER.

17           (F) IF THE PROFESSIONAL FUND-RAISER IS A LIMITED LIABILITY  
18 COMPANY, THE NAME AND BUSINESS ADDRESS OF EACH MEMBER AND MANAGER.

19           (G) IF THE PROFESSIONAL FUND-RAISER IS A PARTNERSHIP, THE NAME  
20 AND BUSINESS ADDRESS OF EACH PARTNER.

21           (H) THE NAMES AND ADDRESSES OF EACH BUSINESS THAT ALSO  
22 PROVIDES SERVICES OR PRODUCTS TO CHARITABLE ORGANIZATIONS AND THAT  
23 IS RELATED TO OR ASSOCIATED OR AFFILIATED WITH THE PROFESSIONAL  
24 FUND-RAISER OR ANY OF THE PROFESSIONAL FUND-RAISER'S OFFICERS,  
25 DIRECTORS, MEMBERS, MANAGERS, OR PERSONS WITH ANY OWNERSHIP  
26 INTEREST IN THE PROFESSIONAL FUND-RAISER. THE PROFESSIONAL FUND-  
27 RAISER SHALL ALSO DESCRIBE THE SERVICES OR PRODUCTS PROVIDED BY

1 THAT BUSINESS AND THE NATURE OF THE RELATIONSHIP, ASSOCIATION, OR  
2 AFFILIATION BETWEEN THAT BUSINESS AND THE PROFESSIONAL FUND-RAISER.

3 (I) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF EACH AGENT OR  
4 EMPLOYEE OF THE PROFESSIONAL FUND-RAISER WHO HAS DIRECT  
5 RESPONSIBILITY FOR SOLICITATION ACTIVITY IN THIS STATE.

6 (J) WHETHER THE PROFESSIONAL FUND-RAISER OR ANY OFFICER,  
7 DIRECTOR, OR PRINCIPAL OF THE PROFESSIONAL FUND-RAISER MEETS ANY OF  
8 THE FOLLOWING:

9 (i) IS A PARTY TO OR SUBJECT OF A PENDING COURT ACTION OR  
10 ADMINISTRATIVE PROCEEDING CONCERNING A SOLICITATION IN ANY STATE OR  
11 COUNTRY.

12 (ii) AS A RESULT OF A COURT ACTION OR ADMINISTRATIVE  
13 PROCEEDING, WHETHER BY AGREEMENT, ORDER, OR JUDGMENT, WAS EVER  
14 ENJOINED, FINED, CONVICTED, OR SUBJECTED TO ANY OTHER SANCTION OR  
15 PENALTY IN CONNECTION WITH A SOLICITATION IN ANY STATE OR COUNTRY.

16 (iii) WITHIN THE 10-YEAR PERIOD PRECEDING THE DATE OF THE  
17 APPLICATION, WAS CONVICTED IN ANY STATE OR COUNTRY OF ANY CRIME  
18 INVOLVING DISHONESTY OR FALSE STATEMENT.

19 (iv) WITHIN THE 10-YEAR PERIOD PRECEDING THE DATE OF THE  
20 APPLICATION, WAS CONVICTED IN ANY STATE OR COUNTRY OF ANY FELONY  
21 INVOLVING THEFT.

22 (K) A CONCISE DESCRIPTION OF THE PRINCIPAL METHODS BY WHICH  
23 THE PROFESSIONAL FUND-RAISER IS OR WILL BE SOLICITING  
24 CONTRIBUTIONS.

25 (L) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF ANY CHARITABLE  
26 ORGANIZATION FOR WHICH THE PROFESSIONAL FUND-RAISER HAS AGREED TO  
27 SOLICIT FUNDS OR PROVIDE SERVICES AS A PROFESSIONAL FUND-RAISER ON

1 ANY CAMPAIGN IN THIS STATE.

2 (M) WHETHER AN OFFICER, DIRECTOR, OR EMPLOYEE OF A CHARITABLE  
3 ORGANIZATION OWNS ANY INTEREST IN THE PROFESSIONAL FUND-RAISER, OR  
4 IS AN AGENT OR CONTRACTOR FOR THE PROFESSIONAL FUND-RAISER, DURING  
5 A PERIOD OF TIME WHEN THE PROFESSIONAL FUND-RAISER IS UNDER  
6 CONTRACT WITH THAT CHARITABLE ORGANIZATION TO SOLICIT FUNDS, AND  
7 WHETHER THAT INFORMATION HAS BEEN FULLY DISCLOSED TO THE BOARD OF  
8 DIRECTORS OR OTHER GOVERNING BODY OF THE CHARITABLE ORGANIZATION.

9 (N) THE SIGNATURE OF AN OFFICER, OWNER, MANAGER, OR PARTNER OF  
10 THE PROFESSIONAL FUND-RAISER CERTIFYING UNDER PENALTIES OF PERJURY  
11 THAT THE STATEMENTS MADE IN THE REGISTRATION FORM AND REGISTRATION  
12 MATERIALS ARE TRUE, CORRECT, AND COMPLETE.

13 (3) A PROFESSIONAL FUND-RAISER SHALL PROVIDE COPIES OF ALL OF  
14 THE FOLLOWING REGISTRATION MATERIALS WITH A REGISTRATION FORM  
15 DESCRIBED IN SUBSECTION (2):

16 (A) A COMPLETE COPY OF ANY AGREEMENT BETWEEN THE PROFESSIONAL  
17 FUND-RAISER AND A CHARITABLE ORGANIZATION.

18 (B) A COMPLETE COPY OF ANY SUBCONTRACT AGREEMENT BETWEEN THE  
19 PROFESSIONAL FUND-RAISER AND A PERSON THAT WILL ACT AS A  
20 PROFESSIONAL FUND-RAISER ON BEHALF OF A CHARITABLE ORGANIZATION,  
21 RELIGIOUS ORGANIZATION, OR ANY OTHER PERSON SOLICITING FOR A  
22 CHARITABLE PURPOSE.

23 (4) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5), A  
24 PROFESSIONAL FUND-RAISER THAT RECEIVES, HAS CUSTODY OF, OR HAS  
25 ACCESS TO FUNDS SOLICITED IN THIS STATE FOR A CHARITABLE  
26 ORGANIZATION SHALL INCLUDE WITH ITS REGISTRATION FORM A \$25,000.00  
27 BOND THAT MEETS ALL OF THE FOLLOWING:



1 (A) THE PROFESSIONAL FUND-RAISER IS THE PRINCIPAL OBLIGOR.

2 (B) THE BOND RUNS TO THE BENEFIT OF THE PEOPLE OF THIS STATE  
3 AND TO ANY CHARITABLE ORGANIZATION OR OTHER PERSON THAT MAY HAVE A  
4 CAUSE OF ACTION AGAINST THE PROFESSIONAL FUND-RAISER AS A RESULT OF  
5 THE PROFESSIONAL FUND-RAISER'S CONDUCT OF ANY ACTIVITY SUBJECT TO  
6 THIS ACT.

7 (C) THE BOND IS OBTAINED AND SUBMITTED IN THE FORM PRESCRIBED  
8 BY THE ATTORNEY GENERAL.

9 (D) A COMPANY AUTHORIZED TO ENGAGE IN INSURANCE ACTIVITY IN  
10 THIS STATE ISSUES THE BOND.

11 (E) THE TERM OF THE BOND DOES NOT EXPIRE UNTIL AT LEAST 1 YEAR  
12 AFTER THE PROFESSIONAL FUND-RAISER'S REGISTRATION EXPIRES.

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

23 (6) WITHIN 90 DAYS AFTER A SOLICITATION CAMPAIGN IS COMPLETED,  
24 OR ON THE ANNIVERSARY OF THE COMMENCEMENT OF A SOLICITATION  
25 CAMPAIGN LASTING MORE THAN 1 YEAR, A PROFESSIONAL FUND-RAISER THAT  
26 SOLICITED CONTRIBUTIONS IN THIS STATE ON BEHALF OF A CHARITABLE  
27 ORGANIZATION SHALL FILE WITH THE ATTORNEY GENERAL A FINANCIAL

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

9 (7) A REGISTRATION UNDER THIS SECTION EXPIRES ON THE LAST DAY  
10 OF THE TWELFTH FULL CALENDAR MONTH AFTER THE REGISTRATION IS  
11 EFFECTIVE.

12 SEC. 3B. (1) THE REGISTRATION OF A CHARITABLE ORGANIZATION  
13 UNDER SECTION 3 OR A PROFESSIONAL FUND-RAISER UNDER SECTION 3A IS  
14 EFFECTIVE IMMEDIATELY WHEN THE ATTORNEY GENERAL RECEIVES ITS  
15 REGISTRATION FORM, ITS COMPLETE AND ACCURATE REGISTRATION  
16 MATERIALS, AND ITS REGISTRATION FEE UNDER SECTION 5A.

17 (2) WITHIN 60 DAYS AFTER THE ATTORNEY GENERAL RECEIVES A  
18 REGISTRATION FORM, THE REGISTRATION MATERIALS, AND A REGISTRATION  
19 FEE UNDER SUBSECTION (1), THE ATTORNEY GENERAL SHALL DO 1 OF THE  
20 FOLLOWING:

21 (A) NOTIFY THE CHARITABLE ORGANIZATION OR PROFESSIONAL FUND-  
22 RAISER THAT ITS REGISTRATION IS EFFECTIVE AND OF ITS REGISTRATION  
23 DATE UNDER SUBSECTION (1).

24 (B) IF THE CHARITABLE ORGANIZATION OR PROFESSIONAL FUND-RAISER  
25 MADE A MISREPRESENTATION OR OMITTED REQUIRED INFORMATION IN ITS  
26 REGISTRATION FORM OR REGISTRATION MATERIALS, OR THE CHARITABLE  
27 ORGANIZATION OR PROFESSIONAL FUND-RAISER HAS VIOLATED OR IS

1 VIOLATING THIS ACT OR RULES PROMULGATED UNDER THIS ACT, NOTIFY THE  
2 CHARITABLE ORGANIZATION OR PROFESSIONAL FUND-RAISER OF THE  
3 MISREPRESENTATION, OMISSION, OR VIOLATION.

4 (3) AFTER NOTICE AND AN OPPORTUNITY TO BE HEARD, THE ATTORNEY  
5 GENERAL SHALL DENY OR REVOKE THE REGISTRATION OF A CHARITABLE  
6 ORGANIZATION IF EITHER OF THE FOLLOWING IS MET:

7 (A) THE CHARITABLE ORGANIZATION HAS FEWER THAN 3 DIRECTORS OR  
8 TRUSTEES AT THE TIME THE ORGANIZATION SUBMITS ITS REGISTRATION  
9 MATERIALS OR THE CHARITABLE ORGANIZATION IS A TRUST WITH A SINGLE,  
10 CORPORATE TRUSTEE.

11 (B) THE NUMBER OF DIRECTORS OR TRUSTEES OF THE CHARITABLE  
12 ORGANIZATION FALLS BELOW 3 DURING THE ORGANIZATION'S REGISTRATION  
13 PERIOD AND THE ORGANIZATION FAILS TO PROPERLY ELECT OR APPOINT A  
14 SUFFICIENT NUMBER OF DIRECTORS OR TRUSTEES TO BRING THE TOTAL TO 3  
15 OR MORE WITHIN 30 DAYS.

16 (4) AFTER NOTICE AND AN OPPORTUNITY TO BE HEARD, THE ATTORNEY  
17 GENERAL MAY DENY, SUSPEND, OR REVOKE THE REGISTRATION OF A  
18 CHARITABLE ORGANIZATION OR PROFESSIONAL FUND-RAISER WHO MEETS ANY  
19 OF THE FOLLOWING:

20 (A) HAS VIOLATED OR IS VIOLATING THIS ACT OR RULES PROMULGATED  
21 UNDER THIS ACT.

22 (B) MADE A MISREPRESENTATION TO OR OMITTED INFORMATION  
23 REQUIRED BY THE ATTORNEY GENERAL UNDER THIS ACT.

24 (C) IS OR HAS BEEN ENJOINED FROM SOLICITING IN ANY STATE OR  
25 COUNTRY IN CONNECTION WITH ACTIONS OR OMISSIONS THAT WOULD VIOLATE  
26 THIS ACT.

27 (D) FOR A CHARITABLE ORGANIZATION, THE INTERNAL REVENUE

1 SERVICE HAS REVOKED ITS FEDERAL TAX-EXEMPT STATUS.

2 (5) THE ATTORNEY GENERAL MAY SUSPEND THE REGISTRATION OF A  
3 CHARITABLE ORGANIZATION OR PROFESSIONAL FUND-RAISER, ON AN  
4 EMERGENCY BASIS WITHOUT A HEARING, IF THE ATTORNEY GENERAL ISSUES A  
5 NOTICE OF EMERGENCY SUSPENSION CONTAINING BOTH OF THE FOLLOWING:

6 (A) A DESCRIPTION OF THE ALLEGED VIOLATION OF THIS ACT OR A  
7 RULE PROMULGATED UNDER THIS ACT OR OTHER CONDUCT THAT CONSTITUTES  
8 THE EMERGENCY.

9 (B) A STATEMENT THAT THE CHARITABLE ORGANIZATION OR  
10 PROFESSIONAL FUND-RAISER HAS AN OPPORTUNITY FOR A HEARING AT A  
11 DESIGNATED TIME, DATE, AND PLACE, WITHIN 48 HOURS AFTER THE NOTICE  
12 OF EMERGENCY SUSPENSION IS ISSUED, OR AT A LATER TIME AGREED TO IN  
13 WRITING BY THE CHARITABLE ORGANIZATION OR PROFESSIONAL FUND-RAISER,  
14 ON WHETHER THE EMERGENCY SUSPENSION SHOULD CONTINUE PENDING A  
15 HEARING HELD UNDER SUBSECTION (6).

16 (6) ALL OF THE FOLLOWING APPLY TO A NOTICE GIVEN OR A HEARING  
17 HELD UNDER THIS SECTION:

18 (A) THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306,  
19 MCL 24.201 TO 24.328, APPLIES TO THE NOTICE AND HEARING.

20 (B) AT A HEARING HELD UNDER SUBSECTION (3) OR (4), THE  
21 CHARITABLE ORGANIZATION OR PROFESSIONAL FUND-RAISER SHALL HAVE A  
22 REASONABLE OPPORTUNITY TO REBUT THE ATTORNEY GENERAL'S ALLEGATIONS  
23 AND TO PRODUCE EVIDENCE TO SHOW COMPLIANCE WITH THIS ACT OR THE  
24 RULES PROMULGATED UNDER THIS ACT.

25 (C) AT A HEARING HELD UNDER SUBSECTION (5), THE ATTORNEY  
26 GENERAL HAS THE BURDEN OF PROOF IN ESTABLISHING NONCOMPLIANCE WITH  
27 THIS ACT OR A RULE PROMULGATED UNDER THIS ACT AND ESTABLISHING THAT

1 THE PUBLIC HEALTH, SAFETY, OR WELFARE REQUIRES THE EMERGENCY  
2 SUSPENSION TO CONTINUE PENDING A HEARING HELD UNDER SUBSECTION (3)  
3 OR (4).

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

12 ~~— (2) Copies of all soliciting materials shall be supplied upon~~  
13 ~~request of the attorney general.~~

14 (2) A CHARITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER,  
15 VENDOR, OR COMMERCIAL COVENTURER SHALL PROVIDE COPIES OF ANY  
16 CONTRACTS AND ANY SOLICITING MATERIALS TO THE ATTORNEY GENERAL UPON  
17 REQUEST.

18 (3) A CHARITABLE ORGANIZATION SHALL RETAIN IN ITS RECORDS  
19 PROOF OF THE REGISTRATION OF ANY PROFESSIONAL FUND-RAISER WITH  
20 WHICH IT HAS CONTRACTED TO PERFORM SERVICES AS A PROFESSIONAL FUND-  
21 RAISER FOR ANY SOLICITATION CAMPAIGN CONDUCTED IN THIS STATE FOR A  
22 PERIOD OF 3 YEARS AFTER THE CAMPAIGN HAS ENDED.

23 SEC. 5A. (1) A CHARITABLE ORGANIZATION SHALL PAY A  
24 REGISTRATION FEE TO THE ATTORNEY GENERAL WITH ITS APPLICATION FOR  
25 REGISTRATION OR RENEWAL REGISTRATION IN 1 OF THE FOLLOWING AMOUNTS:

26 (A) IF THE CHARITABLE ORGANIZATION RECEIVED CONTRIBUTIONS OF  
27 LESS THAN \$100,000.00 IN THE IMMEDIATELY PRECEDING TAX YEAR,

1 \$35.00.

2 (B) IF THE CHARITABLE ORGANIZATION RECEIVED CONTRIBUTIONS OF  
3 \$100,000.00 OR MORE AND LESS THAN \$500,000.00 IN THE IMMEDIATELY  
4 PRECEDING TAX YEAR, \$75.00.

5 (C) IF THE CHARITABLE ORGANIZATION RECEIVED CONTRIBUTIONS OF  
6 \$500,000.00 OR MORE AND LESS THAN \$1,000,000.00 IN THE IMMEDIATELY  
7 PRECEDING TAX YEAR, \$125.00.

8 (D) IF THE CHARITABLE ORGANIZATION RECEIVED CONTRIBUTIONS OF  
9 \$1,000,000.00 OR MORE AND LESS THAN \$5,000,000.00 IN THE  
10 IMMEDIATELY PRECEDING TAX YEAR, \$200.00.

11 (E) IF THE CHARITABLE ORGANIZATION RECEIVED CONTRIBUTIONS OF  
12 \$5,000,000.00 OR MORE IN THE IMMEDIATELY PRECEDING TAX YEAR,  
13 \$250.00.

14 (2) A PROFESSIONAL FUND-RAISER SHALL PAY A REGISTRATION FEE TO  
15 THE ATTORNEY GENERAL WITH ITS APPLICATION FOR REGISTRATION OR  
16 RENEWAL REGISTRATION IN THE AMOUNT OF \$300.00.

17 Sec. 6. (1) A charitable organization shall notify the  
18 attorney general **IN WRITING** within 30 days of any change in the  
19 information required to be furnished under section 3-3(2)(A), (B),  
20 (D), (E), (F), (G), (I), OR (J) OR SECTION 3(3). ~~A report shall be~~  
21 ~~filed and signed by the president or other authorized officer and~~  
22 ~~the chief fiscal officer of the organization.~~

23 (2) A PROFESSIONAL FUND-RAISER SHALL NOTIFY THE ATTORNEY  
24 GENERAL IN WRITING WITHIN 30 DAYS OF ANY CHANGE IN THE INFORMATION  
25 THE PROFESSIONAL FUND-RAISER IS REQUIRED TO PROVIDE UNDER SECTION  
26 3A(2).

27 Sec. 7. (1) ~~The license of a charitable organization shall~~

1 ~~expire 1 year after the date of issuance. A charitable organization~~  
2 ~~desiring renewal of a license shall file with the attorney general~~  
3 ~~a renewal application and supporting information on or before 30~~  
4 ~~days prior to the expiration date. A REGISTERED CHARITABLE~~  
5 ORGANIZATION SHALL REPORT ON ITS MOST RECENT FISCAL YEAR AND RENEW  
6 ITS REGISTRATION WITHIN 6 MONTHS AFTER THE CLOSE OF THAT FISCAL  
7 YEAR. A REGISTERED CHARITABLE ORGANIZATION SHALL RENEW ITS  
8 REGISTRATION IN WRITING ON FORMS PRESCRIBED BY THE ATTORNEY GENERAL  
9 UNDER SECTION 3(2) AND SHALL INCLUDE WITH THE RENEWAL REGISTRATION  
10 FORM THE REGISTRATION MATERIALS REQUIRED TO REGISTER UNDER SECTION  
11 3(3) AND THE REGISTRATION FEE REQUIRED UNDER SECTION 5A.

12 (2) A CHARITABLE ORGANIZATION'S REGISTRATION SHALL EXPIRE IF  
13 THE CHARITABLE ORGANIZATION'S RENEWAL REGISTRATION FORM UNDER  
14 SECTION 3(2), REGISTRATION MATERIALS REQUIRED UNDER SECTION 3(3),  
15 AND REGISTRATION FEE UNDER SECTION 5A ARE NOT RECEIVED WITHIN 18  
16 MONTHS AFTER THE END OF THE FISCAL YEAR REPORTED ON THE  
17 ORGANIZATION'S MOST RECENTLY FILED REGISTRATION FORM UNLESS THE  
18 ATTORNEY GENERAL HAS EXTENDED THE REGISTRATION UNDER SUBSECTION  
19 (4). IF THE ATTORNEY GENERAL HAS SUSPENDED THE REQUIREMENT THAT A  
20 CHARITABLE ORGANIZATION PROVIDE A COPY OF ITS INTERNAL REVENUE  
21 SERVICE FORM 990 UNDER SECTION 3(5), THE ORGANIZATION'S  
22 REGISTRATION SHALL EXPIRE 6 MONTHS AFTER THE END OF ITS INITIAL  
23 ACCOUNTING PERIOD UNLESS THE ATTORNEY GENERAL EXTENDS THE  
24 REGISTRATION UNDER SUBSECTION (4).

25 (3) A CHARITABLE ORGANIZATION PREVIOUSLY REGISTERED UNDER THIS  
26 ACT THAT IS NO LONGER SUBJECT TO THE REGISTRATION REQUIREMENTS OF  
27 THIS ACT SHALL FILE A FINANCIAL REPORT WITHIN 6 MONTHS OF THE CLOSE

1 OF THE MOST RECENTLY COMPLETED FISCAL YEAR IN WHICH THE  
2 ORGANIZATION SOLICITED IN THIS STATE UNLESS THE ATTORNEY GENERAL  
3 HAS EXTENDED THE PERIOD OF TIME FOR FILING THE REPORT UNDER  
4 SUBSECTION (4). THE REPORT SHALL INCLUDE THE ORGANIZATION'S  
5 INTERNAL REVENUE SERVICE FORM OR FINANCIAL STATEMENT THAT WOULD BE  
6 REQUIRED TO RENEW THE ORGANIZATION'S REGISTRATION AND ANY REPORTS  
7 ON SOLICITATION CAMPAIGNS CONDUCTED BY THE CHARITABLE ORGANIZATION  
8 THROUGH A PROFESSIONAL FUND-RAISER REQUIRED UNDER SECTION 3A(6).

9 (4) THE ATTORNEY GENERAL MAY EXTEND A CHARITABLE  
10 ORGANIZATION'S REGISTRATION, OR THE ORGANIZATION'S TIME FOR FILING  
11 THE REPORT REQUIRED UNDER SUBSECTION (3), FOR 3 MONTHS. IF A  
12 CHARITABLE ORGANIZATION RECEIVES AN EXTENSION OF TIME TO FILE THE  
13 CHARITABLE ORGANIZATION'S INTERNAL REVENUE SERVICE FORM 990, 990-  
14 EZ, OR 990-PF, THE ATTORNEY GENERAL SHALL EXTEND THE CHARITABLE  
15 ORGANIZATION'S REGISTRATION, OR EXTEND ITS TIME FOR FILING THE  
16 REPORT REQUIRED UNDER SUBSECTION (3), FOR A SIMILAR PERIOD OF TIME.

17 ~~Sec. 8. (1) Documents required to be filed with the attorney~~  
18 ~~general shall be open to public inspection. Persons subject to this~~  
19 ~~act shall maintain accurate and detailed books and records at the~~  
20 ~~office of the resident agent or the principal office which shall be~~  
21 ~~open to inspection at all reasonable times by the attorney general~~  
22 ~~or his authorized representative. A REGISTRATION FORM OR~~  
23 ~~REGISTRATION MATERIALS SUBMITTED WITH A REGISTRATION FORM, AN~~  
24 ~~ANNUAL REPORT, OR ANY OTHER INFORMATION A PERSON IS REQUIRED TO~~  
25 ~~PROVIDE TO OR FILE WITH THE ATTORNEY GENERAL UNDER THIS ACT IS A~~  
26 ~~PUBLIC RECORD SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976 PA~~  
27 ~~442, MCL 15.231 TO 15.246. HOWEVER, A SCHEDULE OF CONTRIBUTORS OR~~



1 OTHER LIST OF DONORS TO A CHARITABLE ORGANIZATION THAT IS NOT A  
2 PRIVATE FOUNDATION IS EXEMPT FROM DISCLOSURE PURSUANT TO SECTION  
3 13(1)(D) OF THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL  
4 15.243.

5 (2) FOR AT LEAST 3 YEARS AFTER THE DATE THE RECORDS ARE  
6 PREPARED, A CHARITABLE ORGANIZATION OR PROFESSIONAL FUND-RAISER  
7 SHALL MAINTAIN ACCURATE AND DETAILED RECORDS THAT INCLUDE ALL OF  
8 THE INFORMATION REQUIRED UNDER THIS ACT. ALL RECORDS ARE OPEN TO  
9 INSPECTION AT ALL REASONABLE TIMES BY THE ATTORNEY GENERAL AND  
10 COPIES OF THE RECORDS SHALL BE PROVIDED TO THE ATTORNEY GENERAL  
11 UPON REQUEST.

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

22 (4) A FILE IN THE OFFICE OF THE ATTORNEY GENERAL REGARDING A  
23 CLOSED ENFORCEMENT ACTION OR A SETTLEMENT IN A CIVIL CASE UNDER  
24 THIS ACT IS OPEN TO PUBLIC INSPECTION AND COPYING. A REQUIREMENT OF  
25 CONFIDENTIALITY OR SEALING OF RECORDS AS A CONDITION OF AN  
26 ASSURANCE OF DISCONTINUANCE OR SETTLEMENT OF AN ENFORCEMENT OR  
27 CIVIL ACTION UNDER THIS ACT IS PROHIBITED UNLESS IT IS LIMITED TO

1 PROTECTING INFORMATION ABOUT A DONOR OR OTHER PRIVATE INDIVIDUAL  
2 THAT IS EXEMPT FROM DISCLOSURE UNDER SUBSECTION (1) OR THAT A  
3 PUBLIC BODY MAY EXEMPT FROM DISCLOSURE UNDER SECTION 13 OF THE  
4 FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.243.

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

20 Sec. 10. The attorney general may promulgate rules necessary  
21 for the administration of this act ~~in accordance with and subject~~  
22 ~~to Act No. 306 of the Public Acts of 1969, as amended, being~~  
23 ~~sections 24.201 to 24.315 of the Michigan Compiled Laws~~**UNDER THE**  
24 **ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO**  
25 **24.328. Emergency****HOWEVER, THE ATTORNEY GENERAL MAY NOT PROMULGATE**  
26 **EMERGENCY** rules ~~may not be promulgated pursuant to this act.~~

27 Sec. 11. ~~(1) An application for a license shall not be~~

1 ~~accepted from a charitable organization located in another state or~~  
2 ~~country unless it first designates a resident agent in this state~~  
3 ~~for the acceptance of process issued by any court.~~

4 (1) ~~(2)~~ A charitable organization, person, **VENDOR, OR**  
5 ~~professional fund raiser, or professional solicitor, soliciting~~  
6 ~~contributions in this state but not maintaining an office within~~  
7 ~~the state shall be FUND-RAISER, COMMERCIAL COVENTURER, VENDOR, OR~~  
8 **OTHER PERSON SUBJECT TO THIS ACT IS** subject to service of process  
9 as follows:

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

19 (b) ~~When a charitable organization has solicited contributions~~  
20 ~~in this state but does not maintain an office within the state,~~  
21 ~~have a registered agent within this state and have a designated~~  
22 ~~person having custody of its books and records within the state, or~~  
23 ~~when a registered agent or person having custody of its books and~~  
24 ~~records within the state cannot be found as shown by the return of~~  
25 ~~the sheriff of the county in which the registered agent or person~~  
26 ~~having custody of books and records has been represented by the~~  
27 ~~charitable organization as maintaining an office,~~ **IF SERVICE CANNOT**

1 **BE EFFECTED AS PROVIDED BY THIS SECTION**, service may be made as  
 2 otherwise provided by law or court rules.

3 (2) ~~(3)~~—Solicitation of a contribution within this state by  
 4 any means ~~is~~ the agreement of ~~the~~ **A** charitable organization,  
 5 ~~person, professional fund raiser, or professional solicitor, FUND-~~  
 6 **RAISER, COMMERCIAL COVENTURER, VENDOR, OR OTHER PERSON** that any  
 7 **SERVICE OF** process against it or him which is served in accordance  
 8 with **UNDER** this section is of the same legal force and effect as if  
 9 served personally.

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

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

20 (b) A ~~person who~~ **CHARITABLE ORGANIZATION THAT** does not intend  
 21 to solicit and receive and does not actually receive contributions  
 22 ~~in excess of \$8,000.00 during any 12 month period if all of its~~  
 23 ~~fund raising functions are carried on by persons who are unpaid for~~  
 24 ~~their services and if the organization makes available to its~~  
 25 ~~members and the public a financial statement of its activities for~~  
 26 ~~the most recent fiscal year. If the gross contributions received~~  
 27 ~~during any 12 month period exceed \$8,000.00, the person shall file~~

1 ~~an application for license with required supporting information as~~  
2 ~~provided in section 3 within 30 days after the date it has received~~  
3 ~~total contributions in excess of \$8,000.00. OF MORE THAN \$25,000.00~~  
4 **IN ITS CURRENT FISCAL YEAR IF ALL OF THE CHARITABLE ORGANIZATION'S**  
5 **FUND-RAISING FUNCTIONS ARE CARRIED ON BY PERSONS WHO ARE NOT PAID**  
6 **FOR THEIR SERVICES. HOWEVER, IF A CHARITABLE ORGANIZATION OTHERWISE**  
7 **EXEMPT UNDER THIS SUBDIVISION RECEIVES ACTUAL TOTAL CONTRIBUTIONS**  
8 **IN THAT FISCAL YEAR OF MORE THAN \$25,000.00, THE CHARITABLE**  
9 **ORGANIZATION MUST REGISTER UNDER THIS ACT WITHIN 30 DAYS AFTER THE**  
10 **DATE ITS TOTAL CONTRIBUTIONS IN THAT FISCAL YEAR FIRST EXCEED**  
11 **\$25,000.00.**

12 (c) ~~An~~ **A CHARITABLE** organization that does not invite the  
13 general public to become a member of the organization and confines  
14 solicitation activities to solicitation drives solely among its  
15 members, ~~and the members'~~ **DIRECTORS, TRUSTEES, OR THEIR** immediate  
16 families. ~~, if the drives are not held more frequently than~~  
17 ~~quarterly.~~ **"Immediate family" FOR PURPOSES OF THIS SUBDIVISION**  
18 means the grandparents, parents, spouse, brothers, sisters,  
19 children, and grandchildren **OF A MEMBER, DIRECTOR, OR TRUSTEE.**

20 (d) ~~An educational institution certified by the state board of~~  
21 ~~education~~ **A PRIVATE FOUNDATION THAT DID NOT RECEIVE CONTRIBUTIONS**  
22 **FROM MORE THAN 25 PERSONS DURING ITS MOST RECENT FISCAL YEAR.**

23 (e) A veterans' organization ~~incorporated under federal law~~  
24 **CHARTERED BY CONGRESS.**

25 (f) An organization that receives funds from a charitable  
26 organization ~~licensed~~ **REGISTERED** under this act that does not  
27 solicit or intend to solicit or receive or intend to receive

1 contributions from persons other than a ~~THE REGISTERED~~ charitable  
2 organization, if the organization makes available to its members  
3 and the public a financial statement of its activities for the ~~ITS~~  
4 most recent fiscal year.

5 (g) A licensed hospital, hospital based foundation, and ~~OR~~  
6 hospital auxiliary that ~~solicit~~ **SOLICITS** funds solely for 1 or more  
7 licensed hospitals.

8 (h) ~~A nonprofit service organization that is exempt from~~  
9 ~~taxation pursuant to a provision of the United States internal~~  
10 ~~revenue code other than section 501(c)(3), whose principal purpose~~  
11 ~~is not charitable, but solicits from time to time funds for a~~  
12 ~~charitable purpose by members of the organization who are not paid~~  
13 ~~for the solicitation. The funds shall be wholly used for the~~  
14 ~~charitable purposes for which they were solicited, and the~~  
15 ~~organization shall file with the attorney general a federal form~~  
16 ~~990 or 990 AR. A BOOSTER GROUP OR A PARENT-TEACHER ORGANIZATION~~  
17 ~~THAT IS RECOGNIZED BY THE PUBLIC SCHOOL, NONPUBLIC SCHOOL, OR~~  
18 ~~SCHOOL DISTRICT THAT IT IS ORGANIZED TO SUPPORT.~~

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 income~~  
22 ~~from the operation of the corporation inures to the benefit of a~~  
23 ~~person other than the residents. A PUBLIC SCHOOL, NONPUBLIC SCHOOL,~~  
24 ~~PRESCHOOL, OR INSTITUTION OF HIGHER EDUCATION ORGANIZED,~~  
25 ~~INCORPORATED, OR FORMED UNDER THE LAWS OF THIS STATE.~~

26 ~~————(j) Charitable organizations licensed by the department of~~  
27 ~~social services that serve children and families.~~

1           (J) ~~(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~~ **IN ADDITION TO THE REMEDIES AVAILABLE UNDER**  
5 **SECTION 3B, THE** attorney general may ~~continue under conditions the~~  
6 ~~license~~ **IMPOSE CONDITIONS ON THE REGISTRATION** of an ~~A~~ **CHARITABLE**  
7 organization ~~, OR professional fund raiser, or professional~~  
8 ~~solicitor which~~ **FUND-RAISER THAT** fails to comply with this act  
9 ~~including failure to comply with the rules regarding prohibited~~  
10 ~~transactions, standards of solicitation, conduct, or administration~~  
11 **OR RULES PROMULGATED UNDER THIS ACT.**

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

22           (A) **ENGAGE IN A METHOD, ACT, OR PRACTICE IN VIOLATION OF THIS**  
23 **ACT OR A RULE PROMULGATED UNDER THIS ACT; ANY RESTRICTION,**  
24 **CONDITION, OR LIMITATION PLACED ON A REGISTRATION; OR ANY ORDER**  
25 **ISSUED UNDER THIS ACT.**

26           (B) **REPRESENT OR IMPLY THAT A PERSON SOLICITING CONTRIBUTIONS**  
27 **OR OTHER FUNDS FOR A CHARITABLE ORGANIZATION HAS A SPONSORSHIP,**

1 APPROVAL, STATUS, AFFILIATION, OR OTHER CONNECTION WITH A  
2 CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE THAT THE PERSON DOES  
3 NOT HAVE.

4 (C) REPRESENT OR IMPLY THAT A CONTRIBUTION IS FOR OR ON BEHALF  
5 OF A CHARITABLE ORGANIZATION, OR USING AN EMBLEM, DEVICE, OR  
6 PRINTED MATERIAL BELONGING TO OR ASSOCIATED WITH A CHARITABLE  
7 ORGANIZATION, WITHOUT FIRST OBTAINING WRITTEN AUTHORIZATION FROM  
8 THAT CHARITABLE ORGANIZATION.

9 (D) USE A NAME, SYMBOL, OR STATEMENT SO CLOSELY RELATED OR  
10 SIMILAR TO A NAME, SYMBOL, OR STATEMENT USED BY ANOTHER CHARITABLE  
11 ORGANIZATION OR GOVERNMENTAL AGENCY THAT USE OF THAT NAME, SYMBOL,  
12 OR STATEMENT WOULD TEND TO CONFUSE OR MISLEAD A SOLICITED PERSON.

13 (E) USE A BOGUS, FICTITIOUS, OR NONEXISTENT ORGANIZATION,  
14 ADDRESS, OR TELEPHONE NUMBER IN ANY SOLICITATION.

15 (F) MAKE A MISREPRESENTATION TO A PERSON BY ANY MANNER THAT  
16 WOULD LEAD THAT PERSON TO BELIEVE THAT ANOTHER PERSON, ON WHOSE  
17 BEHALF A SOLICITATION EFFORT IS CONDUCTED, IS A CHARITABLE  
18 ORGANIZATION OR THAT ALL OR ANY PART OF THE PROCEEDS OF A  
19 SOLICITATION EFFORT ARE FOR CHARITABLE PURPOSES.

20 (G) MAKE A MISREPRESENTATION TO A PERSON BY ANY MANNER THAT  
21 WOULD LEAD THAT PERSON TO BELIEVE THAT ANOTHER PERSON SPONSORS,  
22 ENDORSES, OR APPROVES A SOLICITATION EFFORT IF THAT OTHER PERSON  
23 HAS NOT GIVEN WRITTEN CONSENT TO THE USE OF HIS OR HER NAME FOR  
24 THAT PURPOSE.

25 (H) MAKE A MISREPRESENTATION TO A PERSON BY ANY MANNER THAT  
26 WOULD LEAD THAT PERSON TO BELIEVE THAT REGISTRATION UNDER THIS ACT  
27 CONSTITUTES ENDORSEMENT OR APPROVAL BY A DEPARTMENT OR AGENCY OF



1 ANY STATE OR THE FEDERAL GOVERNMENT.

2 (I) REPRESENT OR IMPLY THAT THE AMOUNT OR PERCENTAGE OF A  
3 CONTRIBUTION THAT A CHARITABLE ORGANIZATION WILL RECEIVE FOR A  
4 CHARITABLE PROGRAM AFTER COSTS OF SOLICITATION ARE PAID IS GREATER  
5 THAN THE AMOUNT OR PERCENTAGE OF A CONTRIBUTION THE CHARITABLE  
6 ORGANIZATION WILL ACTUALLY RECEIVE.

7 (J) DIVERT OR MISDIRECT CONTRIBUTIONS TO A PURPOSE OR  
8 ORGANIZATION OTHER THAN THAT FOR WHICH THE FUNDS WERE CONTRIBUTED  
9 OR SOLICITED.

10 (K) FALSELY REPRESENT OR IMPLY THAT A DONOR WILL RECEIVE  
11 SPECIAL BENEFITS OR TREATMENT OR THAT FAILURE TO MAKE A  
12 CONTRIBUTION WILL RESULT IN UNFAVORABLE TREATMENT.

13 (L) MAKE A MISREPRESENTATION TO A PERSON BY ANY MANNER THAT  
14 WOULD LEAD THAT PERSON TO BELIEVE THAT A CONTRIBUTION IS ELIGIBLE  
15 FOR TAX ADVANTAGES UNLESS THAT CONTRIBUTION QUALIFIES FOR THOSE TAX  
16 ADVANTAGES AND ALL DISCLOSURES REQUIRED BY LAW ARE MADE.

17 (M) FALSELY REPRESENT OR IMPLY THAT A PERSON BEING SOLICITED  
18 OR A FAMILY MEMBER OR ASSOCIATE OF A PERSON BEING SOLICITED HAS  
19 PREVIOUSLY MADE OR AGREED TO MAKE A CONTRIBUTION.

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

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

26 (P) SOLICIT CONTRIBUTIONS, CONDUCT A SALES PROMOTION, OR  
27 OTHERWISE OPERATE IN THIS STATE AS A CHARITABLE ORGANIZATION OR

1 PROFESSIONAL FUND-RAISER, EXCEPT IN COMPLIANCE WITH ALL OF THE  
2 REQUIREMENTS OF THIS ACT.

3 (Q) AID, ABET, OR OTHERWISE PERMIT A PERSON TO SOLICIT  
4 CONTRIBUTIONS OR CONDUCT A SALES PROMOTION IN THIS STATE UNLESS THE  
5 PERSON SOLICITING CONTRIBUTIONS OR CONDUCTING THE SALES PROMOTION  
6 HAS COMPLIED WITH THE REQUIREMENTS OF THIS ACT.

7 (R) FAIL TO FILE THE INFORMATION AND REPORTS REQUIRED UNDER  
8 THIS ACT OR FAIL TO PROVIDE ANY INFORMATION REQUESTED BY THE  
9 ATTORNEY GENERAL IN A TIMELY MANNER.

10 (S) FAIL TO COMPLY WITH A PERSON'S REQUEST TO REMOVE, OR NOT  
11 TO SHARE, THE PERSON'S PERSONAL INFORMATION, INCLUDING, BUT NOT  
12 LIMITED TO, THE PERSON'S NAME, ADDRESS, TELEPHONE NUMBER, OR  
13 FINANCIAL ACCOUNT INFORMATION, FROM ANY LIST UTILIZED BY A  
14 CHARITABLE ORGANIZATION OR PROFESSIONAL FUND-RAISER FOR  
15 SOLICITATION PURPOSES; OR SELLING, LEASING, LICENSING, SHARING, OR  
16 OTHERWISE ALLOWING ANY THIRD-PARTY ACCESS TO ANY OF THE PERSON'S  
17 PERSONAL INFORMATION, EXCEPT AS SPECIFICALLY REQUIRED BY LAW OR  
18 COURT ORDER.

19 (T) SOLICIT OR RECEIVE A CONTRIBUTION OR CONDUCT A CHARITABLE  
20 SALES PROMOTION FOR, OR SELL MEMBERSHIPS IN, A CHARITABLE  
21 ORGANIZATION SUBJECT TO THIS ACT IF THAT CHARITABLE ORGANIZATION IS  
22 NOT REGISTERED UNDER THIS ACT.

23 (U) SUBMIT ANY OF THE FOLLOWING TO THE ATTORNEY GENERAL:

24 (i) A DOCUMENT OR STATEMENT THAT PURPORTS TO BE SIGNED,  
25 CERTIFIED, ATTESTED TO, APPROVED BY, OR ENDORSED BY A PERSON IF  
26 THAT SIGNATURE, CERTIFICATION, ATTESTATION, APPROVAL, OR  
27 ENDORSEMENT IS NOT GENUINE OR WAS NOT GIVEN BY THAT PERSON.

1 (ii) A DOCUMENT CONTAINING ANY MATERIALLY FALSE STATEMENT.

2 (V) VIOLATE THE TERMS OF AN ASSURANCE OF DISCONTINUANCE OR  
3 SIMILAR AGREEMENT ACCEPTED BY THE ATTORNEY GENERAL AND FILED WITH  
4 THE COURT UNDER THIS ACT.

5 (W) FOR A CHARITABLE ORGANIZATION, FAIL TO VERIFY THAT ALL  
6 PROFESSIONAL FUND-RAISERS WITH WHICH THE ORGANIZATION HAS  
7 CONTRACTED FOR FUND-RAISING SERVICES ARE CURRENTLY REGISTERED UNDER  
8 THIS ACT.

9 (X) FOR A PROFESSIONAL FUND-RAISER, FAIL TO PROVIDE  
10 VERIFICATION OF CURRENT REGISTRATION STATUS AND INFORM ANY  
11 CHARITABLE ORGANIZATION WITH WHICH IT HAS CONTRACTED FOR FUND-  
12 RAISING SERVICES OF ANY CHANGES AFFECTING ITS REGISTRATION OR  
13 BONDING, IN WRITING, WITHIN 14 DAYS OF THE CHANGE.

14 (Y) SUBMIT FINANCIAL STATEMENTS, INCLUDING IRS FORM 990 AND  
15 ANY OTHER FINANCIAL REPORT REQUIRED UNDER THIS ACT, THAT CONTAIN  
16 ANY MISREPRESENTATION WITH RESPECT TO THE ORGANIZATION'S  
17 ACTIVITIES, OPERATIONS, OR USE OF CHARITABLE ASSETS.

18 (Z) WEAR A LAW ENFORCEMENT OR PUBLIC SAFETY UNIFORM OR  
19 CLOTHING SIMILAR TO A LAW ENFORCEMENT OR PUBLIC SAFETY UNIFORM WHEN  
20 MAKING A FACE-TO-FACE SOLICITATION OR COLLECTION OF CONTRIBUTIONS.

21 ~~—— (2) A person has used the name of another person for the~~  
22 ~~purpose of soliciting contributions if the latter person's name is~~  
23 ~~listed on stationery, an advertisement, brochure, or in~~  
24 ~~correspondence by which a contribution is solicited by or on behalf~~  
25 ~~of a charitable organization or the name is listed or referred to~~  
26 ~~in connection with a request for a contribution as one who has~~  
27 ~~contributed to, sponsored, or indorsed the organization or its~~

1 activities.

2 (2) ~~(3)~~—This section does not prevent the publication of names  
3 of contributors without their written consent in an annual or other  
4 periodic report issued by a charitable organization for the purpose  
5 of reporting on its operations and affairs to its membership or for  
6 the purpose of reporting contributions to contributors.

7 ~~—(4) A charitable organization or professional fund raiser  
8 soliciting contributions shall not use a name, symbol, or statement  
9 so closely related or similar to that used by another charitable  
10 organization or governmental agency that would tend to confuse or  
11 mislead the public.~~

12 (3) ~~(5)~~—A charitable organization, whether **OR NOT** exempt ~~or~~  
13 ~~not~~ from this act, shall supply to each solicitor and each  
14 solicitor shall have in **HIS OR HER** immediate possession  
15 identification ~~which~~ **THAT** sets forth the name of the solicitor and  
16 the name of the charitable organization on whose behalf the  
17 solicitation is conducted.

18 **SEC. 19. (1) A VENDOR SHALL NOT CONDUCT A CHARITABLE SALES**  
19 **PROMOTION OR SOLICITATION CAMPAIGN IN WHICH IT USES THE NAME OF A**  
20 **CHARITABLE ORGANIZATION THAT IS NOT REGISTERED IN THIS STATE.**

21 (2) A VENDOR SHALL PROMINENTLY DISPLAY THE FOLLOWING  
22 INFORMATION ON EACH VENDING MACHINE, HONOR BOX, NOVELTY MACHINE, OR  
23 SIMILAR DEVICE THROUGH WHICH THAT VENDOR CONDUCTS A CHARITABLE  
24 SALES PROMOTION OR SOLICITATION CAMPAIGN:

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

27 (B) THE PERCENTAGE OF SALES, IF ANY, THAT A CHARITABLE

1 ORGANIZATION WILL RECEIVE.

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

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

20 (2) IN ADDITION TO THE INFORMATION REQUIRED UNDER SUBSECTION  
21 (1), A PROFESSIONAL FUND-RAISER THAT ORALLY SOLICITS CONTRIBUTIONS  
22 IN THIS STATE SHALL ALSO DISCLOSE THE PROFESSIONAL FUND-RAISER'S  
23 NAME AS FILED WITH THE ATTORNEY GENERAL AND A STATEMENT THAT THE  
24 SOLICITATION IS BEING CONDUCTED BY A PROFESSIONAL FUND-RAISER. THE  
25 INFORMATION REQUIRED UNDER THIS SUBSECTION SHALL BE PROVIDED IN THE  
26 SAME MANNER AS THE INFORMATION REQUIRED UNDER SUBSECTION (1).

27 Sec. 20. (1) ~~The attorney general may institute~~ IN ADDITION TO

1 ANY OTHER ACTION AUTHORIZED BY LAW, THE ATTORNEY GENERAL MAY BRING  
2 an action ~~in any circuit court to enjoin preliminarily or~~  
3 ~~permanently a charitable organization, professional fund raiser,~~  
4 ~~solicitor, or other person who: (a) Engages in a method, act, or~~  
5 ~~practice in violation of this act or any of the rules promulgated~~  
6 ~~hereunder. (b) Employs or uses in a solicitation or collection of~~  
7 ~~contributions for a charitable organization on behalf of any other~~  
8 ~~person for a charitable purpose a device, scheme, or artifice to~~  
9 ~~defraud, or for obtaining money or property by means of any false~~  
10 ~~pretense, deception, representation, or promise. AN ACT OR PRACTICE~~  
11 ~~PROHIBITED UNDER THIS ACT. AFTER FINDING THAT A PERSON HAS ENGAGED~~  
12 ~~IN OR IS ENGAGING IN A PROHIBITED ACT OR PRACTICE, A COURT MAY~~  
13 ~~ENTER ANY APPROPRIATE ORDER OR JUDGMENT, INCLUDING, BUT NOT LIMITED~~  
14 ~~TO, AN INJUNCTION, AN ORDER OF RESTITUTION, OR AN AWARD OF~~  
15 ~~REASONABLE ATTORNEY FEES AND COSTS. A COURT MAY AWARD TO THIS STATE~~  
16 ~~A CIVIL FINE OF NOT MORE THAN \$10,000.00 OR LESS FOR EACH VIOLATION~~  
17 ~~OF THIS ACT AGAINST A PROFESSIONAL FUND-RAISER, CHARITABLE~~  
18 ~~ORGANIZATION, AGAINST AN OFFICER, DIRECTOR, SHAREHOLDER,~~  
19 ~~CONTROLLING MEMBER, OR ANY OTHER PERSON THAT DIRECTLY ENGAGED IN,~~  
20 ~~AUTHORIZED, OR WAS OTHERWISE LEGALLY RESPONSIBLE FOR THE PROHIBITED~~  
21 ~~ACT OR PRACTICE, OR AGAINST ANY COMBINATION OF THOSE PERSONS. A~~  
22 ~~COURT IS NOT REQUIRED TO FIND IRREPARABLE HARM TO ENTER AN~~  
23 ~~INJUNCTION, BUT NEED ONLY FIND A VIOLATION OF THIS ACT OR FIND THAT~~  
24 ~~AN INJUNCTION WOULD PROMOTE THE PUBLIC INTEREST.~~

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

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

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

1 BROUGHT BY THE ATTORNEY GENERAL.

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

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

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

7 (C) A CIVIL FINE OF NOT MORE THAN \$10,000.00. MONEY COLLECTED  
8 UNDER THIS SUBDIVISION SHALL BE FORWARDED TO THE STATE TREASURER  
9 FOR DEPOSIT IN THE GENERAL FUND OF THE STATE.

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 REVOKING  
13 A REGISTRATION, PROVIDE THE PERSON AGAINST WHOM THE PENALTY IS TO  
14 BE IMPOSED AN OPPORTUNITY FOR A HEARING IN ACCORDANCE WITH THE  
15 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO  
16 24.328.

17 Sec. 21. (1) The attorney general may investigate the  
18 ~~operations or conduct of charitable organizations, professional~~  
19 ~~fund raisers, or professional solicitors subject to this act. He~~  
20 ~~may require a person, corporation, institution, or association, and~~  
21 ~~the officers, members, and employees and agents thereof, to appear~~  
22 ~~at a named time and place in the county designated by the attorney~~  
23 ~~general or where the person resides or is found, to give~~  
24 ~~information under oath and to produce books, memoranda, papers,~~  
25 ~~records, documents of title, evidence of assets, liabilities,~~  
26 ~~receipts, or disbursements in the possession or control of the~~  
27 ~~person ordered to appear.~~ **A COMPLAINT FROM ANY PERSON IN WHATEVER**



1 MANNER THE ATTORNEY GENERAL CONSIDERS APPROPRIATE AND MAY  
2 INVESTIGATE ON HIS OR HER OWN INITIATIVE A CHARITABLE ORGANIZATION,  
3 PROFESSIONAL FUND-RAISER, VENDOR, COMMERCIAL COVENTURER, OR PERSON  
4 DESCRIBED IN SECTION 23A. THE ATTORNEY GENERAL MAY REQUIRE A PERSON  
5 OR AN OFFICER, MEMBER, EMPLOYEE, OR AGENT OF A PERSON TO APPEAR AT  
6 A TIME AND PLACE SPECIFIED BY THE ATTORNEY GENERAL TO GIVE  
7 INFORMATION UNDER OATH AND TO PRODUCE BOOKS, MEMORANDA, PAPERS,  
8 RECORDS, DOCUMENTS, OR EVIDENCE OF ASSETS, LIABILITIES, RECEIPTS,  
9 OR DISBURSEMENTS IN THE POSSESSION OF THE PERSON ORDERED TO APPEAR.

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

1 order of the court ~~shall be punished~~ **IS PUNISHABLE** by that court as  
 2 a ~~contempt~~. The investigation may be ~~made~~ **CONDUCTED** by ~~or before~~ an  
 3 assistant attorney general **OR OTHER PERSON** designated ~~in writing~~ by  
 4 the attorney general. ~~to conduct the investigation~~. The attorney  
 5 general or ~~the assistant attorney general acting in his behalf~~  
 6 **OTHER DESIGNATED PERSON** may administer the necessary oath or  
 7 affirmation to witnesses.

8 (3) **THIS ACT DOES NOT LIMIT OR RESTRICT THE POWERS OR DUTIES**  
 9 **OF THE ATTORNEY GENERAL THAT ARE AUTHORIZED UNDER ANY OTHER**  
 10 **PROVISION OF LAW.**

11 **SEC. 22A. IF AN ORAL PLEDGE OR PROMISE TO MAKE A CONTRIBUTION**  
 12 **FOLLOWS A TELEPHONE OR DOOR-TO-DOOR SOLICITATION, THAT PLEDGE OR**  
 13 **PROMISE TO MAKE A CONTRIBUTION IS UNENFORCEABLE. THIS SECTION DOES**  
 14 **NOT AFFECT ANY EXISTING RIGHTS OR REMEDIES REGARDING ORAL PLEDGES**  
 15 **OR PROMISES NOT PRECEDED BY A TELEPHONE OR DOOR-TO-DOOR**  
 16 **SOLICITATION.**

17 Sec. 23. (1) A person who does any of the following is guilty  
 18 of a misdemeanor punishable by **IMPRISONMENT FOR NOT MORE THAN 6**  
 19 **MONTHS OR** a fine of not more than \$500.00, ~~or imprisonment for not~~  
 20 ~~more than 6 months~~ **\$5,000.00, or both, FOR EACH VIOLATION:**

21 ~~—— (a) Violates this act.~~

22 ~~—— (b) Solicits and receives public donations, or sells~~  
 23 ~~memberships in this state for and on behalf of any organization,~~  
 24 ~~institution, or association subject to the provisions of this act~~  
 25 ~~and which is not duly licensed pursuant to this act.~~

26 ~~—— (c) Solicits funds under a license and thereafter diverts the~~  
 27 ~~same to purposes other than that for which the funds were~~

1 ~~contributed.~~

2 (A) KNOWINGLY MISREPRESENTS OR MISLEADS ANY PERSON IN ANY  
3 MANNER TO BELIEVE THAT A PERSON ON WHOSE BEHALF A SOLICITATION  
4 EFFORT IS CONDUCTED IS A CHARITABLE ORGANIZATION OR THAT THE  
5 PROCEEDS OF A SOLICITATION EFFORT ARE FOR CHARITABLE PURPOSES.

6 (B) KNOWINGLY DIVERTS OR MISDIRECTS CONTRIBUTIONS TO A PURPOSE  
7 OR ORGANIZATION OTHER THAN FOR WHICH THE FUNDS WERE CONTRIBUTED OR  
8 SOLICITED.

9 (C) KNOWINGLY MISREPRESENTS THAT FUNDS SOLICITED OR  
10 CONTRIBUTED WILL BE USED FOR A SPECIFIC CHARITABLE PURPOSE.

11 (D) KNOWINGLY MISREPRESENTS THAT A DONOR WILL RECEIVE SPECIAL  
12 BENEFITS OR TREATMENT OR THAT FAILURE TO MAKE A CONTRIBUTION WILL  
13 RESULT IN UNFAVORABLE TREATMENT.

14 (E) EMPLOYS ANY DEVICE, SCHEME, OR ARTIFICE TO DEFRAUD OR  
15 OBTAIN MONEY OR PROPERTY FROM A PERSON BY MEANS OF A FALSE,  
16 DECEPTIVE, OR MISLEADING PRETENSE, REPRESENTATION, OR PROMISE.

17 (F) KNOWINGLY FAILS TO FILE ANY MATERIALS, INFORMATION, OR  
18 REPORT REQUIRED UNDER THIS ACT.

19 (G) ENGAGES IN ANY OF THE FOLLOWING PRACTICES AND WRONGFULLY  
20 OBTAINS MORE THAN \$1,000.00 AND LESS THAN \$5,000.00, IN THE  
21 AGGREGATE, AS A RESULT OF THE PRACTICE OR PRACTICES:

22 (i) KNOWINGLY MISREPRESENTS THAT A PERSON SOLICITING  
23 CONTRIBUTIONS OR OTHER FUNDS FOR A CHARITABLE ORGANIZATION HAS A  
24 SPONSORSHIP, APPROVAL, STATUS, AFFILIATION, OR OTHER CONNECTION  
25 WITH A CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE THAT THE  
26 PERSON DOES NOT HAVE.

27 (ii) KNOWINGLY USES A NAME, SYMBOL, OR STATEMENT SO CLOSELY

1 RELATED OR SIMILAR TO A NAME, SYMBOL, OR STATEMENT USED BY ANOTHER  
2 CHARITABLE ORGANIZATION OR GOVERNMENTAL AGENCY THAT USE OF THAT  
3 NAME, SYMBOL, OR STATEMENT IS CONFUSING OR MISLEADING.

4 (iii) KNOWINGLY USES A BOGUS, FICTITIOUS, OR NONEXISTENT  
5 ORGANIZATION, ADDRESS, OR TELEPHONE NUMBER IN ANY SOLICITATION.

6 (iv) KNOWINGLY MISREPRESENTS OR MISLEADS ANY PERSON IN ANY  
7 MANNER TO BELIEVE THAT A PERSON OR GOVERNMENTAL AGENCY SPONSORS,  
8 ENDORSES, OR APPROVES A SOLICITATION EFFORT IF THAT PERSON OR  
9 AGENCY HAS NOT GIVEN WRITTEN CONSENT TO THE USE OF THE PERSON'S OR  
10 AGENCY'S NAME FOR THAT PURPOSE.

11 (v) KNOWINGLY MISREPRESENTS THAT THE AMOUNT OR PERCENTAGE OF A  
12 CONTRIBUTION THAT A CHARITABLE ORGANIZATION WILL RECEIVE FOR A  
13 CHARITABLE PROGRAM AFTER COSTS OF SOLICITATION ARE PAID IS GREATER  
14 THAN THE AMOUNT OR PERCENTAGE OF THE CONTRIBUTION THE CHARITABLE  
15 ORGANIZATION WILL ACTUALLY RECEIVE.

16 (vi) KNOWINGLY SOLICITS CONTRIBUTIONS, CONDUCTS A SALES  
17 PROMOTION, OR OTHERWISE OPERATES IN THIS STATE AS A CHARITABLE  
18 ORGANIZATION OR PROFESSIONAL FUND-RAISER UNLESS THE INFORMATION  
19 REQUIRED UNDER THIS ACT IS FILED WITH THE ATTORNEY GENERAL AS  
20 REQUIRED UNDER THIS ACT.

21 (vii) AIDS, ABETS, OR OTHERWISE PERMITS A PERSON TO SOLICIT  
22 CONTRIBUTIONS OR CONDUCT A SALES PROMOTION IN THIS STATE UNLESS THE  
23 PERSON SOLICITING CONTRIBUTIONS OR CONDUCTING THE SALES PROMOTION  
24 HAS COMPLIED WITH THE REQUIREMENTS OF THIS ACT.

25 (viii) KNOWINGLY SOLICITS OR RECEIVES A CONTRIBUTION, CONDUCTS A  
26 CHARITABLE SALES PROMOTION, OR SELLS MEMBERSHIPS IN THIS STATE FOR  
27 OR ON BEHALF OF ANY CHARITABLE ORGANIZATION SUBJECT TO THE

1 PROVISIONS OF THIS ACT THAT IS NOT REGISTERED UNDER THIS ACT.

2 (2) A PERSON WHO DOES ANY OF THE FOLLOWING IS GUILTY OF A  
3 FELONY PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 5 YEARS OR A  
4 FINE OF NOT MORE THAN \$20,000.00, OR BOTH, FOR EACH VIOLATION:

5 (A) ENGAGES IN ANY PRACTICE OR PRACTICES DESCRIBED IN  
6 SUBSECTION (1) (A), (B), (C), (D), OR (E) IF THE AMOUNT OF MONEY  
7 FRAUDULENTLY COLLECTED OR WRONGFULLY DIVERTED FROM THE CHARITABLE  
8 PURPOSE FOR WHICH THE MONEY WAS SOLICITED EXCEEDS, IN THE  
9 AGGREGATE, \$1,000.00.

10 (B) ENGAGES IN ANY PRACTICE OR PRACTICES DESCRIBED IN  
11 SUBSECTION (1) (G) AND WRONGFULLY OBTAINS MORE THAN \$5,000.00, IN  
12 THE AGGREGATE, AS A RESULT OF THE PRACTICE OR PRACTICES.

13 (C) KNOWINGLY SUBMITS ANY OF THE FOLLOWING IN MATERIALS OR  
14 STATEMENTS REQUIRED UNDER THIS ACT OR REQUESTED BY THE ATTORNEY  
15 GENERAL:

16 (i) ANY DOCUMENT OR STATEMENT PURPORTING TO HAVE BEEN SIGNED,  
17 CERTIFIED, ATTESTED TO, APPROVED BY, OR ENDORSED BY A PERSON WHEN  
18 THE SIGNATURE, CERTIFICATION, ATTESTATION, APPROVAL, OR ENDORSEMENT  
19 IS NOT GENUINE OR HAS NOT BEEN GIVEN BY THAT PERSON.

20 (ii) ANY DOCUMENT CONTAINING ANY MATERIALLY FALSE STATEMENT.

21 (3) FOR PURPOSES OF THIS SECTION, A PERSON IS PRESUMED TO HAVE  
22 COMMITTED A VIOLATION KNOWINGLY IF THE ATTORNEY GENERAL PROVIDED  
23 WRITTEN NOTICE IDENTIFYING ALLEGED VIOLATIONS TO THE PERSON BEFORE  
24 THE ACTS OR OMISSIONS IN VIOLATION OF SUBSECTION (1) OR (2)  
25 OCCURRED.

26 (4) IN ADDITION TO PURSUING A CRIMINAL ACTION UNDER THIS  
27 SECTION, THE ATTORNEY GENERAL MAY BRING A CIVIL ACTION FOR DAMAGES

1 OR EQUITABLE RELIEF TO ENFORCE THE PROVISIONS OF THIS ACT.

2 (5) ~~(2)~~—This section ~~shall~~ **DOES** not be ~~construed to~~ limit or  
3 restrict prosecution under the general criminal statutes of ~~the~~  
4 **THIS** state.

5 **SEC. 23A. (1) A PERSON THAT IS NOT A CHARITABLE ORGANIZATION,**  
6 **A PROFESSIONAL FUND-RAISER, OR A VOLUNTEER SUPERVISED BY A**  
7 **CHARITABLE ORGANIZATION, BUT THAT SOLICITS CONTRIBUTIONS, CONDUCTS**  
8 **A FUND-RAISING EVENT, OR CONDUCTS A SALES PROMOTION OR CAMPAIGN FOR**  
9 **A CHARITABLE PURPOSE IS SUBJECT TO THIS ACT.**

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

12 **SEC. 23B. THE PROSECUTING ATTORNEY FOR A COUNTY MAY PROSECUTE**  
13 **A PERSON SUBJECT TO THIS ACT IN THE SAME MANNER AS THE ATTORNEY**  
14 **GENERAL. A COUNTY PROSECUTING ATTORNEY SHALL NOTIFY THE ATTORNEY**  
15 **GENERAL WHEN HE OR SHE BEGINS A PROSECUTION PURSUANT TO THIS**  
16 **SECTION AND PROVIDE THE ATTORNEY GENERAL WITH A COPY OF THE FINAL**  
17 **JUDGMENT IN THAT ACTION.**

18 Enacting section 1. Sections 5, 12, 14, 17, and 22 of the  
19 charitable organizations and solicitations act, 1975 PA 169, MCL  
20 400.275, 400.282, 400.284, 400.287, and 400.292, are repealed.