

Legislative Analysis



CLOTHING DONATION BOXES

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House Bill 5716

Sponsor: Rep. Goeff Hansen

House Bill 5717

Sponsor: Rep. Ed Clemente

Committee: Commerce

Complete to 5-11-10

A SUMMARY OF HOUSE BILLS 5716 & 5717 AS INTRODUCED 12-17-09

The bills would regulate the use of clothing donation boxes.

House Bill 5716 would amend the Michigan Consumer Protection Act (MCL 445.903) to prohibit a person who engages in the conduct of trade or commerce and owns or operates a clothing donation box from doing the following:

- Marking the clothing donation box or any sign near the box in a manner that represents or implies that any personal property placed in the box, or the proceeds of that property, is donated to one or more charities, if that is not true.
- Displaying the name, logo, trademark, or service mark of a charitable organization on a clothing donation box or any nearby sign if that charity does not receive any of the property placed in the box or proceeds from that property.
- Failing to clearly and conspicuously disclose on the box or nearby sign the name, address, and telephone number of each organization that receives property or proceeds; what percentage the organization receives; the name, address, and telephone number of anyone else receiving property or proceeds, and the percentage of property and proceeds that person receives. This would apply when charitable organizations receive some but not all of the property or proceeds from the donation box.

The bill would include such conduct in the act's description of "unfair, unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce."

House Bill 5717 would amend the Charitable Organizations and Solicitations Act (MCL 400.272), which licenses and regulates certain charitable organizations, solicitors, and fund raisers. It would contain the same prohibitions as listed above for the use of clothing donation boxes. In addition, the bill would require a person that is not a charitable organization and that owns or operates a clothing donation box or that receives

any of the property or proceeds from a donation box to maintain a current license under the act at any time the clothing donation box is accessible to the public.

The bill also would amend the definition of the term "professional fund raiser" to include a person that is not a charitable organization when any of the following conditions are met:

- The person represents or implies that personal property placed in a clothing donation box or the proceeds of the property will be donated to one or more charitable organizations.
- The person represents or implies that he or she is using the clothing donation box to solicit contributions on behalf of one or more charitable organizations.
- The donation box or any nearby sign is marked with the name, logo, or service mark of one or more charitable organizations or is otherwise marked in a manner that represents or implies that personal property placed in the donation box or proceeds of that property will be donated to one or more charitable organizations.

Violations of this act are misdemeanors punishable by a fine of not more than \$500.00, or imprisonment for not more than six months, or both.

In both bills, the term "clothing donation box" refers to a receptacle in which a person can place clothing or other items of personal property with the intention of donating the property to a charitable organization and that has a capacity of a least 27 cubic feet.

The Consumer Protection Act is enforced by the state Attorney General, local prosecutors, and, in some cases, private lawsuits. The Charitable Organizations and Solicitations Act is enforced by the state Attorney General.

FISCAL IMPACT:

The bill does not appear to have a significant fiscal impact.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.