

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1528

A bill to amend 1975 PA 169, entitled
"Charitable organizations and solicitations act,"
by amending the title and sections 2, 3, 5, 7, 11, 13, 16, 18, 20,
21, and 23 (MCL 400.272, 400.273, 400.275, 400.277, 400.281,
400.283, 400.286, 400.288, 400.290, 400.291, and 400.293), section
2 as amended by 2010 PA 196, section 3 as amended by 2008 PA 424,
and section 13 as amended by 1992 PA 299, and by adding sections
17a, 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 **CHARITABLE** organizations, ~~and PROFESSIONAL~~

3

FUND RAISERS AND OTHER persons soliciting or collecting

4

contributions ~~for charitable purposes; to require registration,~~

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

18 Sec. 2. As used in this act:

19 (a) "Charitable organization" means a benevolent, educational,
 20 philanthropic, humane, patriotic, or eleemosynary organization of
 21 persons that solicits or obtains contributions solicited from the
 22 public for charitable purposes. ~~A~~ **THE TERM INCLUDES A** chapter,
 23 branch, area office, or similar affiliate or person soliciting
 24 contributions within the state for a charitable organization that
 25 has its principal place of business outside the state. ~~is a~~
 26 ~~charitable organization.~~ The term does not include ~~a~~ **ANY OF THE**
 27 **FOLLOWING:**

1 (i) A duly constituted religious organization or a group
2 affiliated with and forming an integral part of a religious
3 organization if none of its net income inures to the direct benefit
4 of any individual and if it has received a declaration of current
5 tax exempt status from the United States if it is a religious
6 organization or it or its parent or principal organization has
7 obtained tax exempt status if it is an affiliated group. ~~Charitable~~
8 ~~organization does not include a~~

9 (ii) A candidate or a committee as those terms are defined in
10 section 3 of the Michigan campaign finance act, 1976 PA 388, MCL
11 169.203. ~~or a~~

12 (iii) A political party qualified to be on the general election
13 ballot under section 560a of the Michigan election law, 1954 PA
14 116, MCL 168.560a.

15 **(B) "CHARITABLE SALES PROMOTION" MEANS ANY ADVERTISING OR**
16 **SALES ACTIVITIES THAT INCLUDE A STATEMENT OR REPRESENTATION THAT**
17 **THE PURCHASE OR USE OF THE GOODS OR SERVICES OFFERED FOR SALE WILL**
18 **BENEFIT, IN WHOLE OR IN PART, A CHARITABLE ORGANIZATION OR**
19 **CHARITABLE PURPOSE.**

20 (C) ~~(b)~~—"Clothing donation box" means a receptacle in which a
21 person may place clothing or other items of personal property he or
22 she intends to donate to a charitable organization and that has a
23 capacity of at least 27 cubic feet.

24 (D) ~~(e)~~—"Contribution" means a promise, grant, or payment of
25 money or property of any kind or value, including a promise to pay,
26 except payments by members of an organization for membership fees,
27 dues, fines, or assessments, or for services rendered to individual

1 members, if membership in the organization confers a bona fide
2 right, privilege, professional standing, honor, or other direct
3 benefit, other than the right to vote, elect officers, or hold
4 offices, and except money or property received from a governmental
5 authority or foundation restricted as to use.

6 (E) ~~(d)~~—"Person" means an individual, organization, group,
7 association, partnership, corporation, limited liability company,
8 trust, any other legal entity, or any combination of legal
9 entities.

10 (F) ~~(e)~~—"Professional fund raiser" means a person who plans,
11 conducts, manages, or carries on a drive or campaign of soliciting
12 contributions for or on behalf of a charitable organization,
13 religious organization, or any other person in exchange for
14 compensation or other consideration; or who engages in the business
15 of or holds himself or herself out as independently engaged in the
16 business of soliciting contributions for those purposes. The term
17 does not include a bona fide officer or employee of a charitable
18 organization unless his or her salary or other compensation is
19 computed on the basis of funds to be raised or actually raised. The
20 term includes a person that is not a charitable organization and
21 that owns or operates a clothing donation box if any of the
22 following are met:

23 (i) The person represents or implies to any person that
24 personal property placed in the clothing donation box or the
25 proceeds of that property will be donated to 1 or more charitable
26 organizations.

27 (ii) The person represents or implies to any person that he or

1 she is using the clothing donation box to solicit contributions on
2 behalf of 1 or more charitable organizations.

3 (iii) The clothing donation box or any sign near the clothing
4 donation box is marked with the name, logo, trademark, or service
5 mark of 1 or more charitable organizations or is otherwise marked
6 in any manner that represents or implies that personal property
7 placed in the donation box or the proceeds of that property will be
8 donated to 1 or more charitable organizations.

9 (G) ~~(f)~~—"Professional solicitor" means a person who is
10 employed or retained for compensation by a professional fund raiser
11 to solicit contributions for charitable purposes.

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

19 (I) ~~(h)~~—"Soliciting material" means printed or similar
20 material used to solicit money from the public, including, but not
21 limited to, any labels, posters, television scripts, radio scripts,
22 or recordings used for that purpose.

23 (J) ~~(i)~~—"Solicitor" means a person who solicits on behalf of a
24 charitable organization.

25 Sec. 3. (1) ~~Unless~~ **BEFORE A SOLICITATION, UNLESS** the
26 charitable organization is ~~an exempt organization that is exempt~~
27 from ~~licensing~~ **REGISTRATION** and reporting under section 13, a

1 charitable organization that solicits or intends to solicit or
2 receives or intends to receive contributions from persons by any
3 means shall ~~file an application for a license under this act~~
4 REGISTER with the attorney general, ~~on forms prescribed by him or~~
5 ~~her~~ AS PROVIDED IN THIS ACT.

6 (2) ~~An application for a license under this act shall include~~
7 ~~the following information~~ A CHARITABLE ORGANIZATION DESCRIBED IN
8 SUBSECTION (1) SHALL REGISTER UNDER THIS ACT BY SUBMITTING A
9 REGISTRATION STATEMENT IN THE FORM PRESCRIBED BY THE ATTORNEY
10 GENERAL. TO REGISTER, A CHARITABLE ORGANIZATION MUST INCLUDE ALL OF
11 THE FOLLOWING INFORMATION ABOUT THE CHARITABLE ORGANIZATION IN THE
12 REGISTRATION FORM:

13 (a) The name of the organization and any name it uses or
14 intends to use to solicit contributions.

15 (b) The principal address of the organization and the address
16 of ~~any~~ EACH office in this state. If the organization does not
17 maintain a principal office, the organization shall include the
18 name and address of the person that has custody of its financial
19 records IN THE REGISTRATION STATEMENT.

20 (c) The names and addresses of the officers, directors,
21 trustees, chief executive officer, and state agent of the
22 organization.

23 (d) Where and when the organization was legally established,
24 the form of its organization, and its tax exempt status.

25 (e) The purpose for which the organization is organized and
26 the purposes for which contributions to be solicited will be used.

27 (f) The fiscal year ~~date~~ of the organization.

1 (g) Whether the organization is or has ever been enjoined from
2 soliciting contributions.

3 (h) All methods by which solicitations will be made.

4 (i) Copies of contracts between ~~charitable organizations~~ **THE**
5 **ORGANIZATION** and **ANY** professional fund raisers relating to
6 financial compensation or profit to be derived by the professional
7 fund raisers. If a contract described in this subdivision is
8 executed after filing of the ~~application~~ **REGISTRATION STATEMENT**,
9 the organization shall file a copy of the contract with the
10 attorney general within 10 days ~~of~~ **AFTER** the date of execution.

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

12 **(J)** ~~(3)~~ If a **THE** charitable organization received
13 contributions in its immediately preceding tax year, as reported on
14 the charitable organization's internal revenue service form 990,
15 990-EZ, 990-PF, or other 990-series return, in the amount of
16 \$500,000.00 or more, ~~the charitable organization shall include~~
17 financial statements ~~with its application for license under this~~
18 ~~section,~~ prepared according to generally accepted accounting
19 principles and audited by an independent certified public
20 accountant. If a **THE** charitable organization received contributions
21 in its immediately preceding tax year, as reported on the
22 charitable organization's internal revenue service form 990, 990-
23 EZ, 990-PF, or other 990-series return, in the amount of
24 \$250,000.00 or more, but less than \$500,000.00, the charitable
25 organization shall include financial statements ~~with its~~
26 ~~application for license under this section~~ that are either reviewed
27 or audited by an independent certified public accountant. The

1 attorney general may waive this requirement 1 time for a charitable
2 organization.

3 **(K) THE CHARITABLE ORGANIZATION'S INTERNAL REVENUE SERVICE**
4 **FORM 990, 990-EZ, 990-PF, OR OTHER 990-SERIES RETURN FOR THE**
5 **PRECEDING TAX YEAR.**

6 **(I) ANY OTHER INFORMATION THE ATTORNEY GENERAL REQUIRES BY**
7 **RULE.**

8 **(3) ~~(4)~~**—Both of the following apply for purposes of subsection
9 **~~(3)~~ (2) (J) :**

10 (a) For ~~license applications~~ **REGISTRATION STATEMENTS** submitted
11 under this section on or after January 1, 2015 and before January
12 1, 2020, the dollar amounts of contributions in subsection ~~(3)~~
13 **(2) (J)** at which reviewed financial statements and at which audited
14 financial statements are required with the ~~application~~ **REGISTRATION**
15 **STATEMENT** are increased by \$25,000.00. Those dollar amounts are
16 increased by an additional \$25,000.00 for every subsequent 5-year
17 period, beginning on January 1, 2020.

18 (b) "Contributions" means all contributions and support
19 reported on a charitable organization's form 990, 990-EZ, 990-PF,
20 or other 990-series return. The term includes special fund-raising
21 event receipts, net of direct expenses, but does not include
22 contributions or grants received from governmental agencies.

23 **(4) THE ATTORNEY GENERAL MAY SUSPEND A CHARITABLE**
24 **ORGANIZATION'S OBLIGATION TO PROVIDE ANY OF THE FOLLOWING WITH ITS**
25 **REGISTRATION STATEMENT SUBMITTED UNDER SUBSECTION (2) FOR A**
26 **REASONABLE, SPECIFICALLY DESIGNATED TIME IF THE ATTORNEY GENERAL**
27 **RECEIVES A WRITTEN REQUEST TO SUSPEND THAT OBLIGATION AND THE**

1 ATTORNEY GENERAL DETERMINES, AND NOTIFIES THE CHARITABLE
 2 ORGANIZATION IN WRITING, THAT THE INTEREST OF THE PUBLIC WILL NOT
 3 BE PREJUDICED BY SUSPENDING THAT OBLIGATION:

4 (A) FINANCIAL STATEMENTS UNDER SUBSECTION (2) (J) .

5 (B) A TAX RETURN UNDER SUBSECTION (2) (K) .

6 (C) ANY OTHER INFORMATION THE ORGANIZATION IS OBLIGATED TO
 7 PROVIDE PURSUANT TO ANY RULE PROMULGATED UNDER SUBSECTION (2) (I) .

8 Sec. 5. (1) ~~An application~~ **THE ATTORNEY GENERAL SHALL EXAMINE**
 9 **THE REGISTRATION STATEMENT OF A CHARITABLE ORGANIZATION THAT IS**
 10 **SUBMITTED** in proper form and **IS** supported by material information
 11 required ~~shall be examined by the attorney general~~ **UNDER THIS ACT.**
 12 If the ~~application~~ **REGISTRATION STATEMENT** and supporting material
 13 **INFORMATION** conforms to the requirements of this act and ~~the~~ **ANY**
 14 rules **PROMULGATED UNDER THIS ACT**, the attorney general shall ~~issue~~
 15 ~~a license to the charitable organization within 30 days, except~~
 16 ~~where~~ **REGISTER THE CHARITABLE ORGANIZATION, UNLESS** the organization
 17 has materially misrepresented or omitted information required or
 18 the organization has acted or is acting in violation of this act or
 19 rules promulgated hereunder. **IF REGISTERED, THE EFFECTIVE DATE OF**
 20 **THE REGISTRATION IS THE DATE THE REGISTRATION STATEMENT WAS**
 21 **RECEIVED BY THE ATTORNEY GENERAL.**

22 (2) ~~The license~~ **REGISTRATION OF A CHARITABLE ORGANIZATION**
 23 shall be without charge and ~~issued~~ to the charitable organization ~~7~~
 24 **OR** its agents and representatives ~~for~~ **IF** the purpose of
 25 **REGISTRATION IS** soliciting and receiving contributions and
 26 donations or ~~to sell~~ **SELLING** memberships or otherwise ~~raise moneys~~
 27 **RAISING MONEY** from the public for the specified charitable purpose.

1 ~~—— (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 attorney~~
 4 ~~general for violation of this act or rules promulgated hereunder,~~
 5 ~~after reasonable notice and opportunity to be heard. The attorney~~
 6 ~~general may suspend on an emergency basis, without hearing, any~~
 7 ~~license issued to a professional fund raiser, professional~~
 8 ~~solicitor, or a charitable organization when the attorney general~~
 9 ~~specifies in the notice of emergency suspension the reasons and~~
 10 ~~grounds indicating a violation of this act or any rule which~~
 11 ~~constitutes the emergency. The notice shall set forth that within~~
 12 ~~48 hours, at a designated time and place, a hearing shall be held~~
 13 ~~on whether the license should be permanently suspended or revoked.~~
 14 ~~The professional fund raiser, professional solicitor, or charitable~~
 15 ~~organization may show compliance with the requirements of this act~~
 16 ~~or the rules and shall have the burden of adducing the evidence.~~

17 Sec. 7. The ~~license~~**REGISTRATION** of a charitable organization
 18 shall expire 1 year **AND 7 MONTHS** after the **END** date of issuance~~THE~~
 19 **FINANCIAL STATEMENT PROVIDED UNDER SECTION 3(2)**. ~~A~~**TO RENEW A**
 20 **REGISTRATION**, A charitable organization desiring renewal of a
 21 license shall file with the attorney general a renewal application
 22 **REGISTRATION STATEMENT** and supporting information on or before 30
 23 days ~~prior to~~**BEFORE** the expiration date **OF THE CURRENT**
 24 **REGISTRATION**.

25 Sec. 11. (1) An application for a license shall not be
 26 accepted~~THE ATTORNEY GENERAL SHALL NOT ACCEPT A REGISTRATION~~
 27 **STATEMENT** from a charitable organization located in another state

1 or country unless it first designates a resident agent in this
 2 state for the acceptance of process issued by any court.

3 (2) A charitable organization, ~~person,~~ professional fund
 4 raiser, ~~or~~ professional solicitor, **OR OTHER PERSON** soliciting
 5 contributions in this state but not ~~maintaining~~ **HAVING** an office
 6 ~~within the~~ **IN THIS** state ~~shall be~~ **IS** subject to service of process
 7 as follows:

8 (a) By service on its registered agent ~~within the~~ **IN THIS**
 9 state, or if there is no registered agent **IN THIS STATE**, then ~~upon~~
 10 **ON** the person ~~who has been~~ designated in the application
 11 **REGISTRATION** statement, **LICENSE APPLICATION, OR REGISTRATION**
 12 **APPLICATION** as having custody of **ITS** books and records within this
 13 state. ~~When service is effected upon the~~ **IF A** person designated in
 14 ~~the~~ **A** registration statement, **LICENSE APPLICATION, OR REGISTRATION**
 15 **APPLICATION IS SERVED UNDER THIS SUBDIVISION**, a copy of the process
 16 shall be mailed to the charitable organization at its last known
 17 address.

18 (b) ~~When a charitable organization~~ **BY SERVICE MADE AS**
 19 **OTHERWISE PROVIDED BY LAW OR COURT RULES IF ANY OF THE FOLLOWING**
 20 **APPLY:**

21 (i) **IF THE PERSON** has solicited contributions in this state,
 22 but **IN THIS STATE** does not maintain an office, ~~within the state,~~
 23 ~~have~~ **HAS** a registered agent, ~~within this state and have~~ **HAS** a
 24 designated person ~~having~~ **THAT HAS** custody of its books and records.
 25 ~~within the state, or when~~

26 (ii) **IF** a registered agent or person ~~having~~ **THAT HAS** custody of
 27 ~~its~~ **THE PERSON'S** books and records ~~within the~~ **IN THIS** state cannot

1 be found, as shown by the return of the sheriff of the county in
 2 which the registered agent or person ~~having~~ **THAT HAS** custody of
 3 books and records has been represented by the charitable
 4 organization as maintaining an office. ~~, service may be made as~~
 5 ~~otherwise provided by law or court rules.~~

6 (3) Solicitation of a contribution ~~within~~ **IN** this state, by
 7 any means, is **CONSIDERED** the agreement of the charitable
 8 organization, ~~person,~~ professional fund raiser, ~~or~~ professional
 9 solicitor, **OR OTHER PERSON** that any process against ~~it or him~~ which
 10 **THAT PERSON THAT** is served in accordance with this section is of
 11 the same legal force and effect as if served personally.

12 Sec. 13. ~~The licensing and financial statement~~ **A CHARITABLE**
 13 **ORGANIZATION'S REGISTRATION AND REPORTING** requirements ~~of~~ **UNDER**
 14 this act do not apply to any of the following:

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

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

1 financial statement of its activities for ~~the~~ **ITS** most recent
2 fiscal year. If the gross contributions received during any 12-
3 month period exceed ~~\$8,000.00~~ **\$25,000.00**, the person shall file ~~an~~
4 ~~application for license with required supporting information as~~
5 ~~provided in section 3~~ **REGISTER UNDER THIS ACT** within 30 days after
6 the date it ~~has received~~ **ITS** total contributions in excess of
7 ~~\$8,000.00~~ **THAT FISCAL YEAR EXCEED \$25,000.00.**

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

16 (d) An educational institution certified by the state board of
17 education.

18 (e) A veterans' organization incorporated under federal law.

19 (f) An organization that receives funds from a charitable
20 organization ~~licensed~~ **REGISTERED** under this act that does not
21 solicit or intend to solicit or receive or intend to receive
22 contributions from persons other than ~~a~~ **THE REGISTERED** charitable
23 organization, if the organization makes available to its members
24 and the public a financial statement of its activities for ~~the~~ **ITS**
25 most recent fiscal year.

26 (g) A licensed hospital, hospital-based foundation, ~~and~~ **OR**
27 hospital auxiliary that ~~solicit~~ **SOLICITS** funds solely for 1 or more

1 licensed hospitals.

2 (h) A nonprofit service organization that is exempt from
 3 taxation ~~pursuant to~~**UNDER** a provision of the United States
 4 internal revenue code other than section 501(c)(3), **26 USC**
 5 **501(C)(3)**, whose principal purpose is not charitable, but **THAT**
 6 solicits from time to time funds for a charitable purpose by
 7 members of the organization ~~who~~**THAT** are not paid for the
 8 solicitation. ~~The funds shall~~**FUNDS SOLICITED UNDER THIS**
 9 **SUBDIVISION SHALL** be wholly used for the charitable purposes for
 10 which they were solicited, and the organization ~~shall~~**MUST** file
 11 with the attorney general a federal form 990 or ~~990-AR~~**990-EZ**.

12 (i) A nonprofit corporation, ~~whose~~**IF ITS** stock is wholly
 13 owned by a religious or fraternal society that owns and operates
 14 facilities for the aged and chronically ill ~~in which~~**AND** no part of
 15 ~~the~~**ITS** net income from the operation of the ~~corporation~~**FACILITY**
 16 inures to the benefit of a person other than the residents.

17 (j) ~~Charitable organizations~~**A CHARITABLE ORGANIZATION**
 18 licensed by the department of ~~social~~**HUMAN** services that ~~serve~~
 19 **SERVES** children and families.

20 (k) A person registered under and complying with the
 21 requirements of the public safety solicitation act, **1992 PA 298,**
 22 **MCL 14.301 TO 14.327.**

23 Sec. 16. The attorney general may ~~continue under~~**IMPOSE**
 24 conditions **ON** the license of an organization, professional fund
 25 raiser, or professional solicitor which **REGISTRATION OF A**
 26 **CHARITABLE ORGANIZATION THAT** fails to comply with this act
 27 ~~including failure to comply with the rules regarding prohibited~~

1 ~~transactions, standards of solicitation, conduct, or administration~~
2 OR RULES PROMULGATED UNDER THIS ACT.

3 SEC. 17A. (1) AFTER NOTICE AND AN OPPORTUNITY TO BE HEARD, THE
4 ATTORNEY GENERAL MAY SUSPEND OR REVOKE THE LICENSE OF A
5 PROFESSIONAL FUND RAISER OR THE REGISTRATION OF A CHARITABLE
6 ORGANIZATION OR PROFESSIONAL SOLICITOR THAT HAS VIOLATED OR IS
7 VIOLATING THIS ACT OR RULES PROMULGATED UNDER THIS ACT.

8 (2) THE ATTORNEY GENERAL MAY SUSPEND THE LICENSE OF A
9 PROFESSIONAL FUND RAISER OR THE REGISTRATION OF A CHARITABLE
10 ORGANIZATION OR PROFESSIONAL SOLICITOR, ON AN EMERGENCY BASIS
11 WITHOUT A HEARING, IF THE ATTORNEY GENERAL ISSUES A NOTICE OF
12 EMERGENCY SUSPENSION CONTAINING BOTH OF THE FOLLOWING:

13 (A) A DESCRIPTION OF THE CONDUCT IN VIOLATION OF THIS ACT OR A
14 RULE PROMULGATED UNDER THIS ACT THAT CONSTITUTES THE EMERGENCY.

15 (B) A STATEMENT THAT THE PROFESSIONAL FUND RAISER, CHARITABLE
16 ORGANIZATION, OR PROFESSIONAL SOLICITOR HAS AN OPPORTUNITY FOR A
17 HEARING AT A DESIGNATED TIME, DATE, AND PLACE, WITHIN 48 HOURS
18 AFTER THE NOTICE OF EMERGENCY SUSPENSION IS ISSUED, OR AT A LATER
19 TIME AGREED TO IN WRITING BY THE ATTORNEY GENERAL AND THE
20 PROFESSIONAL FUND RAISER, CHARITABLE ORGANIZATION, OR PROFESSIONAL
21 SOLICITOR, ON WHETHER THE LICENSE OR REGISTRATION SHOULD BE
22 PERMANENTLY SUSPENDED OR REVOKED. AT A HEARING HELD UNDER THIS
23 SUBDIVISION, THE PROFESSIONAL FUND RAISER, CHARITABLE ORGANIZATION,
24 OR PROFESSIONAL SOLICITOR SHALL HAVE A REASONABLE OPPORTUNITY TO
25 SHOW ITS COMPLIANCE WITH THIS ACT OR THE RULES PROMULGATED UNDER
26 THIS ACT AND HAS THE BURDEN OF PROOF OF ESTABLISHING THAT
27 COMPLIANCE.

1 (3) IN ADDITION TO HIS OR HER AUTHORITY TO SUSPEND OR REVOKE A
2 LICENSE OR REGISTRATION UNDER THIS SECTION, THE ATTORNEY GENERAL
3 MAY IMPOSE CONDITIONS ON THE LICENSE OF A PROFESSIONAL FUND RAISER
4 OR THE REGISTRATION OF A CHARITABLE ORGANIZATION OR PROFESSIONAL
5 SOLICITOR THAT FAILS TO COMPLY WITH THIS ACT OR RULES PROMULGATED
6 UNDER THIS ACT.

7 Sec. 18. (1) ~~A person shall not use for the purpose of~~
8 ~~soliciting contributions the name of another person, except that of~~
9 ~~an officer, director, or trustee of the charitable organization by~~
10 ~~or for which contributions are solicited, without the consent of~~
11 ~~such other person.~~ A PERSON SUBJECT TO THIS ACT, OR AN EMPLOYEE OR
12 AGENT OF A PERSON SUBJECT TO THIS ACT, SHALL NOT DO ANY OF THE
13 FOLLOWING:

14 (A) ENGAGE IN A METHOD, ACT, OR PRACTICE IN VIOLATION OF THIS
15 ACT OR A RULE PROMULGATED UNDER THIS ACT; ANY RESTRICTION,
16 CONDITION, OR LIMITATION PLACED ON A REGISTRATION OR LICENSE; OR
17 ANY ORDER ISSUED UNDER THIS ACT.

18 (B) REPRESENT OR IMPLY THAT A PERSON SOLICITING CONTRIBUTIONS
19 OR OTHER FUNDS FOR A CHARITABLE ORGANIZATION HAS A SPONSORSHIP,
20 APPROVAL, STATUS, AFFILIATION, OR OTHER CONNECTION WITH A
21 CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE THAT THE PERSON DOES
22 NOT HAVE.

23 (C) REPRESENT OR IMPLY THAT A CONTRIBUTION IS FOR OR ON BEHALF
24 OF A CHARITABLE ORGANIZATION, OR USING AN EMBLEM, DEVICE, OR
25 PRINTED MATERIAL BELONGING TO OR ASSOCIATED WITH A CHARITABLE
26 ORGANIZATION, WITHOUT FIRST OBTAINING WRITTEN AUTHORIZATION FROM
27 THAT CHARITABLE ORGANIZATION.

1 (D) USE A NAME, SYMBOL, OR STATEMENT SO CLOSELY RELATED OR
2 SIMILAR TO A NAME, SYMBOL, OR STATEMENT USED BY ANOTHER CHARITABLE
3 ORGANIZATION OR GOVERNMENTAL AGENCY THAT USE OF THAT NAME, SYMBOL,
4 OR STATEMENT WOULD TEND TO CONFUSE OR MISLEAD A SOLICITED PERSON.

5 (E) USE A FICTITIOUS OR FALSE NAME, ADDRESS, OR TELEPHONE
6 NUMBER IN ANY SOLICITATION.

7 (F) MAKE A MISREPRESENTATION TO A PERSON BY ANY MANNER THAT
8 WOULD LEAD THAT PERSON TO BELIEVE THAT ANOTHER PERSON, ON WHOSE
9 BEHALF A SOLICITATION EFFORT IS CONDUCTED, IS A CHARITABLE
10 ORGANIZATION OR THAT ALL OR ANY PART OF THE PROCEEDS OF A
11 SOLICITATION EFFORT ARE FOR CHARITABLE PURPOSES.

12 (G) MAKE A MISREPRESENTATION TO A PERSON BY ANY MANNER THAT
13 WOULD LEAD THAT PERSON TO BELIEVE THAT ANOTHER PERSON SPONSORS,
14 ENDORSES, OR APPROVES A SOLICITATION EFFORT IF THAT OTHER PERSON
15 HAS NOT GIVEN WRITTEN CONSENT TO THE USE OF HIS OR HER NAME FOR
16 THAT PURPOSE.

17 (H) MAKE A MISREPRESENTATION TO A PERSON BY ANY MANNER THAT
18 WOULD LEAD THAT PERSON TO BELIEVE THAT REGISTRATION OR LICENSURE
19 UNDER THIS ACT CONSTITUTES ENDORSEMENT OR APPROVAL BY A DEPARTMENT
20 OR AGENCY OF ANY STATE OR THE FEDERAL GOVERNMENT.

21 (I) REPRESENT OR IMPLY THAT THE AMOUNT OR PERCENTAGE OF A
22 CONTRIBUTION THAT A CHARITABLE ORGANIZATION WILL RECEIVE FOR A
23 CHARITABLE PROGRAM AFTER COSTS OF SOLICITATION ARE PAID IS GREATER
24 THAN THE AMOUNT OR PERCENTAGE OF A CONTRIBUTION THE CHARITABLE
25 ORGANIZATION WILL ACTUALLY RECEIVE.

26 (J) DIVERT OR MISDIRECT CONTRIBUTIONS TO A PURPOSE OR
27 ORGANIZATION OTHER THAN THAT FOR WHICH THE FUNDS WERE CONTRIBUTED

1 OR SOLICITED.

2 (K) FALSELY REPRESENT OR IMPLY THAT A DONOR WILL RECEIVE
3 SPECIAL BENEFITS OR TREATMENT OR THAT FAILURE TO MAKE A
4 CONTRIBUTION WILL RESULT IN UNFAVORABLE TREATMENT.

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

9 (M) FALSELY REPRESENT OR IMPLY THAT A PERSON BEING SOLICITED,
10 OR A FAMILY MEMBER OR ASSOCIATE OF A PERSON BEING SOLICITED, HAS
11 PREVIOUSLY MADE OR AGREED TO MAKE A CONTRIBUTION.

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

15 (O) REPRESENT THAT FUNDS SOLICITED WILL BE USED FOR A
16 PARTICULAR CHARITABLE PURPOSE IF THOSE FUNDS ARE NOT USED FOR THE
17 REPRESENTED PURPOSE.

18 (P) SOLICIT CONTRIBUTIONS, CONDUCT A CHARITABLE SALES
19 PROMOTION, OR OTHERWISE OPERATE IN THIS STATE AS A CHARITABLE
20 ORGANIZATION PROFESSIONAL FUND RAISER, OR PROFESSIONAL SOLICITOR,
21 EXCEPT IN COMPLIANCE WITH THIS ACT.

22 (Q) AID, ABET, OR OTHERWISE PERMIT A PERSON TO SOLICIT
23 CONTRIBUTIONS OR CONDUCT A CHARITABLE SALES PROMOTION IN THIS STATE
24 UNLESS THE PERSON SOLICITING CONTRIBUTIONS OR CONDUCTING THE
25 CHARITABLE SALES PROMOTION COMPLIES WITH THIS ACT.

26 (R) FAIL TO FILE ANY INFORMATION OR REPORTS REQUIRED UNDER
27 THIS ACT.

1 (S) FAIL TO COMPLY WITH A PERSON'S REQUEST TO REMOVE, OR NOT
2 TO SHARE, THE PERSON'S PERSONAL INFORMATION, INCLUDING, BUT NOT
3 LIMITED TO, THE PERSON'S NAME, ADDRESS, TELEPHONE NUMBER, OR
4 FINANCIAL ACCOUNT INFORMATION, FROM ANY LIST UTILIZED BY A
5 CHARITABLE ORGANIZATION OR PROFESSIONAL FUND RAISER FOR
6 SOLICITATION PURPOSES; OR SELLING, LEASING, LICENSING, SHARING, OR
7 OTHERWISE ALLOWING ANY THIRD-PARTY ACCESS TO ANY OF THE PERSON'S
8 PERSONAL INFORMATION, EXCEPT AS SPECIFICALLY REQUIRED BY LAW OR
9 COURT ORDER.

10 (T) SOLICIT OR RECEIVE A CONTRIBUTION OR CONDUCT A CHARITABLE
11 SALES PROMOTION FOR, OR SELL MEMBERSHIPS IN, A CHARITABLE
12 ORGANIZATION SUBJECT TO THIS ACT IF THAT CHARITABLE ORGANIZATION IS
13 NOT REGISTERED UNDER THIS ACT.

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

15 (i) A DOCUMENT OR STATEMENT THAT PURPORTS TO BE SIGNED,
16 CERTIFIED, ATTESTED TO, APPROVED BY, OR ENDORSED BY A PERSON IF
17 THAT SIGNATURE, CERTIFICATION, ATTESTATION, APPROVAL, OR
18 ENDORSEMENT IS NOT GENUINE OR WAS NOT GIVEN BY THAT PERSON.

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

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

23 (W) FOR A CHARITABLE ORGANIZATION, FAIL TO VERIFY THAT ALL
24 PROFESSIONAL FUND RAISERS WITH WHICH THE ORGANIZATION HAS
25 CONTRACTED FOR FUND-RAISING SERVICES ARE CURRENTLY LICENSED UNDER
26 THIS ACT.

27 (X) FOR A PROFESSIONAL FUND RAISER, FAIL TO PROVIDE

1 VERIFICATION OF CURRENT LICENSING STATUS AND INFORM ANY CHARITABLE
2 ORGANIZATION WITH WHICH IT HAS CONTRACTED FOR FUND-RAISING SERVICES
3 OF ANY CHANGES AFFECTING ITS LICENSING OR BONDING, IN WRITING,
4 WITHIN 14 DAYS OF THE CHANGE.

5 (Y) FOR A CHARITABLE ORGANIZATION, SUBMIT FINANCIAL
6 STATEMENTS, INCLUDING IRS FORM 990, 990-EZ, 990-PF, OR OTHER 990
7 SERIES INTERNAL REVENUE SERVICE RETURN, OR ANY OTHER FINANCIAL
8 REPORT REQUIRED UNDER THIS ACT, THAT CONTAIN ANY MISREPRESENTATION
9 WITH RESPECT TO THE ORGANIZATION'S ACTIVITIES, OPERATIONS, OR USE
10 OF CHARITABLE ASSETS.

11 (Z) WEAR A LAW ENFORCEMENT OR PUBLIC SAFETY UNIFORM OR
12 CLOTHING SIMILAR TO A LAW ENFORCEMENT OR PUBLIC SAFETY UNIFORM WHEN
13 MAKING A FACE-TO-FACE SOLICITATION OR COLLECTION OF CONTRIBUTIONS.

14 ~~—— (2) A person has used the name of another person for the~~
15 ~~purpose of soliciting contributions if the latter person's name is~~
16 ~~listed on stationery, an advertisement, brochure, or in~~
17 ~~correspondence by which a contribution is solicited by or on behalf~~
18 ~~of a charitable organization or the name is listed or referred to~~
19 ~~in connection with a request for a contribution as one who has~~
20 ~~contributed to, sponsored, or indorsed the organization or its~~
21 ~~activities.~~

22 (2) ~~(3)~~ This section does not prevent the publication of names
23 of contributors without their written consent in an annual or other
24 periodic report issued by a charitable organization for the purpose
25 of reporting on its operations and affairs to its membership or for
26 the purpose of reporting contributions to contributors.

27 ~~—— (4) A charitable organization or professional fund raiser~~

1 ~~soliciting contributions shall not use a name, symbol, or statement~~
 2 ~~so closely related or similar to that used by another charitable~~
 3 ~~organization or governmental agency that would tend to confuse or~~
 4 ~~mislead the public.~~

5 (3) ~~(5)~~ A charitable organization, whether **OR NOT** exempt ~~or~~
 6 ~~not~~ from this act, shall supply to each solicitor and each
 7 solicitor shall have in **HIS OR HER** immediate possession
 8 identification ~~which~~ **THAT** sets forth the name of the solicitor and
 9 the name of the charitable organization on whose behalf the
 10 solicitation is conducted.

11 Sec. 20. (1) ~~The attorney general may institute~~ **IN ADDITION TO**
 12 **ANY OTHER ACTION AUTHORIZED BY LAW, THE ATTORNEY GENERAL MAY BRING**
 13 ~~an action in any circuit court to enjoin preliminarily or~~
 14 ~~permanently a charitable organization, professional fund raiser,~~
 15 ~~solicitor, or other person who: (a) Engages in a method, act, or~~
 16 ~~practice in violation of this act or any of the rules promulgated~~
 17 ~~hereunder. (b) Employs or uses in a solicitation or collection of~~
 18 ~~contributions for a charitable organization on behalf of any other~~
 19 ~~person for a charitable purpose a device, scheme, or artifice to~~
 20 ~~defraud, or for obtaining money or property by means of any false~~
 21 ~~pretense, deception, representation, or promise.~~ **AN ACT OR PRACTICE**
 22 **PROHIBITED UNDER THIS ACT. AFTER FINDING THAT A PERSON HAS ENGAGED**
 23 **IN OR IS ENGAGING IN A PROHIBITED ACT OR PRACTICE, A COURT MAY**
 24 **ENTER ANY APPROPRIATE ORDER OR JUDGMENT, INCLUDING, BUT NOT LIMITED**
 25 **TO, AN INJUNCTION, AN ORDER OF RESTITUTION, OR AN AWARD OF**
 26 **REASONABLE ATTORNEY FEES AND COSTS. A COURT MAY AWARD TO THIS STATE**
 27 **A CIVIL FINE OF NOT MORE THAN \$10,000.00 FOR EACH VIOLATION OF THIS**

1 ACT AGAINST A PERSON THAT IS SUBJECT TO THIS ACT; AGAINST AN
2 OFFICER, DIRECTOR, SHAREHOLDER, OR CONTROLLING MEMBER OF A PERSON
3 SUBJECT TO THIS ACT; AGAINST ANY OTHER PERSON THAT DIRECTLY ENGAGED
4 IN, AUTHORIZED, OR WAS OTHERWISE LEGALLY RESPONSIBLE FOR THE
5 PROHIBITED ACT OR PRACTICE; OR AGAINST ANY COMBINATION OF THOSE
6 PERSONS. A COURT MAY ORDER AN INJUNCTION UNDER THIS SUBSECTION IF
7 IT FINDS THAT A VIOLATION OF THIS ACT HAS OCCURRED, OR FINDS THAT
8 AN INJUNCTION WOULD PROMOTE THE PUBLIC INTEREST, WITHOUT A FINDING
9 OF IRREPARABLE HARM.

10 ~~(2) In addition to any relief afforded under this section, the~~
11 ~~attorney general may exercise the authority to suspend or revoke a~~
12 ~~license issued pursuant to this act.~~ IN ADDITION TO ANY OTHER
13 REMEDY, A PERSON THAT VIOLATES AN INJUNCTION OR OTHER ORDER ENTERED
14 UNDER SUBSECTION (1) SHALL PAY TO THIS STATE A CIVIL FINE OF NOT
15 MORE THAN \$10,000.00 FOR EACH VIOLATION, WHICH MAY BE RECOVERED IN
16 A CIVIL ACTION BROUGHT BY THE ATTORNEY GENERAL.

17 (3) The attorney general may exercise the authority granted in
18 this section against a charitable organization or person ~~which or~~
19 ~~who~~ THAT operates under the guise or pretense of being an A
20 CHARITABLE organization or OTHER person ~~exempted by~~ THAT IS EXEMPT
21 FROM this act and is not in fact an A CHARITABLE organization or
22 person entitled to ~~such an~~ THAT exemption.

23 (4) IN ADDITION TO ANY OTHER ACTION AUTHORIZED BY LAW, THE
24 ATTORNEY GENERAL MAY ISSUE A CEASE AND DESIST ORDER, ISSUE A NOTICE
25 OF INTENDED ACTION, OR TAKE OTHER ACTION IN THE PUBLIC INTEREST.
26 THE ATTORNEY GENERAL MAY ACCEPT AN ASSURANCE OF DISCONTINUANCE OF
27 ANY METHOD, ACT, OR PRACTICE THAT VIOLATES THIS ACT FROM ANY PERSON

1 ALLEGED TO BE ENGAGED IN OR TO HAVE BEEN ENGAGED IN THAT METHOD,
2 ACT, OR PRACTICE. AN ASSURANCE OF DISCONTINUANCE MAY INCLUDE A
3 STIPULATION FOR THE VOLUNTARY PAYMENT OF THE COSTS OF
4 INVESTIGATION, FOR AN AMOUNT TO BE HELD IN ESCROW PENDING THE
5 OUTCOME OF AN ACTION OR AS RESTITUTION TO AN AGGRIEVED PERSON, OR
6 FOR THE VOLUNTARY PAYMENT TO ANOTHER PERSON IF IN THE PUBLIC
7 INTEREST. AN ASSURANCE OF DISCONTINUANCE SHALL BE IN WRITING AND
8 SHALL BE FILED WITH THE CIRCUIT COURT FOR INGHAM COUNTY. AN ACTION
9 RESOLVED BY AN ASSURANCE OF DISCONTINUANCE MAY BE REOPENED BY THE
10 ATTORNEY GENERAL AT ANY TIME FOR ENFORCEMENT BY A COURT OR FOR
11 FURTHER PROCEEDINGS IN THE PUBLIC INTEREST. EVIDENCE OF A VIOLATION
12 OF AN ASSURANCE OF DISCONTINUANCE IS PRIMA FACIE EVIDENCE OF A
13 VIOLATION OF THIS ACT IN ANY SUBSEQUENT PROCEEDING BROUGHT BY THE
14 ATTORNEY GENERAL.

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

1 TO THIS ACT. THE ATTORNEY GENERAL MAY REQUIRE A PERSON OR AN
2 OFFICER, MEMBER, EMPLOYEE, OR AGENT OF A PERSON TO APPEAR AT A TIME
3 AND PLACE SPECIFIED BY THE ATTORNEY GENERAL TO GIVE INFORMATION
4 UNDER OATH AND TO PRODUCE BOOKS, MEMORANDA, PAPERS, RECORDS,
5 DOCUMENTS, OR OTHER RELEVANT EVIDENCE IN THE POSSESSION OF THE
6 PERSON ORDERED TO APPEAR.

7 (2) When **REQUIRING THE ATTENDANCE OF A PERSON OR THE**
8 **PRODUCTION OF DOCUMENTS UNDER SUBSECTION (1)**, the attorney general
9 ~~requires the attendance of a person, he shall~~ issue an order
10 setting forth the time when and the place where attendance **OR**
11 **PRODUCTION** is required and shall ~~cause the same to be served~~ **SERVE**
12 **THE ORDER** upon the person in the manner provided for service of
13 process in civil cases at least 5 days before the date fixed for
14 attendance **OR PRODUCTION**. The order shall have the same force and
15 effect as a subpoena and, upon application of the attorney general,
16 ~~obedience to the order may be enforced by a court having~~
17 jurisdiction over the person ~~, OR~~ the circuit court for the county
18 of Ingham ~~, or for the county where the person receiving it~~ **THE**
19 **ORDER** resides or is found, in the same manner as though the notice
20 were a subpoena. ~~In case of contumacy~~ **IF A PERSON FAILS** or refusal
21 **REFUSES** to obey the order issued by the attorney general, the court
22 may issue an order requiring the person to appear before the court,
23 ~~or to produce documentary evidence, if so ordered,~~ or to give
24 ~~evidence touching~~ **TESTIMONY CONCERNING** the matter in question.
25 Failure to obey the order of the court ~~shall be punished~~ **IS**
26 **PUNISHABLE** by that court as a contempt. The investigation may be
27 ~~made~~ **CONDUCTED** by ~~or before~~ an assistant attorney general **OR OTHER**

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

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

9 ~~—— (a) Violates this act.~~

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

14 ~~—— (c) Solicits funds under a license and thereafter diverts the~~
 15 ~~same to purposes other than that for which the funds were~~
 16 ~~contributed.~~

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

21 **(B) KNOWINGLY DIVERTS OR MISDIRECTS CONTRIBUTIONS TO A PURPOSE**
 22 **OR ORGANIZATION OTHER THAN FOR WHICH THE FUNDS WERE CONTRIBUTED OR**
 23 **SOLICITED.**

24 **(C) KNOWINGLY MISREPRESENTS THAT FUNDS SOLICITED OR**
 25 **CONTRIBUTED WILL BE USED FOR A SPECIFIC CHARITABLE PURPOSE.**

26 **(D) KNOWINGLY MISREPRESENTS THAT A DONOR WILL RECEIVE SPECIAL**
 27 **BENEFITS OR TREATMENT OR THAT FAILURE TO MAKE A CONTRIBUTION WILL**

1 RESULT IN UNFAVORABLE TREATMENT.

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

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

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

10 (i) KNOWINGLY MISREPRESENTS THAT A PERSON SOLICITING
11 CONTRIBUTIONS OR OTHER FUNDS FOR A CHARITABLE ORGANIZATION HAS A
12 SPONSORSHIP, APPROVAL, STATUS, AFFILIATION, OR OTHER CONNECTION
13 WITH A CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE THAT THE
14 PERSON DOES NOT HAVE.

15 (ii) KNOWINGLY USES A NAME, SYMBOL, OR STATEMENT SO CLOSELY
16 RELATED OR SIMILAR TO A NAME, SYMBOL, OR STATEMENT USED BY ANOTHER
17 CHARITABLE ORGANIZATION OR GOVERNMENTAL AGENCY THAT USE OF THAT
18 NAME, SYMBOL, OR STATEMENT IS CONFUSING OR MISLEADING.

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

21 (iv) KNOWINGLY MISREPRESENTS OR MISLEADS ANY PERSON IN ANY
22 MANNER TO BELIEVE THAT A PERSON OR GOVERNMENTAL AGENCY SPONSORS,
23 ENDORSES, OR APPROVES A SOLICITATION EFFORT IF THAT PERSON OR
24 AGENCY HAS NOT GIVEN WRITTEN CONSENT TO THE USE OF THE PERSON'S OR
25 AGENCY'S NAME FOR THAT PURPOSE.

26 (v) KNOWINGLY MISREPRESENTS THAT THE AMOUNT OR PERCENTAGE OF A
27 CONTRIBUTION THAT A CHARITABLE ORGANIZATION WILL RECEIVE FOR A

1 CHARITABLE PROGRAM AFTER COSTS OF SOLICITATION ARE PAID IS GREATER
2 THAN THE AMOUNT OR PERCENTAGE OF THE CONTRIBUTION THE CHARITABLE
3 ORGANIZATION WILL ACTUALLY RECEIVE.

4 (vi) KNOWINGLY SOLICITS CONTRIBUTIONS, CONDUCTS A CHARITABLE
5 SALES PROMOTION, OR OTHERWISE OPERATES IN THIS STATE AS A
6 CHARITABLE ORGANIZATION OR PROFESSIONAL FUND RAISER UNLESS THE
7 INFORMATION REQUIRED UNDER THIS ACT IS FILED WITH THE ATTORNEY
8 GENERAL AS REQUIRED UNDER THIS ACT.

9 (vii) AIDS, ABETS, OR OTHERWISE PERMITS A PERSON TO SOLICIT
10 CONTRIBUTIONS OR CONDUCT A CHARITABLE SALES PROMOTION IN THIS STATE
11 UNLESS THE PERSON SOLICITING CONTRIBUTIONS OR CONDUCTING THE
12 CHARITABLE SALES PROMOTION HAS COMPLIED WITH THE REQUIREMENTS OF
13 THIS ACT.

14 (viii) KNOWINGLY SOLICITS OR RECEIVES A CONTRIBUTION, CONDUCTS A
15 CHARITABLE SALES PROMOTION, OR SELLS MEMBERSHIPS IN THIS STATE FOR
16 OR ON BEHALF OF ANY CHARITABLE ORGANIZATION SUBJECT TO THE
17 PROVISIONS OF THIS ACT THAT IS NOT REGISTERED UNDER THIS ACT.

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

21 (A) ENGAGES IN ANY PRACTICE OR PRACTICES DESCRIBED IN
22 SUBSECTION (1) (A), (B), (C), (D), OR (E) IF THE AMOUNT OF MONEY
23 FRAUDULENTLY COLLECTED OR WRONGFULLY DIVERTED FROM THE CHARITABLE
24 PURPOSE FOR WHICH THE MONEY WAS SOLICITED EXCEEDS, IN THE
25 AGGREGATE, \$1,000.00.

26 (B) ENGAGES IN ANY PRACTICE OR PRACTICES DESCRIBED IN
27 SUBSECTION (1) (G) AND WRONGFULLY OBTAINS MORE THAN \$5,000.00, IN

1 THE AGGREGATE, AS A RESULT OF THE PRACTICE OR PRACTICES.

2 (C) KNOWINGLY SUBMITS ANY OF THE FOLLOWING IN MATERIALS OR
3 STATEMENTS REQUIRED UNDER THIS ACT OR REQUESTED BY THE ATTORNEY
4 GENERAL:

5 (i) ANY DOCUMENT OR STATEMENT PURPORTING TO HAVE BEEN SIGNED,
6 CERTIFIED, ATTESTED TO, APPROVED BY, OR ENDORSED BY A PERSON IF THE
7 SIGNATURE, CERTIFICATION, ATTESTATION, APPROVAL, OR ENDORSEMENT IS
8 NOT GENUINE OR HAS NOT BEEN GIVEN BY THAT PERSON.

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

10 (3) FOR PURPOSES OF THIS SECTION, A PERSON IS PRESUMED TO HAVE
11 COMMITTED A VIOLATION KNOWINGLY IF THE ATTORNEY GENERAL PROVIDED
12 WRITTEN NOTICE IDENTIFYING ALLEGED VIOLATIONS TO THE PERSON BEFORE
13 THE ACTS OR OMISSIONS IN VIOLATION OF SUBSECTION (1) OR (2)
14 OCCURRED.

15 (4) IN ADDITION TO PURSUING A CRIMINAL ACTION UNDER THIS
16 SECTION, THE ATTORNEY GENERAL MAY BRING A CIVIL ACTION FOR DAMAGES
17 OR EQUITABLE RELIEF TO ENFORCE THE PROVISIONS OF THIS ACT.

18 (5) ~~(2)~~—This section shall ~~DOES~~ not be construed to limit or
19 restrict prosecution under the general criminal statutes of the
20 THIS state.

21 SEC. 23A. (1) A PERSON THAT IS NOT A CHARITABLE ORGANIZATION,
22 A PROFESSIONAL FUND RAISER, OR A VOLUNTEER SUPERVISED BY A
23 CHARITABLE ORGANIZATION, BUT THAT SOLICITS CONTRIBUTIONS, CONDUCTS
24 A FUND-RAISING EVENT, OR CONDUCTS A CHARITABLE SALES PROMOTION FOR
25 A CHARITABLE PURPOSE IS SUBJECT TO THIS ACT.

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

1 SEC. 23B. THE PROSECUTING ATTORNEY FOR A COUNTY MAY PROSECUTE
2 A PERSON SUBJECT TO THIS ACT IN THE SAME MANNER AS THE ATTORNEY
3 GENERAL. A COUNTY PROSECUTING ATTORNEY SHALL NOTIFY THE ATTORNEY
4 GENERAL WHEN HE OR SHE BEGINS A PROSECUTION UNDER THIS SECTION AND
5 PROVIDE THE ATTORNEY GENERAL WITH A COPY OF THE FINAL JUDGMENT IN
6 THAT ACTION.

7 Enacting section 1. Sections 12 and 14 of the charitable
8 organizations and solicitations act, 1975 PA 169, MCL 400.282 and
9 400.284, are repealed.