

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  
2  
3  
4

TITLE

An act to regulate **CHARITABLE** organizations, ~~and PROFESSIONAL~~  
**FUND RAISERS AND OTHER** persons soliciting or collecting  
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) "Clothing donation box" means a receptacle in which a  
16 person may place clothing or other items of personal property he or  
17 she intends to donate to a charitable organization and that has a  
18 capacity of at least 27 cubic feet.

19           (c) "Contribution" means a promise, grant, or payment of money  
20 or property of any kind or value, including a promise to pay,  
21 except payments by members of an organization for membership fees,  
22 dues, fines, or assessments, or for services rendered to individual  
23 members, if membership in the organization confers a bona fide  
24 right, privilege, professional standing, honor, or other direct  
25 benefit, other than the right to vote, elect officers, or hold  
26 offices, and except money or property received from a governmental  
27 authority or foundation restricted as to use.

1 (d) "Person" means an individual, organization, group,  
2 association, partnership, corporation, limited liability company,  
3 trust, any other legal entity, or any combination of legal  
4 entities.

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

18 (i) The person represents or implies to any person that  
19 personal property placed in the clothing donation box or the  
20 proceeds of that property will be donated to 1 or more charitable  
21 organizations.

22 (ii) The person represents or implies to any person that he or  
23 she is using the clothing donation box to solicit contributions on  
24 behalf of 1 or more charitable organizations.

25 (iii) The clothing donation box or any sign near the clothing  
26 donation box is marked with the name, logo, trademark, or service  
27 mark of 1 or more charitable organizations or is otherwise marked

1 in any manner that represents or implies that personal property  
2 placed in the donation box or the proceeds of that property will be  
3 donated to 1 or more charitable organizations.

4 (f) "Professional solicitor" means a person who is employed or  
5 retained for compensation by a professional fund raiser to solicit  
6 contributions for charitable purposes.

7 (g) "Prohibited transaction" is any dealing, activity,  
8 conduct, administration, or management of a charitable organization  
9 or by any of its officers, trustees, personnel, or related persons  
10 that may be prohibited as constituting activity contrary to proper  
11 administration of the charitable organization or conduct of a fund  
12 raising campaign or solicitation by a professional fund raiser,  
13 professional solicitor, or solicitor.

14 (h) "Soliciting material" means printed or similar material  
15 used to solicit money from the public, including, but not limited  
16 to, any labels, posters, television scripts, radio scripts, or  
17 recordings used for that purpose.

18 (i) "Solicitor" means a person who solicits on behalf of a  
19 charitable organization.

20 Sec. 3. (1) Unless the charitable organization is ~~an exempt~~  
21 ~~organization that is exempt from licensing~~ **REGISTRATION** and  
22 reporting under section 13, a charitable organization that solicits  
23 or intends to solicit or receives or intends to receive  
24 contributions from persons by any means shall ~~file an application~~  
25 ~~for a license under this act~~ **REGISTER** with the attorney general ~~7~~  
26 ~~on forms prescribed by him or her~~ **AS PROVIDED IN THIS ACT.**

27 (2) ~~An application for a license under this act shall include~~

1 ~~the following information~~ **A CHARITABLE ORGANIZATION DESCRIBED IN**  
2 **SUBSECTION (1) SHALL REGISTER UNDER THIS ACT BY SUBMITTING A**  
3 **REGISTRATION STATEMENT IN THE FORM PRESCRIBED BY THE ATTORNEY**  
4 **GENERAL. TO REGISTER, A CHARITABLE ORGANIZATION MUST INCLUDE ALL OF**  
5 **THE FOLLOWING INFORMATION ABOUT THE CHARITABLE ORGANIZATION IN THE**  
6 **REGISTRATION FORM:**

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

9 (b) The principal address of the organization and the address  
10 of ~~any~~ **EACH** office in this state. If the organization does not  
11 maintain a principal office, the organization shall include the  
12 name and address of the person that has custody of its financial  
13 records **IN THE REGISTRATION STATEMENT.**

14 (c) The names and addresses of the officers, directors,  
15 trustees, chief executive officer, and state agent of the  
16 organization.

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

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

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

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

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

25 (i) Copies of contracts between ~~charitable organizations~~ **THE**  
26 **ORGANIZATION** and **ANY** professional fund raisers relating to  
27 financial compensation or profit to be derived by the professional

1 fund raisers. If a contract described in this subdivision is  
2 executed after filing of the ~~application~~ **REGISTRATION STATEMENT**,  
3 the organization shall file a copy of the contract with the  
4 attorney general within 10 days ~~of~~ **AFTER** the date of execution.

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

6 **(J)** ~~(3)~~ If a **THE** charitable organization received  
7 contributions in its immediately preceding tax year, as reported on  
8 the charitable organization's internal revenue service form 990,  
9 990-EZ, 990-PF, or other 990-series return, in the amount of  
10 \$500,000.00 or more, ~~the charitable organization shall include~~  
11 ~~financial statements with its application for license under this~~  
12 ~~section,~~ prepared according to generally accepted accounting  
13 principles and audited by an independent certified public  
14 accountant. If a **THE** charitable organization received contributions  
15 in its immediately preceding tax year, as reported on the  
16 charitable organization's internal revenue service form 990, 990-  
17 EZ, 990-PF, or other 990-series return, in the amount of  
18 \$250,000.00 or more, but less than \$500,000.00, the charitable  
19 organization shall include financial statements ~~with its~~  
20 ~~application for license under this section~~ that are either reviewed  
21 or audited by an independent certified public accountant. The  
22 attorney general may waive this requirement 1 time for a charitable  
23 organization.

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

27 **(I) ANY OTHER INFORMATION THE ATTORNEY GENERAL REQUIRES BY**

1 **RULE.**

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

4 (a) For ~~license applications~~ **REGISTRATION STATEMENTS** submitted  
 5 under this section on or after January 1, 2015 and before January  
 6 1, 2020, the dollar amounts of contributions in subsection ~~(3)~~  
 7 **(2) (J)** at which reviewed financial statements and at which audited  
 8 financial statements are required with the ~~application~~ **REGISTRATION**  
 9 **STATEMENT** are increased by \$25,000.00. Those dollar amounts are  
 10 increased by an additional \$25,000.00 for every subsequent 5-year  
 11 period, beginning on January 1, 2020.

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

17 Sec. 5. (1) ~~An application~~ **THE ATTORNEY GENERAL SHALL EXAMINE**  
 18 **THE REGISTRATION STATEMENT OF A CHARITABLE ORGANIZATION THAT IS**  
 19 **SUBMITTED** in proper form and **IS** supported by material information  
 20 required ~~shall be examined by the attorney general~~ **UNDER THIS ACT.**  
 21 If the ~~application~~ **REGISTRATION STATEMENT** and supporting material  
 22 **INFORMATION** conforms to the requirements of this act and ~~the~~ **ANY**  
 23 rules **PROMULGATED UNDER THIS ACT**, the attorney general shall ~~issue~~  
 24 ~~a license to the charitable organization within 30 days, except~~  
 25 ~~where~~ **REGISTER THE CHARITABLE ORGANIZATION, UNLESS** the organization  
 26 has materially misrepresented or omitted information required or  
 27 the organization has acted or is acting in violation of this act or



1 rules promulgated hereunder. **IF REGISTERED, THE EFFECTIVE DATE OF**  
 2 **THE REGISTRATION IS THE DATE THE REGISTRATION STATEMENT WAS**  
 3 **RECEIVED BY THE ATTORNEY GENERAL.**

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

10 ~~—— (3) A license issued to a professional fund raiser,~~  
 11 ~~professional solicitor, or a charitable organization, its agents~~  
 12 ~~and representatives may be suspended or revoked by the attorney~~  
 13 ~~general for violation of this act or rules promulgated hereunder,~~  
 14 ~~after reasonable notice and opportunity to be heard. The attorney~~  
 15 ~~general may suspend on an emergency basis, without hearing, any~~  
 16 ~~license issued to a professional fund raiser, professional~~  
 17 ~~solicitor, or a charitable organization when the attorney general~~  
 18 ~~specifies in the notice of emergency suspension the reasons and~~  
 19 ~~grounds indicating a violation of this act or any rule which~~  
 20 ~~constitutes the emergency. The notice shall set forth that within~~  
 21 ~~48 hours, at a designated time and place, a hearing shall be held~~  
 22 ~~on whether the license should be permanently suspended or revoked.~~  
 23 ~~The professional fund raiser, professional solicitor, or charitable~~  
 24 ~~organization may show compliance with the requirements of this act~~  
 25 ~~or the rules and shall have the burden of adducing the evidence.~~

26 Sec. 7. The ~~license~~ **REGISTRATION** of a charitable organization  
 27 shall expire 1 year **AND 7 MONTHS** after the **END** date of issuance ~~THE~~

1 **FINANCIAL STATEMENT PROVIDED UNDER SECTION 5(2). A-TO RENEW A**  
 2 **REGISTRATION, A** charitable organization ~~desiring renewal of a~~  
 3 ~~license shall file with the attorney general a renewal application~~  
 4 **REGISTRATION STATEMENT** and supporting information on or before 30  
 5 days ~~prior to~~**BEFORE** the expiration date **OF THE CURRENT**  
 6 **REGISTRATION.**

7       Sec. 11. (1) ~~An application for a license shall not be~~  
 8 ~~accepted~~**THE ATTORNEY GENERAL SHALL NOT ACCEPT A REGISTRATION**  
 9 **STATEMENT** from a charitable organization located in another state  
 10 or country unless it first designates a resident agent in this  
 11 state for the acceptance of process issued by any court.

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

17       (a) By service on its registered agent ~~within the~~**IN THIS**  
 18 state, or if there is no registered agent **IN THIS STATE**, then ~~upon~~  
 19 **ON** the person ~~who has been designated in the application~~  
 20 **REGISTRATION statement, LICENSE APPLICATION, OR REGISTRATION**  
 21 **APPLICATION** as having custody of **ITS** books and records within this  
 22 state. ~~When service is effected upon the~~**IF A** person designated in  
 23 ~~the~~**A registration statement, LICENSE APPLICATION, OR REGISTRATION**  
 24 **APPLICATION IS SERVED UNDER THIS SUBDIVISION**, a copy of the process  
 25 shall be mailed to the charitable organization at its last known  
 26 address.

27       (b) ~~When a charitable organization~~**BY SERVICE MADE AS**

1 OTHERWISE PROVIDED BY LAW OR COURT RULES IF ANY OF THE FOLLOWING  
2 APPLY:

3 (i) IF THE PERSON has solicited contributions in this state,  
4 but IN THIS STATE does not maintain an office, ~~within the state,~~  
5 ~~have HAS~~ a registered agent, ~~within this state and have HAS~~ a  
6 designated person ~~having~~ THAT HAS custody of its books and records.  
7 ~~within the state, or when~~

8 (ii) IF a registered agent or person ~~having~~ THAT HAS custody of  
9 ~~its~~ THE PERSON'S books and records ~~within the~~ IN THIS state cannot  
10 be found, as shown by the return of the sheriff of the county in  
11 which the registered agent or person ~~having~~ THAT HAS custody of  
12 books and records has been represented by the charitable  
13 organization as maintaining an office. ~~, service may be made as~~  
14 ~~otherwise provided by law or court rules.~~

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

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

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

1 solicitation, if any, and if all fund-raising functions are carried  
2 on by persons ~~who~~ **THAT** are unpaid, directly or indirectly, for  
3 their services.

4 (b) A ~~person who~~ **CHARITABLE ORGANIZATION THAT** does not intend  
5 to solicit and receive and does not actually receive contributions  
6 ~~in excess of \$8,000.00~~ **OF MORE THAN \$25,000.00** during any 12-month  
7 period if all of its fund-raising functions are carried on by  
8 persons ~~who~~ **THAT** are unpaid for their services and if the  
9 organization makes available to its members and the public a  
10 financial statement of its activities for ~~the~~ **ITS** most recent  
11 fiscal year. If the gross contributions received during any 12-  
12 month period exceed ~~\$8,000.00~~ **\$25,000.00**, the person shall ~~file an~~  
13 ~~application for license with required supporting information as~~  
14 ~~provided in section 3~~ **REGISTER UNDER THIS ACT** within 30 days after  
15 the date ~~it has received~~ **ITS** total contributions in excess of  
16 ~~\$8,000.00~~ **THAT FISCAL YEAR EXCEED \$25,000.00.**

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

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

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

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

8 (g) A licensed hospital, hospital-based foundation, ~~and~~**OR**  
 9 hospital auxiliary that ~~solicit~~**SOLICITS** funds solely for 1 or more  
 10 licensed hospitals.

11 (h) A nonprofit service organization that is exempt from  
 12 taxation ~~pursuant to~~**UNDER** a provision of the ~~United States~~  
 13 internal revenue code other than section 501(c)(3), **26 USC**  
 14 **501(C)(3)**, whose principal purpose is not charitable, but **THAT**  
 15 solicits from time to time funds for a charitable purpose by  
 16 members of the organization ~~who~~**THAT** are not paid for the  
 17 solicitation. ~~The funds shall~~**FUNDS SOLICITED UNDER THIS**  
 18 **SUBDIVISION SHALL** be wholly used for the charitable purposes for  
 19 which they were solicited, and the organization ~~shall~~**MUST** file  
 20 with the attorney general a federal form 990 or ~~990~~**AR-990-EZ**.

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

26 (j) ~~Charitable organizations~~**A CHARITABLE ORGANIZATION**  
 27 licensed by the department of ~~social~~**HUMAN** services that ~~serve~~

1 **SERVES** children and families.

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

5 Sec. 16. The attorney general may ~~continue under~~ **IMPOSE**  
6 conditions **ON** the license of an organization, professional fund  
7 raiser, or professional solicitor which **REGISTRATION OF A**  
8 **CHARITABLE ORGANIZATION 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. 17A. (1) AFTER NOTICE AND AN OPPORTUNITY TO BE HEARD, THE**  
13 **ATTORNEY GENERAL MAY SUSPEND OR REVOKE THE LICENSE OF A**  
14 **PROFESSIONAL FUND RAISER OR THE REGISTRATION OF A PROFESSIONAL**  
15 **SOLICITOR THAT HAS VIOLATED OR IS VIOLATING THIS ACT OR RULES**  
16 **PROMULGATED UNDER THIS ACT.**

17 (2) **THE ATTORNEY GENERAL MAY SUSPEND THE LICENSE OF A**  
18 **PROFESSIONAL FUND RAISER OR THE REGISTRATION OF A PROFESSIONAL**  
19 **SOLICITOR, ON AN EMERGENCY BASIS WITHOUT A HEARING, IF THE ATTORNEY**  
20 **GENERAL ISSUES A NOTICE OF EMERGENCY SUSPENSION CONTAINING BOTH OF**  
21 **THE FOLLOWING:**

22 (A) **A DESCRIPTION OF THE CONDUCT IN VIOLATION OF THIS ACT OR A**  
23 **RULE PROMULGATED UNDER THIS ACT THAT CONSTITUTES THE EMERGENCY.**

24 (B) **A STATEMENT THAT THE PROFESSIONAL FUND RAISER OR**  
25 **PROFESSIONAL SOLICITOR HAS AN OPPORTUNITY FOR A HEARING AT A**  
26 **DESIGNATED TIME, DATE, AND PLACE, WITHIN 48 HOURS AFTER THE NOTICE**  
27 **OF EMERGENCY SUSPENSION IS ISSUED, OR AT A LATER TIME AGREED TO IN**

1 WRITING BY THE ATTORNEY GENERAL AND THE PROFESSIONAL FUND RAISER OR  
2 PROFESSIONAL SOLICITOR, ON WHETHER THE LICENSE OR REGISTRATION  
3 SHOULD BE PERMANENTLY SUSPENDED OR REVOKED. AT A HEARING HELD UNDER  
4 THIS SUBDIVISION, THE PROFESSIONAL FUND RAISER OR PROFESSIONAL  
5 SOLICITOR SHALL HAVE A REASONABLE OPPORTUNITY TO SHOW ITS  
6 COMPLIANCE WITH THIS ACT OR THE RULES PROMULGATED UNDER THIS ACT  
7 AND HAS THE BURDEN OF PROOF OF ESTABLISHING THAT COMPLIANCE.

8 (3) IN ADDITION TO HIS OR HER AUTHORITY TO SUSPEND OR REVOKE A  
9 LICENSE OR REGISTRATION UNDER THIS SECTION, THE ATTORNEY GENERAL  
10 MAY IMPOSE CONDITIONS ON THE LICENSE OF A PROFESSIONAL FUND RAISER  
11 OR THE REGISTRATION OF A PROFESSIONAL SOLICITOR THAT FAILS TO  
12 COMPLY WITH THIS ACT OR RULES PROMULGATED UNDER THIS ACT.

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

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

24 (B) REPRESENT OR IMPLY THAT A PERSON SOLICITING CONTRIBUTIONS  
25 OR OTHER FUNDS FOR A CHARITABLE ORGANIZATION HAS A SPONSORSHIP,  
26 APPROVAL, STATUS, AFFILIATION, OR OTHER CONNECTION WITH A  
27 CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE THAT THE PERSON DOES

1 NOT HAVE.

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

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

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

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

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

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

27 (I) REPRESENT OR IMPLY THAT THE AMOUNT OR PERCENTAGE OF A



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

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

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

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

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

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

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

24 (P) SOLICIT CONTRIBUTIONS, CONDUCT A SALES PROMOTION, OR  
25 OTHERWISE OPERATE IN THIS STATE AS A CHARITABLE ORGANIZATION  
26 PROFESSIONAL FUND RAISER, OR PROFESSIONAL SOLICITOR, EXCEPT IN  
27 COMPLIANCE WITH THIS ACT.

1           (Q) AID, ABET, OR OTHERWISE PERMIT A PERSON TO SOLICIT  
2 CONTRIBUTIONS OR CONDUCT A SALES PROMOTION IN THIS STATE UNLESS THE  
3 PERSON SOLICITING CONTRIBUTIONS OR CONDUCTING THE SALES PROMOTION  
4 COMPLIES WITH THIS ACT.

5           (R) FAIL TO FILE ANY INFORMATION OR REPORTS REQUIRED UNDER  
6 THIS ACT.

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

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

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

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

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

26           (V) VIOLATE THE TERMS OF AN ASSURANCE OF DISCONTINUANCE OR  
27 SIMILAR AGREEMENT ACCEPTED BY THE ATTORNEY GENERAL AND FILED WITH

1 THE COURT UNDER THIS ACT.

2 (W) FOR A CHARITABLE ORGANIZATION, FAIL TO VERIFY THAT ALL  
3 PROFESSIONAL FUND RAISERS WITH WHICH THE ORGANIZATION HAS  
4 CONTRACTED FOR FUND-RAISING SERVICES ARE CURRENTLY LICENSED UNDER  
5 THIS ACT.

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

11 (Y) FOR A CHARITABLE ORGANIZATION, SUBMIT FINANCIAL  
12 STATEMENTS, INCLUDING IRS FORM 990, 990-EZ, 990-PF, OR OTHER 990  
13 SERIES INTERNAL REVENUE SERVICE RETURN, OR ANY OTHER FINANCIAL  
14 REPORT REQUIRED UNDER THIS ACT, THAT CONTAIN ANY MISREPRESENTATION  
15 WITH RESPECT TO THE ORGANIZATION'S ACTIVITIES, OPERATIONS, OR USE  
16 OF CHARITABLE ASSETS.

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

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

1           (2) ~~(3)~~—This section does not prevent the publication of names  
2 of contributors without their written consent in an annual or other  
3 periodic report issued by a charitable organization for the purpose  
4 of reporting on its operations and affairs to its membership or for  
5 the purpose of reporting contributions to contributors.

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

11           (3) ~~(5)~~—A charitable organization, whether **OR NOT** exempt ~~or~~  
12 ~~not~~ from this act, shall supply to each solicitor and each  
13 solicitor shall have in **HIS OR HER** immediate possession  
14 identification ~~which~~ **THAT** sets forth the name of the solicitor and  
15 the name of the charitable organization on whose behalf the  
16 solicitation is conducted.

17           Sec. 20. (1) ~~The attorney general may institute~~ **IN ADDITION TO**  
18 **ANY OTHER ACTION AUTHORIZED BY LAW, THE ATTORNEY GENERAL MAY BRING**  
19 ~~an action in any circuit court to enjoin preliminarily or~~  
20 ~~permanently a charitable organization, professional fund raiser,~~  
21 ~~solicitor, or other person who: (a) Engages in a method, act, or~~  
22 ~~practice in violation of this act or any of the rules promulgated~~  
23 ~~hereunder. (b) Employs or uses in a solicitation or collection of~~  
24 ~~contributions for a charitable organization on behalf of any other~~  
25 ~~person for a charitable purpose a device, scheme, or artifice to~~  
26 ~~defraud, or for obtaining money or property by means of any false~~  
27 ~~pretense, deception, representation, or promise.~~ **AN ACT OR PRACTICE**

1 PROHIBITED UNDER THIS ACT. AFTER FINDING THAT A PERSON HAS ENGAGED  
2 IN OR IS ENGAGING IN A PROHIBITED ACT OR PRACTICE, A COURT MAY  
3 ENTER ANY APPROPRIATE ORDER OR JUDGMENT, INCLUDING, BUT NOT LIMITED  
4 TO, AN INJUNCTION, AN ORDER OF RESTITUTION, OR AN AWARD OF  
5 REASONABLE ATTORNEY FEES AND COSTS. A COURT MAY AWARD TO THIS STATE  
6 A CIVIL FINE OF NOT MORE THAN \$10,000.00 FOR EACH VIOLATION OF THIS  
7 ACT AGAINST A PERSON THAT IS SUBJECT TO THIS ACT; AGAINST AN  
8 OFFICER, DIRECTOR, SHAREHOLDER, OR CONTROLLING MEMBER OF A PERSON  
9 SUBJECT TO THIS ACT; AGAINST ANY OTHER PERSON THAT DIRECTLY ENGAGED  
10 IN, AUTHORIZED, OR WAS OTHERWISE LEGALLY RESPONSIBLE FOR THE  
11 PROHIBITED ACT OR PRACTICE; OR AGAINST ANY COMBINATION OF THOSE  
12 PERSONS. A COURT MAY ORDER AN INJUNCTION UNDER THIS SUBSECTION IF  
13 IT FINDS THAT A VIOLATION OF THIS ACT HAS OCCURRED, OR FINDS THAT  
14 AN INJUNCTION WOULD PROMOTE THE PUBLIC INTEREST, WITHOUT A FINDING  
15 OF IRREPARABLE HARM.

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

23 (3) The attorney general may exercise the authority granted in  
24 this section against a charitable organization or person ~~which or~~  
25 ~~who~~ THAT operates under the guise or pretense of being an A  
26 CHARITABLE organization or OTHER person ~~exempted by~~ THAT IS EXEMPT  
27 FROM this act and is not in fact an A CHARITABLE organization or

1 person entitled to ~~such an~~ THAT exemption.

2 (4) IN ADDITION TO ANY OTHER ACTION AUTHORIZED BY LAW, THE  
3 ATTORNEY GENERAL MAY ISSUE A CEASE AND DESIST ORDER, ISSUE A NOTICE  
4 OF INTENDED ACTION, OR TAKE OTHER ACTION IN THE PUBLIC INTEREST.  
5 THE ATTORNEY GENERAL MAY ACCEPT AN ASSURANCE OF DISCONTINUANCE OF  
6 ANY METHOD, ACT, OR PRACTICE THAT VIOLATES THIS ACT FROM ANY PERSON  
7 ALLEGED TO BE ENGAGED IN OR TO HAVE BEEN ENGAGED IN THAT METHOD,  
8 ACT, OR PRACTICE. AN ASSURANCE OF DISCONTINUANCE MAY INCLUDE A  
9 STIPULATION FOR THE VOLUNTARY PAYMENT OF THE COSTS OF  
10 INVESTIGATION, FOR AN AMOUNT TO BE HELD IN ESCROW PENDING THE  
11 OUTCOME OF AN ACTION OR AS RESTITUTION TO AN AGGRIEVED PERSON, OR  
12 FOR THE VOLUNTARY PAYMENT TO ANOTHER PERSON IF IN THE PUBLIC  
13 INTEREST. AN ASSURANCE OF DISCONTINUANCE SHALL BE IN WRITING AND  
14 SHALL BE FILED WITH THE CIRCUIT COURT FOR INGHAM COUNTY. AN ACTION  
15 RESOLVED BY AN ASSURANCE OF DISCONTINUANCE MAY BE REOPENED BY THE  
16 ATTORNEY GENERAL AT ANY TIME FOR ENFORCEMENT BY A COURT OR FOR  
17 FURTHER PROCEEDINGS IN THE PUBLIC INTEREST. EVIDENCE OF A VIOLATION  
18 OF AN ASSURANCE OF DISCONTINUANCE IS PRIMA FACIE EVIDENCE OF A  
19 VIOLATION OF THIS ACT IN ANY SUBSEQUENT PROCEEDING BROUGHT BY THE  
20 ATTORNEY GENERAL.

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

1 ~~information under oath and to produce books, memoranda, papers,~~  
2 ~~records, documents of title, evidence of assets, liabilities,~~  
3 ~~receipts, or disbursements in the possession or control of the~~  
4 ~~person ordered to appear. A COMPLAINT FROM ANY PERSON IN WHATEVER~~  
5 ~~MANNER THE ATTORNEY GENERAL CONSIDERS APPROPRIATE AND MAY~~  
6 ~~INVESTIGATE ON HIS OR HER OWN INITIATIVE ANY PERSON THAT IS SUBJECT~~  
7 ~~TO THIS ACT. THE ATTORNEY GENERAL MAY REQUIRE A PERSON OR AN~~  
8 ~~OFFICER, MEMBER, EMPLOYEE, OR AGENT OF A PERSON TO APPEAR AT A TIME~~  
9 ~~AND PLACE SPECIFIED BY THE ATTORNEY GENERAL TO GIVE INFORMATION~~  
10 ~~UNDER OATH AND TO PRODUCE BOOKS, MEMORANDA, PAPERS, RECORDS,~~  
11 ~~DOCUMENTS, OR EVIDENCE OF ASSETS, LIABILITIES, RECEIPTS, OR~~  
12 ~~DISBURSEMENTS IN THE POSSESSION OF THE PERSON ORDERED TO APPEAR.~~

13 (2) When **REQUIRING THE ATTENDANCE OF A PERSON OR THE**  
14 **PRODUCTION OF DOCUMENTS UNDER SUBSECTION (1)**, the attorney general  
15 ~~requires the attendance of a person, he shall issue an order~~  
16 ~~setting forth the time when and the place where attendance~~ **OR**  
17 **PRODUCTION** is required and shall ~~cause the same to be served~~ **SERVE**  
18 **THE ORDER** upon the person in the manner provided for service of  
19 process in civil cases at least 5 days before the date fixed for  
20 attendance **OR PRODUCTION**. The order shall have the same force and  
21 effect as a subpoena and, upon application of the attorney general,  
22 ~~obedience to the order may be enforced by a court having~~  
23 ~~jurisdiction over the person~~ **, OR** the circuit court for the county  
24 of Ingham ~~, or for the county where the person receiving it~~ **THE**  
25 **ORDER** resides or is found, in the same manner as though the notice  
26 were a subpoena. ~~In case of contumacy~~ **IF A PERSON FAILS** or refusal  
27 **REFUSES** to obey the order issued by the attorney general, the court

1 may issue an order requiring the person to appear before the court,  
 2 ~~or to produce documentary evidence, if so ordered,~~ or to give  
 3 ~~evidence touching~~ **TESTIMONY CONCERNING** the matter in question.  
 4 Failure to obey the order of the court ~~shall be punished~~ **IS**  
 5 **PUNISHABLE** by that court as a contempt. The investigation may be  
 6 ~~made~~ **CONDUCTED** by ~~or before~~ an assistant attorney general **OR OTHER**  
 7 **PERSON** designated in writing by the attorney general. ~~to conduct~~  
 8 ~~the investigation.~~ The attorney general or ~~the assistant attorney~~  
 9 ~~general acting in his behalf~~ **OTHER DESIGNATED PERSON** may administer  
 10 the necessary oath or affirmation to witnesses.

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

15 ~~—— (a) Violates this act.~~

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

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

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

27 **(B) KNOWINGLY DIVERTS OR MISDIRECTS CONTRIBUTIONS TO A PURPOSE**



1 OR ORGANIZATION OTHER THAN FOR WHICH THE FUNDS WERE CONTRIBUTED OR  
2 SOLICITED.

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

5 (D) KNOWINGLY MISREPRESENTS THAT A DONOR WILL RECEIVE SPECIAL  
6 BENEFITS OR TREATMENT OR THAT FAILURE TO MAKE A CONTRIBUTION WILL  
7 RESULT IN UNFAVORABLE TREATMENT.

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

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

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

16 (i) KNOWINGLY MISREPRESENTS THAT A PERSON SOLICITING  
17 CONTRIBUTIONS OR OTHER FUNDS FOR A CHARITABLE ORGANIZATION HAS A  
18 SPONSORSHIP, APPROVAL, STATUS, AFFILIATION, OR OTHER CONNECTION  
19 WITH A CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE THAT THE  
20 PERSON DOES NOT HAVE.

21 (ii) KNOWINGLY USES A NAME, SYMBOL, OR STATEMENT SO CLOSELY  
22 RELATED OR SIMILAR TO A NAME, SYMBOL, OR STATEMENT USED BY ANOTHER  
23 CHARITABLE ORGANIZATION OR GOVERNMENTAL AGENCY THAT USE OF THAT  
24 NAME, SYMBOL, OR STATEMENT IS CONFUSING OR MISLEADING.

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

27 (iv) KNOWINGLY MISREPRESENTS OR MISLEADS ANY PERSON IN ANY

1 MANNER TO BELIEVE THAT A PERSON OR GOVERNMENTAL AGENCY SPONSORS,  
2 ENDORSES, OR APPROVES A SOLICITATION EFFORT IF THAT PERSON OR  
3 AGENCY HAS NOT GIVEN WRITTEN CONSENT TO THE USE OF THE PERSON'S OR  
4 AGENCY'S NAME FOR THAT PURPOSE.

5 (v) KNOWINGLY MISREPRESENTS THAT THE AMOUNT OR PERCENTAGE OF A  
6 CONTRIBUTION THAT A CHARITABLE ORGANIZATION WILL RECEIVE FOR A  
7 CHARITABLE PROGRAM AFTER COSTS OF SOLICITATION ARE PAID IS GREATER  
8 THAN THE AMOUNT OR PERCENTAGE OF THE CONTRIBUTION THE CHARITABLE  
9 ORGANIZATION WILL ACTUALLY RECEIVE.

10 (vi) KNOWINGLY SOLICITS CONTRIBUTIONS, CONDUCTS A SALES  
11 PROMOTION, OR OTHERWISE OPERATES IN THIS STATE AS A CHARITABLE  
12 ORGANIZATION OR PROFESSIONAL FUND RAISER UNLESS THE INFORMATION  
13 REQUIRED UNDER THIS ACT IS FILED WITH THE ATTORNEY GENERAL AS  
14 REQUIRED UNDER THIS ACT.

15 (vii) AIDS, ABETS, OR OTHERWISE PERMITS A PERSON TO SOLICIT  
16 CONTRIBUTIONS OR CONDUCT A SALES PROMOTION IN THIS STATE UNLESS THE  
17 PERSON SOLICITING CONTRIBUTIONS OR CONDUCTING THE SALES PROMOTION  
18 HAS COMPLIED WITH THE REQUIREMENTS OF THIS ACT.

19 (viii) SOLICITS OR RECEIVES A CONTRIBUTION, CONDUCTS A  
20 CHARITABLE SALES PROMOTION, OR SELLS MEMBERSHIPS IN THIS STATE FOR  
21 OR ON BEHALF OF ANY CHARITABLE ORGANIZATION SUBJECT TO THE  
22 PROVISIONS OF THIS ACT THAT THE PERSON KNOWS IS NOT REGISTERED  
23 UNDER THIS ACT.

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

27 (A) ENGAGES IN ANY PRACTICE OR PRACTICES DESCRIBED IN

1 SUBSECTION (1) (A), (B), (C), (D), OR (E) IF THE AMOUNT OF MONEY  
2 FRAUDULENTLY COLLECTED OR WRONGFULLY DIVERTED FROM THE CHARITABLE  
3 PURPOSE FOR WHICH THE MONEY WAS SOLICITED EXCEEDS, IN THE  
4 AGGREGATE, \$1,000.00.

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

8 (C) KNOWINGLY SUBMITS ANY OF THE FOLLOWING IN MATERIALS OR  
9 STATEMENTS REQUIRED UNDER THIS ACT OR REQUESTED BY THE ATTORNEY  
10 GENERAL:

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

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

16 (3) FOR PURPOSES OF THIS SECTION, A PERSON IS PRESUMED TO HAVE  
17 COMMITTED A VIOLATION KNOWINGLY IF THE ATTORNEY GENERAL PROVIDED  
18 WRITTEN NOTICE IDENTIFYING ALLEGED VIOLATIONS TO THE PERSON BEFORE  
19 THE ACTS OR OMISSIONS IN VIOLATION OF SUBSECTION (1) OR (2)  
20 OCCURRED.

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

24 (5) ~~(2)~~—This section shall ~~DOES~~ not be construed to limit or  
25 restrict prosecution under the general criminal statutes of the  
26 THIS state.

27 SEC. 23A. (1) A PERSON THAT IS NOT A CHARITABLE ORGANIZATION,

1 A PROFESSIONAL FUND RAISER, OR A VOLUNTEER SUPERVISED BY A  
2 CHARITABLE ORGANIZATION, BUT THAT SOLICITS CONTRIBUTIONS, CONDUCTS  
3 A FUND-RAISING EVENT, OR CONDUCTS A SALES PROMOTION OR CAMPAIGN FOR  
4 A CHARITABLE PURPOSE IS SUBJECT TO THIS ACT.

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

7 SEC. 23B. THE PROSECUTING ATTORNEY FOR A COUNTY MAY PROSECUTE  
8 A PERSON SUBJECT TO THIS ACT IN THE SAME MANNER AS THE ATTORNEY  
9 GENERAL. A COUNTY PROSECUTING ATTORNEY SHALL NOTIFY THE ATTORNEY  
10 GENERAL WHEN HE OR SHE BEGINS A PROSECUTION UNDER THIS SECTION AND  
11 PROVIDE THE ATTORNEY GENERAL WITH A COPY OF THE FINAL JUDGMENT IN  
12 THAT ACTION.

13 Enacting section 1. Sections 12 and 14 of the charitable  
14 organizations and solicitations act, 1975 PA 169, MCL 400.282 and  
15 400.284, are repealed.