



HOUSE BILL No. 6089

September 18, 1996, Introduced by Rep. Law and referred to the Committee on Commerce.

A bill to amend the title and sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 20, 21, and 23 of Act No. 169 of the Public Acts of 1975, entitled

"Charitable organizations and solicitations act,"

section 13 as amended by Act No. 299 of the Public Acts of 1992, being sections 400.272, 400.273, 400.274, 400.275, 400.276, 400.277, 400.278, 400.279, 400.280, 400.281, 400.282, 400.283, 400.286, 400.287, 400.288, 400.290, 400.291, and 400.293 of the Michigan Compiled Laws; to add sections 19, 19a, 19b, 19c, and 19d; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 2, 3, 4, 5, 6, 7, 8, 9,
2 10, 11, 12, 13, 16, 17, 18, 20, 21, and 23 of Act No. 169 of the
3 Public Acts of 1975, section 13 as amended by Act No. 299 of the
4 Public Acts of 1992, being sections 400.272, 400.273, 400.274,

1 400.275, 400.276, 400.277, 400.278, 400.279, 400.280, 400.281,
2 400.282, 400.283, 400.286, 400.287, 400.288, 400.290, 400.291,
3 and 400.293 of the Michigan Compiled Laws, are amended and sec-
4 tions 19, 19a, 19b, 19c, and 19d are added to read as follows:

5 TITLE

6 An act to regulate organizations and persons soliciting or
7 collecting contributions for charitable purposes; to require reg-
8 istration ~~—~~ AND disclosure of information ~~and licensing~~
9 before solicitation of contributions; to provide for reporting of
10 financial and other information by those ~~licensed or~~ registered
11 and those claiming exemption; to prescribe standards of conduct
12 and administration, and to prohibit certain actions; to provide
13 for enforcement, investigation, and promulgation of rules by the
14 attorney general; to preempt local regulation; to provide penal-
15 ties for violations; and to repeal ~~certain~~ acts and parts of
16 acts.

17 Sec. 2. As used in this act:

18 (a) "Charitable organization" means ~~a benevolent, educa-~~
19 ~~tional, philanthropic, humane, patriotic, or eleemosynary organi-~~
20 ~~zation of persons which solicits or obtains contributions solici-~~
21 ~~ted from the public for charitable purposes. A chapter, branch,~~
22 ~~area office, or similar affiliate or person soliciting contribu-~~
23 ~~tions within the state for a charitable organization which has~~
24 ~~its principal place of business outside the state is a charitable~~
25 ~~organization. This definition does not include duly constituted~~
26 ~~religious organizations or a group affiliated with and forming an~~
27 ~~integral part of a religious organization no part of the net~~

~~1 income of which inures to the direct benefit of any individual if~~
~~2 it has received a declaration of current tax exempt status from~~
~~3 the United States. The affiliated group shall not be required to~~
~~4 obtain a declaration if the parent or principal organization has~~
~~5 obtained tax exempt status. Charitable organization does not~~
~~6 include a candidate or committee as defined in section 901 of Act~~
~~7 No. 116 of the Public Acts of 1954, being section 168.901 of the~~
~~8 Michigan Compiled Laws, or a political party qualified to be on~~
~~9 the general election ballot pursuant to section 560a of Act~~
~~10 No. 116 of the Public Acts of 1954, as added, being section~~
~~11 168.560a of the Michigan Compiled Laws.~~ THE FOLLOWING:

12 (i) A TAX EXEMPT ORGANIZATION UNDER SECTION 501(c)(3) OF THE
13 INTERNAL REVENUE CODE OF 1986, 26 U.S.C. 501.

14 (ii) A PERSON WHO IS, OR IS HELD OUT TO BE, ESTABLISHED FOR
15 ANY CHARITABLE PURPOSE.

16 (iii) CHARITABLE ORGANIZATION DOES NOT INCLUDE A FEDERAL,
17 STATE, OR LOCAL UNIT OF GOVERNMENT, A SUBDIVISION, AGENCY, OR
18 INSTRUMENTALITY OF FEDERAL, STATE, OR LOCAL GOVERNMENT, OR A
19 RELIGIOUS ORGANIZATION INCORPORATED OR ESTABLISHED FOR RELIGIOUS
20 PURPOSES.

21 (B) "CHARITABLE PURPOSE" MEANS THE FOLLOWING:

22 (i) A PURPOSE DESCRIBED IN SECTION 501(c)(3) OF THE INTERNAL
23 REVENUE CODE OF 1986, 26 U.S.C. 501.

24 (ii) A BENEVOLENT, PHILANTHROPIC, EDUCATIONAL, SCIENTIFIC,
25 PUBLIC HEALTH, HUMANE, RELIGIOUS, OR OTHER ELEEMOSYNARY
26 OBJECTIVE.

1 (C) "CHARITABLE SALES PROMOTION" MEANS AN ADVERTISING OR
2 SALES CAMPAIGN REPRESENTING THAT PROCEEDS FROM THE SALE OR USE OF
3 THE GOODS OR SERVICES OFFERED WILL BENEFIT, IN WHOLE OR IN PART,
4 A CHARITABLE ORGANIZATION OR CHARITABLE PURPOSE, OR THAT THE
5 SELLER OR VENDOR WILL MAKE A PAYMENT TO A CHARITABLE ORGANIZATION
6 OR FOR A CHARITABLE PURPOSE.

7 (D) "COMMERCIAL COVENTURER" MEANS A PERSON WHO CONDUCTS
8 CHARITABLE SALES PROMOTIONS. A PERSON WHO ENTERS INTO A LICENS-
9 ING ARRANGEMENT IN WHICH A CHARITABLE ORGANIZATION ALLOWS THE
10 PERSON TO USE THE CHARITABLE ORGANIZATION'S NAME FOR A FEE IS A
11 COMMERCIAL COVENTURER.

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

1 FROM ANY GOVERNMENTAL AGENCY OR A RESTRICTED GRANT FROM A
2 FOUNDATION.

3 (F) ~~(e)~~ "Person" means an individual, organization, group,
4 association, partnership, corporation, trust, or any combination
5 of them.

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

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

11 (A) AN ORAL OR WRITTEN REQUEST.

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

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

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

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

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

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

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

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

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

4 (K) ~~(h)~~ "Prohibited transaction" is that dealing, activi-
 5 ty, conduct, administration, or management of the charitable
 6 organization or ~~by~~ OF any of its officers, trustees, personnel,
 7 or related persons ~~which~~ THAT may be ~~prohibited as constitut-~~
 8 ~~ing activity~~ contrary to THE proper administration of the chari-
 9 table organization or THE conduct of a ~~fund-raising~~
 10 FUND-RAISING campaign or solicitation by a professional ~~fund~~
 11 ~~raiser or solicitor~~ FUND-RAISER.

12 Sec. 3. (1) ~~Before a solicitation, a~~ A charitable organi-
 13 zation ~~which~~ THAT is not an exempt organization ~~and which is~~
 14 ~~not~~ described in section 13 ~~, which~~ AND THAT solicits or
 15 intends to solicit or receives or intends to receive contribu-
 16 tions from persons by any means ~~whatsoever,~~ shall ~~file~~
 17 REGISTER with the attorney general upon forms prescribed by ~~him,~~
 18 ~~an application for a license. It~~ THE ATTORNEY GENERAL, TOGETHER
 19 WITH ALL NECESSARY SUPPORTING DOCUMENTATION. THE REGISTRATION
 20 shall include, BUT IS NOT LIMITED TO, the following information:

21 (a) The name of the organization and ~~the~~ ANY name ~~under~~
 22 ~~which it intends~~ USED BY THAT ORGANIZATION to solicit
 23 contributions.

24 (b) The principal address of the organization and the
 25 address of any office in this state. If the organization does
 26 not maintain a principal office, the name and address of the
 27 person having custody of its financial records.

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

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

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

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

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

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

18 (h) ~~All methods by which solicitations will be made~~ A LIST
19 OF THE NAMES AND ADDRESSES OF THE ORGANIZATION'S BOARD OF DIREC-
20 TORS, OFFICERS, AND TRUSTEES.

21 (i) ~~Copies of contracts between charitable organizations~~
22 ~~and professional fund raisers relating to financial compensation~~
23 ~~or profit to be derived by the professional fund raisers. When~~
24 ~~the contract is executed after filing of application statement, a~~
25 ~~copy shall be filed within 10 days of the date of execution. IF~~
26 THE PRINCIPAL ADDRESS OF THE ORGANIZATION IS NOT IN THIS STATE,

1 THE ADDRESS AND TELEPHONE NUMBER OF A RESIDENT AGENT IN THIS
2 STATE.

3 (j) ~~Other information as required by rule.~~ WHETHER THE
4 ORGANIZATION OR ANY OF ITS OFFICERS, DIRECTORS, OR PRINCIPALS IS,
5 OR HAS EVER BEEN, ENJOINED, FINED, CONVICTED, OR SUBJECT TO ANY
6 OTHER SANCTION OR PENALTY AS A RESULT OF SOLICITING CONTRIBUTIONS
7 IN ANY STATE OR COUNTRY.

8 (2) THE CHARITABLE ORGANIZATION SHALL PROVIDE THE FOLLOWING
9 DOCUMENTATION WITH ITS REGISTRATION:

10 (A) UNLESS THE ORGANIZATION HAS NOT COMPLETED ITS FIRST
11 ACCOUNTING PERIOD, A COPY OF ITS FULLY AND PROPERLY COMPLETED
12 INTERNAL REVENUE SERVICE FORM 990 OR 990EZ FOR THE IMMEDIATELY
13 PRECEDING TAX YEAR, OR SUCCESSOR FORMS, INCLUDING ALL SCHEDULES,
14 ATTACHMENTS, AND EXHIBITS FILED WITH THE INTERNAL REVENUE SERV-
15 ICE, EXCEPT THE SCHEDULE OF CONTRIBUTORS. IF A CHARITABLE ORGAN-
16 IZATION DOES NOT FILE AN INTERNAL REVENUE SERVICE FORM 990 OR
17 990EZ, IT SHALL PREPARE A PRO FORMA FORM 990 OR 990EZ RETURN FOR
18 FILING WITH THE REGISTRATION. A PRO FORMA RETURN SHALL BE COM-
19 PLETED FULLY AND PROPERLY PURSUANT TO INTERNAL REVENUE SERVICE
20 INSTRUCTIONS AND SHALL INCLUDE ALL REQUIRED INFORMATION, ATTACH-
21 MENTS, SCHEDULES, AND EXHIBITS.

22 (B) FINANCIAL STATEMENTS PREPARED ACCORDING TO GENERALLY
23 ACCEPTED ACCOUNTING PRINCIPLES THAT HAVE BEEN AUDITED BY AN INDE-
24 PENDENT CERTIFIED PUBLIC ACCOUNTANT IF THE AMOUNT OF CONTRIBU-
25 TIONS RECEIVED BY THE CHARITABLE ORGANIZATION DURING ITS FISCAL
26 YEAR REPORTED ON ITS FEDERAL TAX RETURN IS \$250,000.00 OR MORE.
27 IF CONTRIBUTIONS AS REPORTED ON THE CHARITABLE ORGANIZATION'S

1 INTERNAL REVENUE SERVICE FORM 990 OR 990EZ ARE \$100,000.00 OR
2 MORE, BUT LESS THAN \$250,000.00, FINANCIAL STATEMENTS EITHER
3 REVIEWED OR AUDITED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
4 SHALL BE PROVIDED. THE AMOUNT OF CONTRIBUTIONS RECEIVED BY THE
5 ORGANIZATION INCLUDES DIRECT AND INDIRECT PUBLIC SUPPORT AS SHOWN
6 ON THE INTERNAL REVENUE SERVICE FORM 990 OR 990EZ, LESS ANY
7 RESTRICTED GRANTS FROM FOUNDATIONS INCLUDED IN THE FEDERAL TAX
8 RETURN, PLUS NET SPECIAL FUND-RAISING EVENTS REVENUE. THE ATTOR-
9 NEY GENERAL MAY WAIVE THIS REQUIREMENT 1 TIME FOR A CHARITABLE
10 ORGANIZATION.

11 (3) WITH ITS REGISTRATION, OR RENEWAL OF ITS REGISTRATION AS
12 PROVIDED IN SECTION 7, A CHARITABLE ORGANIZATION SHALL PAY THE
13 FOLLOWING REGISTRATION FEE:

14 (A) IF GROSS RECEIPTS FROM ALL SOURCES WERE LESS THAN
15 \$100,000.00 IN THE FISCAL YEAR REPORTED ON THE REGISTRATION,
16 \$20.00.

17 (B) IF GROSS RECEIPTS FROM ALL SOURCES WERE AT LEAST
18 \$100,000.00 BUT LESS THAN \$500,000.00 IN THE FISCAL YEAR REPORTED
19 ON THE REGISTRATION, \$50.00.

20 (C) IF GROSS RECEIPTS FROM ALL SOURCES WERE AT LEAST
21 \$500,000.00 BUT LESS THAN \$1,000,000.00 IN THE FISCAL YEAR
22 REPORTED ON THE REGISTRATION, \$100.00.

23 (D) IF GROSS RECEIPTS FROM ALL SOURCES WERE \$1,000,000.00 OR
24 MORE IN THE FISCAL YEAR REPORTED ON THE REGISTRATION, \$200.00.

25 (4) A CHARITABLE ORGANIZATION'S REGISTRATION IS EFFECTIVE
26 IMMEDIATELY UPON RECEIPT BY THE ATTORNEY GENERAL OF THE REQUIRED
27 INFORMATION AND FEE.

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

8 (2) Copies of A CONTRACT WITH A PROFESSIONAL FUND-RAISER AND
9 all soliciting materials shall be supplied upon request of the
10 attorney general.

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

1 (2) The ~~license shall be without charge and issued to the~~
 2 ATTORNEY GENERAL SHALL REGISTER A charitable organization, ~~its~~
 3 ~~agents and representatives for the purpose of soliciting and~~
 4 ~~receiving~~ PROFESSIONAL FUND-RAISER, OR COMMERCIAL COVENTURER AND
 5 AN AGENT OR REPRESENTATIVE OF A CHARITABLE ORGANIZATION, PROFES-
 6 SIONAL FUND-RAISER, OR COMMERCIAL COVENTURER TO SOLICIT AND
 7 RECEIVE contributions and donations, ~~or~~ to sell memberships, or
 8 TO otherwise raise ~~moneys~~ MONEY from the public for the speci-
 9 fied charitable purpose.

10 (3) ~~A license issued to a professional fund raiser, profes-~~
 11 ~~sional solicitor, or a charitable organization, its agents and~~
 12 ~~representatives may be suspended or revoked by the~~ THE attorney
 13 general MAY SUSPEND OR RESCIND THE REGISTRATION OF A CHARITABLE
 14 ORGANIZATION, PROFESSIONAL FUND-RAISER, OR COMMERCIAL COVENTURER
 15 AND AN AGENT OR REPRESENTATIVE OF A CHARITABLE ORGANIZATION, PRO-
 16 FESSIONAL FUND-RAISER, OR COMMERCIAL COVENTURER for violation of
 17 this act ~~or rules promulgated hereunder,~~ after reasonable
 18 notice and opportunity to be heard. The attorney general may
 19 suspend on an emergency basis, without hearing, ~~any license~~
 20 ~~issued to a professional fund raiser, professional solicitor, or~~
 21 ~~a charitable organization when~~ THE REGISTRATION OF A CHARITABLE
 22 ORGANIZATION, PROFESSIONAL FUND-RAISER, OR COMMERCIAL COVENTURER
 23 IF the attorney general specifies in the notice of emergency sus-
 24 pension the reasons and grounds indicating a violation of this
 25 act or ~~any~~ A rule ~~which~~ PROMULGATED UNDER THIS ACT THAT con-
 26 stitutes the emergency. The notice shall set forth that within
 27 48 hours, at a designated time and place, a hearing shall be held

1 on whether the ~~license~~ REGISTRATION should be permanently
 2 suspended or ~~revoked~~ RESCINDED. The ~~professional fund raiser,~~
 3 ~~professional solicitor, or~~ charitable organization, PROFESSIONAL
 4 FUND-RAISER, OR COMMERCIAL COVENTURER may show compliance with
 5 ~~the requirements of~~ this act or the rules PROMULGATED UNDER
 6 THIS ACT and ~~shall have~~ HAS the burden of ~~adducing the~~
 7 ~~evidence~~ PROOF IN ESTABLISHING THAT COMPLIANCE.

8 Sec. 6. A charitable organization, PROFESSIONAL
 9 FUND-RAISER, OR COMMERCIAL COVENTURER shall notify the attorney
 10 general within 30 days of any change in the information required
 11 to be furnished under ~~section 3~~ THIS ACT. ~~A report shall be~~
 12 ~~filed and signed by the president or other authorized officer and~~
 13 ~~the chief fiscal officer of the organization.~~

14 Sec. 7. (1) ~~The license of a charitable organization shall~~
 15 ~~expire 1 year after the date of issuance. A charitable organiza-~~
 16 ~~tion desiring renewal of a license shall file with the attorney~~
 17 ~~general a renewal application and supporting information on or~~
 18 ~~before 30 days prior to the expiration date.~~ A REGISTERED CHARI-
 19 TABLE ORGANIZATION SHALL REPORT ON ITS PREVIOUS FISCAL YEAR AND
 20 RENEW ITS REGISTRATION WITHIN 6 MONTHS AFTER THE CLOSE OF ITS
 21 FISCAL YEAR. A RENEWAL REGISTRATION AND REPORT SHALL BE ON A
 22 FORM PRESCRIBED BY THE ATTORNEY GENERAL AND SHALL INCLUDE, BUT IS
 23 NOT LIMITED TO, THE INFORMATION, SUPPLEMENTAL DOCUMENTATION, AND
 24 ANY FEE REQUIRED UNDER THIS ACT.

25 (2) A CHARITABLE ORGANIZATION'S REGISTRATION SHALL EXPIRE IF
 26 THE CHARITABLE ORGANIZATION'S RENEWAL REGISTRATION AND REPORT IS
 27 NOT RECEIVED WITHIN 18 MONTHS AFTER THE END OF THE FISCAL YEAR

1 REPORTED ON THE ORGANIZATION'S REGISTRATION FORM UNLESS AN
2 EXTENSION HAS BEEN GRANTED UNDER SUBSECTION (4).

3 (3) IF A REGISTERED CHARITABLE ORGANIZATION NO LONGER SOLIC-
4 ITS OR INTENDS TO SOLICIT IN THIS STATE OR NO LONGER RECEIVES OR
5 INTENDS TO RECEIVE CONTRIBUTIONS FROM PERSONS IN THIS STATE, THE
6 CHARITABLE ORGANIZATION SHALL REPORT ON ITS PREVIOUS FISCAL YEAR
7 WITHIN 6 MONTHS AFTER THE CLOSE OF ITS FISCAL YEAR UNLESS AN
8 EXTENSION HAS BEEN GRANTED AS PROVIDED UNDER SUBSECTION (4). THE
9 REPORT SHALL INCLUDE FINANCIAL STATEMENTS OR THE CHARITABLE
10 ORGANIZATION'S INTERNAL REVENUE SERVICE FORM 990 OR 990EZ FOR THE
11 CHARITABLE ORGANIZATION'S MOST RECENT FISCAL YEAR AND ANY REPORTS
12 ON SOLICITATION CAMPAIGNS CONDUCTED BY THE CHARITABLE ORGANIZA-
13 TION THROUGH A PROFESSIONAL FUND-RAISER AS PROVIDED UNDER SECTION
14 17(5).

15 (4) IF A CHARITABLE ORGANIZATION RECEIVES AN EXTENSION OF
16 TIME TO FILE THE CHARITABLE ORGANIZATION'S INTERNAL REVENUE SERV-
17 ICE FORM 990 OR 990EZ, THE ATTORNEY GENERAL MAY EXTEND THE CHARI-
18 TABLE ORGANIZATION'S REGISTRATION FOR A SIMILAR PERIOD OF TIME.

19 Sec. 8. (1) ~~Documents required to be filed with the attor-~~
20 ~~ney general shall be open to public inspection. Persons subject~~
21 ~~to this act shall maintain accurate and detailed books and~~
22 ~~records at the office of the resident agent or the principal~~
23 ~~office which shall be open to inspection at all reasonable times~~
24 ~~by the attorney general or his authorized representative.~~ A REG-
25 ISTRATION, ANNUAL REPORT, OR OTHER DOCUMENT REQUIRED TO BE FILED
26 UNDER THIS ACT IS A PUBLIC RECORD IN THE OFFICE OF THE ATTORNEY
27 GENERAL OPEN TO INSPECTION. INVESTIGATIVE DATA OBTAINED BY THE

1 ATTORNEY GENERAL IN ANTICIPATION OF OR IN CONNECTION WITH
2 LITIGATION OR AN ADMINISTRATIVE PROCEEDING IS EXEMPT FROM DISCLO-
3 SURE UNDER SECTION 13(1)(B) OF THE FREEDOM OF INFORMATION ACT,
4 ACT NO. 442 OF THE PUBLIC ACTS OF 1976, BEING SECTION 15.243 OF
5 THE MICHIGAN COMPILED LAWS.

6 (2) A CHARITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER, OR
7 COMMERCIAL COVENTURER SHALL MAINTAIN FOR NOT LESS THAN 3 YEARS
8 FROM THE DATE PREPARED, ACCURATE AND DETAILED RECORDS TO PROVIDE
9 THE INFORMATION REQUIRED UNDER THIS ACT. ALL RECORDS ARE OPEN TO
10 INSPECTION AT ALL REASONABLE TIMES BY THE ATTORNEY GENERAL AND
11 COPIES OF THE RECORDS SHALL BE PROVIDED TO THE ATTORNEY GENERAL
12 UPON REQUEST.

13 (3) A CHARITABLE ORGANIZATION REQUIRED TO FILE A REPORT
14 UNDER SECTION 7, SHALL MAINTAIN AT THE PLACE DESIGNATED IN ITS
15 APPLICATION THE ORIGINAL RECORDS OR TRUE COPIES OF THE RECORDS
16 PERTAINING TO ALL MONEY OR OTHER PROPERTY COLLECTED FROM RESI-
17 DENTS OF THIS STATE AND TO THE DISBURSEMENT OF THAT MONEY OR
18 PROPERTY. THE RECORDS SHALL BE PRESERVED FOR NOT LESS THAN 3
19 YEARS FROM THE DATE PREPARED.

20 (4) A FILE IN THE OFFICE OF THE ATTORNEY GENERAL REGARDING A
21 CLOSED ENFORCEMENT ACTION OR A SETTLEMENT IN A CIVIL CASE UNDER
22 THIS ACT IS OPEN TO PUBLIC INSPECTION AND COPYING. A PROVISION
23 OR REQUIREMENT OF CONFIDENTIALITY OR SEALING OF RECORDS AS A CON-
24 DITION OF SETTLEMENT OF AN ENFORCEMENT OR CIVIL ACTION UNDER THIS
25 ACT IS PROHIBITED.

26 Sec. 9. If a local, county, or area division of a
27 charitable organization is directly supervised and controlled by

1 a superior or parent organization ~~, which~~ THAT is incorporated
 2 ~~, AND~~ qualified to do business IN THIS STATE, or IS doing busi-
 3 ness within this state, the local, county, or area division OF
 4 THAT CHARITABLE ORGANIZATION is not required to register under
 5 section 3 if the superior or parent organization ~~files an appli-~~
 6 ~~cation statement~~ REGISTERS on behalf of the local, county, or
 7 area division in addition to or as part of ~~its application~~
 8 ~~statement. When an application statement has been~~ THE SUPERIOR
 9 OR PARENT ORGANIZATION'S REGISTRATION. IF A REGISTRATION IS
 10 filed by a superior or parent organization, it shall file the
 11 annual report required under ~~sections 14 and 16~~ THIS ACT on
 12 behalf of the local, county, or area division in ~~such~~ THE
 13 detail ~~as~~ required by the ~~rules~~ ATTORNEY GENERAL.

14 Sec. 10. The attorney general may promulgate rules neces-
 15 sary for the administration of this act ~~in accordance with and~~
 16 ~~subject to~~ UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969, Act
 17 No. 306 of the Public Acts of 1969, ~~as amended,~~ being sections
 18 24.201 to ~~24.315~~ 24.328 of the Michigan Compiled Laws.

19 Emergency rules may not be promulgated. ~~pursuant to this act.~~

20 Sec. 11. (1) ~~An application for a license~~ THE ATTORNEY
 21 GENERAL shall not ~~be accepted~~ ACCEPT A REGISTRATION from a
 22 charitable organization OR PROFESSIONAL FUND-RAISER located in
 23 another state or country unless ~~it~~ THAT CHARITABLE ORGANIZATION
 24 OR PROFESSIONAL FUND-RAISER first designates a resident agent in
 25 this state ~~for the acceptance of~~ TO ACCEPT process issued by
 26 any court.

1 (2) A charitable organization, person, COMMERCIAL
2 COVENTURER, OR professional ~~fund raiser, or professional~~
3 ~~solicitor, soliciting contributions in this state but not main~~
4 ~~taining an office within the state shall be~~ FUND-RAISER IS
5 subject to service of process as follows:

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

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

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

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

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

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

1 (b) A person who does not intend to solicit and receive and
2 does not actually receive contributions in excess of ~~\$8,000.00~~
3 \$25,000.00 during any 12-month period ~~if all of its fund raising~~
4 ~~functions are carried on by persons who are unpaid for their~~
5 ~~services and if the organization makes available to its members~~
6 ~~and the public a financial statement of its activities for the~~
7 ~~most recent fiscal year. If the gross contributions received~~
8 ~~during any 12 month period exceed \$8,000.00, the person shall~~
9 ~~file an application for license with required supporting informa-~~
10 ~~tion as provided in section 3 within 30 days after the date it~~
11 ~~has received total contributions in excess of \$8,000.00~~ EITHER
12 IN THIS STATE, ANY OTHER STATE, OR ANY COMBINATION OF STATES.

13 (c) ~~An organization that does not invite the general public~~
14 ~~to become a member of the organization and confines solicitation~~
15 ~~activities to solicitation drives solely among its members and~~
16 ~~the members' immediate families, if the drives are not held more~~
17 ~~frequently than quarterly. "Immediate family" means the grand-~~
18 ~~parents, parents, spouse, brothers, sisters, children, and~~
19 ~~grandchildren.~~ A PRIVATE FOUNDATION AS THAT TERM IS DEFINED IN
20 SECTION 509(a) OF THE INTERNAL REVENUE CODE OF 1986, 26
21 U.S.C. 509, THAT DID NOT RECEIVE CONTRIBUTIONS FROM MORE THAN 25
22 PERSONS DURING THE MOST RECENT FISCAL YEAR.

23 (d) ~~An educational institution certified by the state board~~
24 ~~of education~~ PUBLIC AND NONPUBLIC SCHOOLS, INCLUDING PRESCHOOLS,
25 AND INSTITUTIONS OF HIGHER EDUCATION OR TRAINING.

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

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

7 HEALTH CARE OR EMERGENCY CARE FACILITIES OR SERVICES THAT ARE
 8 LICENSED BY THIS STATE, INCLUDING NURSING HOMES, ADULT FOSTER
 9 CARE HOMES, HOMES FOR THE AGED, AND A PERSON WHO OPERATES OR CON-
 10 TROLS HEALTH CARE OR EMERGENCY CARE FACILITIES OR SERVICES.

11 ~~(g) A licensed hospital, hospital-based foundation, and~~
 12 ~~hospital auxiliary that solicit funds solely for + or more~~
 13 ~~licensed hospitals.~~

14 (G) ~~(h) A nonprofit service~~ AN organization that is exempt
 15 from taxation ~~pursuant to~~ UNDER a provision of the ~~United~~
 16 ~~States~~ internal revenue code OF 1986 other than
 17 section 501(c)(3) ~~, whose principal purpose is not charitable,~~
 18 ~~but solicits from time to time funds for a charitable purpose by~~
 19 ~~members of the organization who are not paid for the~~
 20 ~~solicitation. The funds shall be wholly used for the charitable~~
 21 ~~purposes for which they were solicited, and the organization~~
 22 ~~shall file with the attorney general a federal form 990 or 990~~
 23 ~~AR.~~ OF THE INTERNAL REVENUE CODE OF 1986, 26 U.S.C. 501.

24 ~~(i) A nonprofit corporation whose stock is wholly owned by~~
 25 ~~a religious or fraternal society that owns and operates facili-~~
 26 ~~ties for the aged and chronically ill in which no part of the net~~

1 ~~income from the operation of the corporation inures to the~~
 2 ~~benefit of a person other than the residents.~~

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

5 (H) A CHARITABLE ORGANIZATION OF WHICH 50% OR MORE IS
 6 LICENSED BY THIS STATE TO PROVIDE SERVICES TO CHILDREN, FAMILIES,
 7 OR OTHER INDIVIDUALS.

8 (I) A PARENT-TEACHER ORGANIZATION, A SCHOOL, MUSIC, OR ATH-
 9 LETIC BOOSTER ORGANIZATION.

10 (J) A SPORTS ORGANIZATION SUCH AS A LITTLE LEAGUE ASSOCIA-
 11 TION OR TOURNAMENT.

12 (k) A person registered under and complying with the
 13 requirements of the public safety solicitation act, ACT NO. 298
 14 OF THE PUBLIC ACTS OF 1992, BEING SECTIONS 14.301 TO 14.327 OF
 15 THE MICHIGAN COMPILED LAWS.

16 Sec. 16. The attorney general may CONDITIONALLY continue
 17 ~~under conditions~~ the ~~license~~ REGISTRATION of ~~an~~ A
 18 CHARITABLE organization ~~—~~ OR professional ~~fund-raiser, or pro-~~
 19 ~~fessional solicitor which~~ FUND-RAISER THAT fails to comply with
 20 this act, including failure to comply with ~~the~~ rules regarding
 21 prohibited transactions, standards of solicitation, conduct, or
 22 administration.

23 Sec. 17. (1) ~~A person shall not act as a professional fund~~
 24 ~~raiser for a charitable organization or charitable purpose before~~
 25 ~~he has filed an application for a license with the attorney gen-~~
 26 ~~eral or after the expiration or cancellation of a license or~~
 27 ~~renewal thereof. Applications for license shall be in writing,~~

~~1 under oath, in the form prescribed by the attorney general. The~~
~~2 applicant when making application, shall file with and have~~
~~3 approved by the attorney general a bond in which the applicant~~
~~4 shall be the principal obligor, in the sum of \$10,000.00. The~~
~~5 bond shall run to the people of the state and to any person~~
~~6 including charitable organizations who may have a cause of action~~
~~7 against the obligor of the bond for any malfeasance or misfeas-~~
~~8 ance in the conduct of the solicitation. The aggregate limit of~~
~~9 liability of the surety to the state and to all the persons shall~~
~~10 not exceed the sum of the bond. Application for renewal of~~
~~11 licenses when effected shall be for a period of 1 year, or a part~~
~~12 thereof, expiring on June 30, and may be renewed for additional~~
~~13 1 year periods upon written application, under oath, in the form~~
~~14 prescribed by the attorney general and the filing of the bond. A~~
15 PROFESSIONAL FUND-RAISER SHALL NOT SOLICIT OR RECEIVE DONATIONS
16 ON BEHALF OF A CHARITABLE ORGANIZATION BEFORE REGISTERING WITH
17 THE ATTORNEY GENERAL OR AFTER THE EXPIRATION, SUSPENSION, REVOCATION,
18 OR DENIAL OF A REGISTRATION.

19 (2) ~~A person shall not act as a professional solicitor in~~
~~20 the employ of a professional fund raiser required to be licensed~~
~~21 before he has registered with the attorney general or after the~~
~~22 expiration or cancellation of registration. Application for THE~~
23 registration ~~or reregistration~~ OF A PROFESSIONAL FUND-RAISER
24 shall be in writing ~~, under oath, in the~~ ON A form prescribed
25 by the attorney general ~~. Registration or reregistration when~~
~~26 effected shall be for a period of 1 year, or a part thereof,~~
~~27 expiring on June 30, and may be renewed upon written application,~~

1 ~~under oath, in the form prescribed by the attorney general for~~
2 ~~additional 1 year periods.~~ AND SHALL BE ACCOMPANIED BY A PAYMENT
3 OF A \$200.00 FEE. INFORMATION PROVIDED TO THE ATTORNEY GENERAL
4 ON THE REGISTRATION FORM SHALL INCLUDE, BUT IS NOT LIMITED TO,
5 THE FOLLOWING:

6 (A) ALL NAMES CURRENTLY USED BY THE PROFESSIONAL
7 FUND-RAISER.

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

11 (C) IF THE PRINCIPAL ADDRESS OF THE PROFESSIONAL FUND-RAISER
12 IS NOT IN THIS STATE, THE ADDRESS AND TELEPHONE NUMBER OF A RESI-
13 DENT AGENT IN THIS STATE.

14 (D) WHERE AND WHEN THE PROFESSIONAL FUND-RAISER WAS LEGALLY
15 ESTABLISHED AND THE FORM OF ITS ORGANIZATION. IF A PROFESSIONAL
16 FUND-RAISER IS INCORPORATED, THE NAME AND BUSINESS OR HOME
17 ADDRESS OF ALL OFFICERS AND DIRECTORS. IF A PROFESSIONAL
18 FUND-RAISER IS A SOLE PROPRIETORSHIP OR PARTNERSHIP, THE NAME AND
19 BUSINESS OR HOME ADDRESS OF THE OWNER AND ALL PARTNERS.

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

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

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

4 (H) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF ANY CHARITA-
5 BLE ORGANIZATION WITH WHICH THE PROFESSIONAL FUND-RAISER HAS CON-
6 TRACTED FOR SOLICITATIONS IN THIS STATE.

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

9 (3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4), THE REG-
10 ISTRATION OF A PROFESSIONAL FUND-RAISER THAT RECEIVES, HAS CUS-
11 TODY OF, OR ACCESS TO FUNDS SOLICITED IN THIS STATE FOR A CHARI-
12 TABLE ORGANIZATION SHALL BE ACCOMPANIED BY A \$25,000.00 BOND, IN
13 WHICH THE PROFESSIONAL FUND-RAISER IS THE PRINCIPAL OBLIGOR. THE
14 BOND SHALL RUN TO THE PEOPLE OF THIS STATE AND TO ANY PERSON,
15 INCLUDING CHARITABLE ORGANIZATIONS, THAT MAY HAVE A CAUSE OF
16 ACTION AGAINST THE PROFESSIONAL FUND-RAISER AS A RESULT OF THE
17 PROFESSIONAL FUND-RAISER'S CONDUCT OF ANY ACTIVITY SUBJECT TO
18 THIS ACT. THE BOND SHALL BE OBTAINED AND SUBMITTED ON A FORM
19 PRESCRIBED BY THE ATTORNEY GENERAL. THE BOND SHALL BE ISSUED BY
20 A COMPANY AUTHORIZED TO ENGAGE IN INSURANCE ACTIVITY IN THIS
21 STATE. THE BOND SHALL REMAIN IN EFFECT FOR A PERIOD OF AT LEAST
22 1 YEAR AFTER THE PROFESSIONAL FUND-RAISER'S REGISTRATION
23 EXPIRES.

24 (4) THE ATTORNEY GENERAL MAY ACCEPT AN IRREVOCABLE LETTER OF
25 CREDIT IN LIEU OF A BOND. AN IRREVOCABLE LETTER OF CREDIT SHALL
26 BE ISSUED BY A FINANCIAL INSTITUTION THAT IS AUTHORIZED TO
27 TRANSACT BUSINESS IN THIS STATE AND THAT IS INSURED BY THE

1 FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL SAVINGS AND
2 LOAN INSURANCE CORPORATION, OR THE NATIONAL CREDIT UNION
3 ASSOCIATION. AN IRREVOCABLE LETTER OF CREDIT SHALL BE SUBMITTED
4 ON A FORM PRESCRIBED BY THE ATTORNEY GENERAL AND SHALL EXPIRE NOT
5 LESS THAN 1 YEAR AFTER THE PROFESSIONAL FUND-RAISER'S REGISTRA-
6 TION EXPIRES.

7 (5) WITHIN 90 DAYS AFTER A SOLICITATION CAMPAIGN IS COM-
8 PLETED, OR ON THE ANNIVERSARY OF THE COMMENCEMENT OF A SOLICITA-
9 TION CAMPAIGN LASTING MORE THAN 1 YEAR, A PROFESSIONAL
10 FUND-RAISER THAT SOLICITED CONTRIBUTIONS IN THIS STATE IN CON-
11 JUNCTION WITH A CHARITABLE ORGANIZATION SHALL FILE WITH THE
12 ATTORNEY GENERAL A FINANCIAL REPORT FOR THE CAMPAIGN, INCLUDING
13 GROSS REVENUE AND AN ITEMIZATION OF ALL EXPENSES INCURRED. THE
14 REPORT SHALL BE SUBMITTED ON A FORM PRESCRIBED BY THE ATTORNEY
15 GENERAL. THE REPORT SHALL BE SIGNED BY AN AUTHORIZED OFFICIAL OF
16 THE PROFESSIONAL FUND-RAISER AND AN AUTHORIZED OFFICIAL OF THE
17 CHARITABLE ORGANIZATION, WHO SHALL CERTIFY, UNDER OATH, THAT THE
18 REPORT IS TRUE TO THE BEST OF HIS OR HER KNOWLEDGE.

19 (6) A PROFESSIONAL FUND-RAISER'S REGISTRATION IS EFFECTIVE
20 IMMEDIATELY UPON RECEIPT BY THE ATTORNEY GENERAL OF THE REQUIRED
21 INFORMATION AND FEE. THE REGISTRATION SHALL EXPIRE 1 YEAR AFTER
22 THE REGISTRATION IS EFFECTIVE. A PROFESSIONAL FUND-RAISER'S REG-
23 ISTRATION IS RENEWABLE BY FILING A RENEWAL REGISTRATION AND
24 PAYING A \$200.00 FEE.

25 Sec. 18. (1) ~~A person shall not use for the purpose of~~
26 ~~soliciting contributions the name of another person, except that~~
27 ~~of an officer, director, or trustee of the charitable~~

1 ~~organization by or for which contributions are solicited, without~~
2 ~~the consent of such other person.~~ A CHARITABLE ORGANIZATION,
3 PROFESSIONAL FUND-RAISER, COMMERCIAL COVENTURER, OR AN EMPLOYEE
4 OR AGENT OF A CHARITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER,
5 OR COMMERCIAL COVENTURER SHALL NOT ENGAGE IN ANY OF THE
6 FOLLOWING:

7 (A) A METHOD, ACT, OR PRACTICE IN VIOLATION OF THIS ACT OR A
8 RULE PROMULGATED UNDER THIS ACT, ANY RESTRICTION, CONDITION, OR
9 LIMITATION PLACED ON A REGISTRATION, OR A FINAL ORDER OR CEASE
10 AND DESIST ORDER.

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

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

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

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

1 (F) MISREPRESENTING OR MISLEADING ANY PERSON IN ANY MANNER
2 TO BELIEVE THAT A PERSON ON WHOSE BEHALF A SOLICITATION EFFORT IS
3 CONDUCTED IS A CHARITABLE ORGANIZATION OR THAT THE PROCEEDS OF A
4 SOLICITATION EFFORT ARE FOR CHARITABLE PURPOSES.

5 (G) MISREPRESENTING OR MISLEADING ANY PERSON IN ANY MANNER
6 TO BELIEVE THAT A PERSON SPONSORS, ENDORSES, OR APPROVES A SOLIC-
7 ITATION EFFORT IF THAT PERSON HAS NOT GIVEN WRITTEN CONSENT TO
8 THE USE OF HIS OR HER NAME FOR THAT PURPOSE.

9 (H) MISREPRESENTING OR MISLEADING ANY PERSON IN ANY MANNER
10 TO BELIEVE THAT REGISTRATION UNDER THIS ACT CONSTITUTES ENDORSE-
11 MENT OR APPROVAL BY THIS STATE OR A DEPARTMENT OR AGENCY OF THIS
12 STATE.

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

18 (J) DIVERTING OR MISDIRECTING CONTRIBUTIONS TO A PURPOSE OR
19 ORGANIZATION OTHER THAN THAT FOR WHICH THE FUNDS WERE CONTRIBUTED
20 OR SOLICITED.

21 (K) FALSELY REPRESENTING OR IMPLYING THAT DONORS WILL
22 RECEIVE SPECIAL BENEFITS OR TREATMENT OR THAT FAILURE TO MAKE A
23 CONTRIBUTION WILL RESULT IN UNFAVORABLE TREATMENT.

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

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

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

7 (O) REPRESENTING THAT FUNDS SOLICITED WILL BE USED FOR A
8 PARTICULAR CHARITABLE PURPOSE IF THOSE FUNDS ARE NOT USED FOR THE
9 REPRESENTED PURPOSE.

10 (P) SOLICITING CONTRIBUTIONS, CONDUCTING A SALES PROMOTION,
11 OR OTHERWISE OPERATING IN THIS STATE AS A CHARITABLE ORGANIZA-
12 TION, PROFESSIONAL FUND-RAISER, OR COMMERCIAL COVENTURER UNLESS
13 THE INFORMATION REQUIRED UNDER THIS ACT IS FILED WITH THE ATTOR-
14 NEY GENERAL AS REQUIRED UNDER THIS ACT.

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

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

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

26 (2) ~~A person has used the name of another person for the~~
27 ~~purpose of soliciting contributions if the latter person's name~~

1 ~~is listed on stationery, an advertisement, brochure, or in~~
 2 ~~correspondence by which a contribution is solicited by or on~~
 3 ~~behalf of a charitable organization or the name is listed or~~
 4 ~~referred to in connection with a request for a contribution as~~
 5 ~~one who has contributed to, sponsored, or indorsed the organiza-~~
 6 ~~tion or its activities.~~ IN ADDITION TO THE PENALTIES PROVIDED IN
 7 SECTION 20, A PERSON WHO ENGAGES IN ANY UNFAIR, UNCONSCIONABLE,
 8 OR DECEPTIVE METHOD, ACT, OR PRACTICE IN A SOLICITATION FOR CON-
 9 TRIBUTIONS IN VIOLATION OF THIS ACT OR RULES PROMULGATED UNDER
 10 THIS ACT HAS ENGAGED IN A PROHIBITED ACT IN VIOLATION OF THE
 11 MICHIGAN CONSUMER PROTECTION ACT, ACT NO. 331 OF THE PUBLIC ACTS
 12 OF 1976, BEING SECTIONS 445.901 TO 445.922 OF THE MICHIGAN
 13 COMPILED LAWS, AND IS SUBJECT TO THE PENALTIES AND REMEDIES PRO-
 14 VIDED IN ACT NO. 331 OF THE PUBLIC ACTS OF 1976.

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

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

26 (4) ~~(5)~~ A charitable organization, whether exempt or not
 27 from this act, shall supply to each solicitor and each solicitor

1 shall have in immediate possession identification ~~which~~ THAT
2 sets forth the name of the solicitor and the name of the charita-
3 ble organization on whose behalf the solicitation is conducted.

4 SEC. 19. (1) BEFORE CONDUCTING A SALES CAMPAIGN, A COMMER-
5 CIAL COVENTURER SHALL REGISTER WITH THE ATTORNEY GENERAL ON A
6 FORM PRESCRIBED BY THE ATTORNEY GENERAL. THE REGISTRATION SHALL
7 INCLUDE, BUT IS NOT LIMITED TO, THE FOLLOWING INFORMATION:

8 (A) THE NAME OF THE COMMERCIAL COVENTURER AND ANY OTHER COR-
9 PORATE, BUSINESS, OR TRADE NAMES USED BY THE COMMERCIAL
10 COVENTURER.

11 (B) THE ADDRESS AND TELEPHONE NUMBER OF THE PRINCIPAL OFFICE
12 OF THE COMMERCIAL COVENTURER.

13 (C) IF THE COMMERCIAL COVENTURER IS NOT A SOLE PROPRIETOR-
14 SHIP, WHERE AND WHEN THE COMMERCIAL COVENTURER WAS LEGALLY ESTAB-
15 LISHED AND THE FORM OF ITS ORGANIZATION.

16 (D) A CONCISE DESCRIPTION OF THE PRINCIPAL METHODS BY WHICH
17 THE COMMERCIAL COVENTURER INTENDS TO CONDUCT ITS SALES OR SOLICI-
18 TATION CAMPAIGN IN MICHIGAN.

19 (E) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF EACH CHARITA-
20 BLE ORGANIZATION WITH WHICH THE COMMERCIAL COVENTURER HAS
21 CONTRACTED.

22 (F) A COMPLETE COPY OF ANY AGREEMENT BETWEEN THE COMMERCIAL
23 COVENTURER AND A CHARITABLE ORGANIZATION.

24 (2) A COMMERCIAL COVENTURER SHALL PAY A FEE OF \$50.00 WITH
25 ITS REGISTRATION.

1 (3) A COMMERCIAL COVENTURER'S REGISTRATION IS EFFECTIVE
2 IMMEDIATELY UPON THE ATTORNEY GENERAL'S RECEIPT OF THE REQUIRED
3 INFORMATION AND FEE.

4 (4) A COMMERCIAL COVENTURER'S REGISTRATION SHALL EXPIRE 1
5 YEAR AFTER ITS REGISTRATION IS EFFECTIVE.

6 (5) A COMMERCIAL COVENTURER SHALL NOT CONDUCT A CHARITABLE
7 SALES PROMOTION IN WHICH IT USES THE NAME OF A CHARITABLE ORGANI-
8 ZATION THAT IS NOT REGISTERED IN THIS STATE.

9 SEC. 19A. A COMMERCIAL COVENTURER SHALL REPORT TO THE
10 ATTORNEY GENERAL THE TOTAL DOLLAR SALES OF EACH CAMPAIGN CON-
11 DUCTED IN THIS STATE AND THE AMOUNT PAID TO EACH CHARITABLE
12 ORGANIZATION WITH ITS RENEWAL REGISTRATION OR WITHIN 30 DAYS
13 AFTER THE CONCLUSION OF A SALES CAMPAIGN IN THIS STATE IF NO FUR-
14 THER CAMPAIGN IS INTENDED.

15 SEC. 19B. A COMMERCIAL COVENTURER THAT OPERATES VENDING
16 MACHINES, HONOR BOXES, WISHING WELLS, CONTRIBUTION BOXES, NOVELTY
17 MACHINES, OR SIMILAR DEVICES THAT BENEFITS A CHARITABLE ORGANIZA-
18 TION THROUGH A PORTION OF THE PROCEEDS OR A FIXED DOLLAR AMOUNT
19 SHALL PROMINENTLY DISPLAY THE FOLLOWING INFORMATION ON EACH
20 MACHINE, WISHING WELL, BOX, OR DEVICE:

21 (A) THE NAME OF THE COMMERCIAL COVENTURER AND THE FACT THAT
22 THE COMMERCIAL COVENTURER OWNS THE MACHINE, WISHING WELL, BOX, OR
23 DEVICE.

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

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

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

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

24 SEC. 19D. (1) A PERSON REQUIRED TO REGISTER UNDER THIS ACT
25 IS SUBJECT TO THE FOLLOWING LATE FEES:

26 (A) A \$20.00 LATE FEE FOR FAILING TO FILE A REPORT ON OR
27 BEFORE THE DATE A CHARITABLE ORGANIZATION'S REGISTRATION EXPIRES

1 AS PROVIDED IN SECTION 7(1) UNLESS AN EXTENSION HAS BEEN GRANTED
2 UNDER SECTION 7(4).

3 (B) A \$20.00 LATE FEE IF A PROFESSIONAL FUND-RAISER FAILS TO
4 FILE A REPORT AS REQUIRED UNDER SECTION 17(5).

5 (C) A \$20.00 LATE FEE IF A COMMERCIAL COVENTURER FAILS TO
6 FILE A CAMPAIGN FINANCIAL REPORT OR CAMPAIGN SALES REPORT AS
7 REQUIRED UNDER SECTION 19A.

8 (2) A \$20.00 LATE FEE SHALL ALSO BE ASSESSED AGAINST A CHAR-
9 ITABLE ORGANIZATION, PROFESSIONAL FUND-RAISER, OR COMMERCIAL
10 COVENTURER THAT FAILS TO CURE A DEFECT IN ITS REGISTRATION OR
11 ANNUAL REPORT WITHIN 30 DAYS AFTER NOTICE BY THE ATTORNEY GENERAL
12 THAT A CORRECTION OR ADDITIONAL INFORMATION IS REQUIRED.

13 Sec. 20. (1) The attorney general may, ~~institute~~ IN ADDI-
14 TION TO ANY OTHER ACTION AUTHORIZED BY LAW, BRING an action ~~in~~
15 ~~any circuit court~~ to enjoin ~~preliminarily or permanently a~~
16 ~~charitable organization, professional fund raiser, solicitor, or~~
17 ~~other person who: (a) Engages in a method, act, or practice in~~
18 ~~violation of this act or any of the rules promulgated hereunder.~~
19 ~~(b) Employs or uses in a solicitation or collection of contribu-~~
20 ~~tions for a charitable organization on behalf of any other person~~
21 ~~for a charitable purpose a device, scheme, or artifice to~~
22 ~~defraud, or for obtaining money or property by means of any false~~
23 ~~pretense, deception, representation, or promise.~~ AN ACT OR PRAC-
24 TICE PROHIBITED UNDER THIS ACT. AFTER FINDING THAT A PERSON HAS
25 ENGAGED IN OR IS ENGAGING IN A PROHIBITED ACT OR PRACTICE, A
26 COURT MAY ENTER ANY NECESSARY ORDER OR JUDGMENT, INCLUDING, BUT
27 NOT LIMITED TO, AN INJUNCTION, AN ORDER OF RESTITUTION, AN AWARD

1 OF REASONABLE ATTORNEY FEES AND COSTS. A COURT MAY AWARD TO THIS
2 STATE A CIVIL PENALTY OF \$10,000.00 OR LESS FOR EACH VIOLATION OF
3 THIS ACT. A COURT NEED NOT FIND IRREPARABLE HARM TO ENTER AN
4 INJUNCTION, BUT NEED ONLY FIND A VIOLATION OF THIS ACT OR FIND
5 THAT AN INJUNCTION WOULD PROMOTE THE PUBLIC INTEREST.

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

15 (3) The attorney general may, ~~exercise the authority~~
16 ~~granted in this section against a charitable organization or~~
17 ~~person which or who operates under the guise or pretense of being~~
18 ~~an organization or person exempted by this act and is not in fact~~
19 ~~an organization or person entitled to such an exemption.~~ IN
20 ADDITION TO ANY OTHER ACTION AUTHORIZED BY LAW, ISSUE A CEASE AND
21 DESIST ORDER, ISSUE A NOTICE OF INTENDED ACTION, OR TAKE OTHER
22 ACTION IN THE PUBLIC INTEREST. THE ATTORNEY GENERAL MAY ACCEPT
23 AN ASSURANCE OF DISCONTINUANCE OF ANY METHOD, ACT, OR PRACTICE IN
24 VIOLATION OF THIS ACT FROM ANY PERSON ALLEGED TO BE ENGAGED IN OR
25 TO HAVE BEEN ENGAGED IN THAT METHOD, ACT, OR PRACTICE. AN ASSUR-
26 ANCE OF DISCONTINUANCE MAY INCLUDE A STIPULATION FOR THE
27 VOLUNTARY PAYMENT OF THE COSTS OF INVESTIGATION, FOR AN AMOUNT TO

1 BE HELD IN ESCROW PENDING THE OUTCOME OF AN ACTION OR AS
2 RESTITUTION TO AN AGGRIEVED PERSON, OR FOR THE VOLUNTARY PAYMENT
3 TO ANOTHER PERSON IF IN THE PUBLIC INTEREST. AN ASSURANCE OF
4 DISCONTINUANCE SHALL BE IN WRITING AND SHALL BE FILED WITH THE
5 CIRCUIT COURT FOR INGHAM COUNTY. AN ACTION RESOLVED BY AN ASSUR-
6 ANCE OF DISCONTINUANCE MAY BE REOPENED BY THE ATTORNEY GENERAL AT
7 ANY TIME FOR ENFORCEMENT BY A COURT OR FOR FURTHER PROCEEDINGS IN
8 THE PUBLIC INTEREST. EVIDENCE OF A VIOLATION OF AN ASSURANCE OF
9 DISCONTINUANCE IS PRIMA FACIE EVIDENCE OF A VIOLATION OF THIS ACT
10 IN ANY SUBSEQUENT PROCEEDING BROUGHT BY THE ATTORNEY GENERAL.

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

13 (A) PLACEMENT OF A RESTRICTION ON THE PERSON'S
14 REGISTRATION.

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

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

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

20 (5) THE ATTORNEY GENERAL SHALL, BEFORE SUSPENDING OR REVOK-
21 ING A REGISTRATION, ASSESSING A CIVIL FINE, OR ORDERING RESTITU-
22 TION, PROVIDE THE PERSON AGAINST WHOM THE PENALTY IS TO BE
23 IMPOSED AN OPPORTUNITY FOR A HEARING IN ACCORDANCE WITH THE
24 ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC
25 ACTS OF 1969, BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN
26 COMPILED LAWS.

1 (6) A PERSON WHO SUFFERS A LOSS AS A RESULT OF A VIOLATION
2 OF THIS ACT MAY EXERCISE ANY RIGHT OR REMEDY CREATED UNDER
3 SECTION 11 OF THE MICHIGAN CONSUMER PROTECTION ACT, ACT NO. 331
4 OF THE PUBLIC ACTS OF 1976, BEING SECTION 445.911 OF THE MICHIGAN
5 COMPILED LAWS.

6 Sec. 21. (1) The attorney general may investigate ~~the~~
7 ~~operations or conduct of charitable organizations, professional~~
8 ~~fund raisers, or professional solicitors subject to this act. He~~
9 ~~may require a person, corporation, institution, or association,~~
10 ~~and the officers, members, and employees and agents thereof, to~~
11 ~~appear at a named time and place in the county designated by the~~
12 ~~attorney general or where the person resides or is found, to give~~
13 ~~information under oath and to produce books, memoranda, papers,~~
14 ~~records, documents of title, evidence of assets, liabilities,~~
15 ~~receipts, or disbursements in the possession or control of the~~
16 ~~person ordered to appear.~~ A COMPLAINT FROM ANY PERSON IN WHAT-
17 EVER MANNER THE ATTORNEY GENERAL CONSIDERS APPROPRIATE AND MAY
18 INVESTIGATE ON HIS OR HER OWN INITIATIVE A CHARITABLE ORGANIZA-
19 TION, PROFESSIONAL FUND-RAISER, OR COMMERCIAL COVENTURER. THE
20 ATTORNEY GENERAL MAY REQUIRE A PERSON, CORPORATION, INSTITUTION,
21 OR ASSOCIATION OR AN OFFICER, MEMBER, EMPLOYEE, OR AGENT OF A
22 CORPORATION, INSTITUTION, OR ASSOCIATION TO APPEAR AT A TIME AND
23 PLACE SPECIFIED BY THE ATTORNEY GENERAL TO GIVE INFORMATION UNDER
24 OATH AND TO PRODUCE BOOKS, MEMORANDA, PAPERS, RECORDS, DOCUMENTS,
25 OR EVIDENCE OF ASSETS, LIABILITIES, RECEIPTS, OR DISBURSEMENTS IN
26 THE POSSESSION OF THE PERSON ORDERED TO APPEAR.

1 (2) When REQUIRING THE ATTENDANCE OF A PERSON, the attorney
2 general ~~requires the attendance of a person, he~~ shall issue an
3 order setting forth the time when and the place where attendance
4 is required and shall ~~cause the same to be served~~ SERVE THE
5 ORDER upon the person in the manner provided for service of pro-
6 cess in civil cases at least 5 days before the date fixed for
7 attendance. The order shall have the same force and effect as a
8 subpoena and, upon application of the attorney general,
9 ~~obedience to~~ the order may be enforced by a court having juris-
10 diction over the person ~~—~~ OR the circuit court for the county
11 of Ingham ~~—~~ or for the county where the person receiving ~~it~~
12 THE ORDER resides or is found, in the same manner as though the
13 notice were a subpoena. In case of ~~contumacy~~ FAILURE or
14 refusal to obey the order issued by the attorney general, the
15 court may issue an order requiring the person to appear before
16 the court, ~~or~~ to produce documentary evidence, ~~if so ordered,~~
17 or to give evidence ~~touching~~ CONCERNING the matter in
18 question. Failure to obey the order of the court ~~shall be~~
19 ~~punished~~ IS PUNISHABLE by that court as ~~a~~ contempt. The
20 investigation may be ~~made~~ CONDUCTED by ~~or before~~ an assistant
21 attorney general OR OTHER PERSON designated ~~in writing~~ by the
22 attorney general. ~~to conduct the investigation.~~ The attorney
23 general or ~~the assistant attorney general acting in his behalf~~
24 OTHER DESIGNATED PERSON may administer the necessary oath or
25 affirmation to witnesses.

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

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

8 (a) Violates this act.

9 (b) Solicits ~~and~~ OR receives public donations, or sells
10 memberships in this state for ~~and~~ OR on behalf of any organiza-
11 tion, institution, or association subject to the provisions of
12 this act ~~and which~~ THAT is not ~~duly licensed pursuant to~~
13 REGISTERED UNDER this act.

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

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

20 Section 2. Sections 14 and 22 of Act No. 169 of the Public
21 Acts of 1975, being sections 400.284 and 400.292 of the Michigan
22 Compiled Laws, are repealed.