

CHARITABLE ORGANIZATIONS AND SOLICITATIONS ACT (EXCERPT)
Act 169 of 1975

400.272 Definitions.

Sec. 2.

As used in this act:

(a) "Charitable organization" means a benevolent, educational, philanthropic, humane, patriotic, or eleemosynary organization of persons that solicits or obtains contributions solicited from the public for charitable purposes. The term includes a chapter, branch, area office, or similar affiliate or person soliciting contributions within the state for a charitable organization that has its principal place of business outside the state. The term does not include any of the following:

(i) A duly constituted religious organization or a group affiliated with and forming an integral part of a religious organization if none of its net income inures to the direct benefit of any individual and if it has received a declaration of current tax exempt status from the United States if it is a religious organization or it or its parent or principal organization has obtained tax exempt status if it is an affiliated group.

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

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

(b) "Charitable sales promotion" means any advertising or sales activities that include a statement or representation that the purchase or use of the goods or services offered for sale will benefit, in whole or in part, a charitable organization or charitable purpose.

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

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

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

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

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

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

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

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

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

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

(j) "Solicitor" means a person who solicits on behalf of a charitable organization.

History: 1975, Act 169, Imd. Eff. July 20, 1975 ;-- Am. 1976, Act 368, Imd. Eff. Dec. 23, 1976 ;-- Am. 2010, Act 196, Imd. Eff. Oct. 5, 2010 ;-- Am. 2010, Act 377, Eff. Mar. 30, 2011

