



**House
Legislative
Analysis
Section**

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REGULATE LAW ENFORCEMENT SOLICITATION

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House Bill 4132
Sponsor: Rep. Curtis Hertel
Committee: Consumers

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A SUMMARY OF HOUSE BILL 4132 AS INTRODUCED 2-9-89

The bill would create the Law Enforcement Solicitation Act to regulate contribution solicitations by law enforcement organizations. Under the bill, each "sponsor" of an organization that solicited contributions from the public for the benefit of law enforcement officers would first be required to apply to the attorney general for registration. The bill would define "sponsor" to mean a person who solicited contributions by the use of any name or campaign implying that the person was affiliated with, or organized for the benefit of, law enforcement officers. "Sponsor" would include a chapter, branch, or affiliate of a sponsor that had its principal place of business outside the state, provided that the chapter, branch, or affiliate solicited contributions in the state.

Under the bill, annual registration fees would be \$25, or -- if a parent sponsor of an organization had previously registered -- \$10 annually for each chapter, branch, or affiliate. Registration applications would include information on the specific purpose for which the solicited contributions would be used and a breakdown of how they would be spent; registration applications would not be accepted from sponsors located in another state or country unless the sponsor first designated a resident agent in Michigan for the acceptance of service of process. The registration requirements would not apply to:

-- A sponsor soliciting contributions for the relief of any individual specified by name at the time of the solicitation, provided that all of the contributions collected, without any deductions, were turned over or dedicated to the named beneficiary;

-- A sponsor that did not receive annual contributions in excess of \$1,000 if all functions, including fund-raising, were carried on by persons who were unpaid for their services and if none of the sponsor's assets or income inured to the personal benefit of any of its officers or members.

-- A law enforcement organization that solicited only within its membership, provided that membership was not granted as a condition of the contribution.

The attorney general could request copies of records proving that sponsors qualified for any of the above exemptions, and of soliciting materials. The registration applications and documents filed with the attorney general would be available under the Freedom of Information Act. Prior approval by the attorney general would also be required for disclosure statements, which sponsors would submit with all printed material, to be read to each person from whom a telephone solicitation was made.

Under the bill, those soliciting contributions for or on behalf of a sponsor could not mislead another to believe that the sponsor was a

charitable organization or that any of the proceeds would be used for charitable purposes; could not represent themselves as soliciting on behalf of a sponsor, or use a sponsor's emblem, device, or printed matter without first obtaining written authorization by the sponsor; and could not cause a contributor to believe that a contribution, or the display of a sticker, emblem, or insignia offered to the contributor, would entitle the contributor to special treatment by law enforcement officers, or that the failure to make a donation would result in unfavorable treatment. Violation of the act, or the diversion of funds to purposes other than that for which they were solicited, would be a misdemeanor, punishable by a fine of not more than \$1,000 or imprisonment for not more than six months, or both, together with costs of the prosecution. A second or subsequent offense would be a misdemeanor, subject to a fine of not more than \$5,000 or imprisonment for not more than one year, or both, and costs of the prosecution. Violators would still be subject to the general criminal statutes of the state. Nothing in the act would limit or restrict the attorney general's exercise of powers or performance of duties authorized under any other provisions of law.