



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone: 517/373-6466

THE APPARENT PROBLEM:

Anecdotes abound of peddlers, ticket sellers, and contribution collectors implying affiliations with veterans' organizations when in fact no affiliation exists. Someone selling items door-to-door may identify himself or herself as a veteran, and may imply, if not outright claim, that the sales are to benefit a veterans' organization. Problems arise, however, both when the person is not a veteran or when, even if the person is a veteran, he or she is selling the goods for his or her own personal gain and not to benefit a veteran's organization. Legislation has been proposed to minimize such misrepresentations.

THE CONTENT OF THE BILL:

The bill would amend Public Act 359 of 1921, which allows veterans to obtain free licenses to sell their own goods, both (a) to prohibit people from knowingly making a false representation that the proceeds from goods sold under the act benefited a veterans' organization and (b) to require veterans licensed under the act to clearly indicate when the proceeds from the sale of their goods under the act were to be for their direct personal benefit or gain. (At the time of sale, a written statement of not less than 12-point boldface type would have to be attached to the goods saying that the profit from the sale of the product was for the seller's personal benefit.) Violation of either of these two provisions would be a civil infraction, punishable by a fine of up to \$1,000.

"Veterans' organization" would be defined to include both federally chartered veterans' organizations and organizations composed of veterans as defined by state law that were "organized for a bona fide fraternal, benevolent, educational, philanthropic, humane, patriotic, or eleemosynary [that is, charitable] purpose."

MCL 35.441 et al.

FISCAL IMPLICATIONS:

Fiscal information is not available. (3-8-89)

MISREPRESENTATION AS VETERANS' REP.

House Bill 4275 as passed by the House
Second Analysis (3-22-89)

Sponsor: Rep. John M. Maynard
Committee: Military & Veterans' Affairs

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ARGUMENTS:

For:

The bill would minimize the potential for misrepresentation and misunderstandings when someone buys goods in the belief that proceeds from the sale would go to benefit a veteran's organization. The bill would prohibit knowing misrepresentation, and the requirement that a notice (to the effect that the profits from the sale of the goods would go to the seller) be attached to the goods at the time of sale would forestall inadvertent misunderstanding as to whom the sale would benefit. Veterans' groups could benefit as well: presumably, the dealings addressed by the bill tend to siphon off contributions that otherwise would be made to legitimate organizations.

POSITIONS:

The American Legion supports the bill. (3-22-89)

The Veterans of Foreign Wars supports the bill. (3-22-89)

The Veterans of World War II, Korea, and Vietnam support the concept of the bill. (3-22-89)

H.B. 4275 (3-22-89)