



**House  
Legislative  
Analysis  
Section**

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**VETERANS' PEDDLERS' LICENSES**

**House Bill 4275 as enrolled**  
**Third Analysis (6-19-89)**

**Sponsor: Rep. John M. Maynard**  
**House Committee: Military and Veterans' Affairs**  
**Senate Committee: Local Government and Veterans**

***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, to:

- prohibit people from lying about whether the proceeds from goods sold under the act benefited a veterans' organization;
- require veterans licensed under the act to display a sign (in at least 18-point boldfaced type) at the place of sale which gave their name, license number and a statement saying that the profit from the sale of the product was for the seller's personal benefit; and
- require that a written statement (of not less than 12-point boldfaced type) be printed on or attached to the goods saying that "the profit from the sale of this product is for my personal benefit."

Violation of these provisions would be a civil infraction, punishable by a fine of up to \$1,000. In addition, the bill would require that county prosecutors bring civil actions to enforce the bill.

The bill also would, in effect, redefine "veteran" and would define "veterans' organization." Presently, any honorably discharged veteran of the Civil War, the Spanish American War, World War I, World War II, or "any other war in which the United States of America has been or shall be a participant" can get a veterans' license from his or her county clerk, regardless of the length of active service duty. The bill would change this to require instead that the person applying for a veterans' license either (a) have served at least 180 days of active duty service or (b) have a certified service-connected disability.

"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."

Finally, the bill would specify that it could not be construed as contrary to the provisions of Public Act 51 of 1925, which provides for licensing transient merchants.

MCL 35.441 et al.

***FISCAL IMPLICATIONS:***

The Senate Fiscal Agency notes that there could be additional revenue realized by local governments (depending on the number of violations and the number of fines issued), as well as additional court costs for prosecuting violators. (4-24-89)

***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.

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