

Act No. 424  
Public Acts of 2008  
Approved by the Governor  
January 5, 2009  
Filed with the Secretary of State  
January 6, 2009  
EFFECTIVE DATE: January 6, 2009

**STATE OF MICHIGAN  
94TH LEGISLATURE  
REGULAR SESSION OF 2008**

Introduced by Rep. Tobocman

# **ENROLLED HOUSE BILL No. 6633**

AN ACT to amend 1975 PA 169, entitled "An act to regulate organizations and persons soliciting or collecting contributions for charitable purposes; to require registration, disclosure of information and licensing before solicitation of contributions; to provide for reporting of financial and other information by those licensed or registered and those claiming exemption; to prescribe standards of conduct and administration, and to prohibit certain actions; to provide for enforcement, investigation, and promulgation of rules by the attorney general; to preempt local regulation; to provide penalties for violations; and to repeal certain acts and parts of acts," by amending section 3 (MCL 400.273).

*The People of the State of Michigan enact:*

Sec. 3. (1) Unless the charitable organization is an exempt organization that is exempt from licensing and reporting under section 13, a charitable organization that solicits or intends to solicit or receives or intends to receive contributions from persons by any means shall file an application for a license under this act with the attorney general, on forms prescribed by him or her.

(2) An application for a license under this act shall include the following information:

(a) The name of the organization and any name it uses or intends to use to solicit contributions.

(b) The principal address of the organization and the address of any office in this state. If the organization does not maintain a principal office, the organization shall include the name and address of the person that has custody of its financial records.

(c) The names and addresses of the officers, directors, trustees, chief executive officer, and state agent of the organization.

(d) Where and when the organization was legally established, the form of its organization, and its tax exempt status.

(e) The purpose for which the organization is organized and the purposes for which contributions to be solicited will be used.

(f) The fiscal year date of the organization.

(g) Whether the organization is or has ever been enjoined from soliciting contributions.

(h) All methods by which solicitations will be made.

(i) Copies of contracts between charitable organizations and professional fund raisers relating to financial compensation or profit to be derived by the professional fund raisers. If a contract described in this subdivision is executed after filing of the application, the organization shall file a copy of the contract with the attorney general within 10 days of the date of execution.

(j) Other information as required by rule.

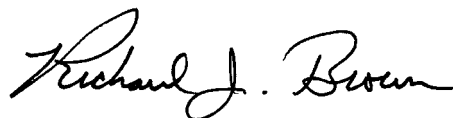
(3) If a charitable organization received contributions in its immediately preceding tax year, as reported on the charitable organization's internal revenue service form 990, 990-EZ, 990-PF, or other 990-series return, in the amount of \$500,000.00 or more, the charitable organization shall include financial statements with its application for license under this section, prepared according to generally accepted accounting principles and audited by an independent certified public accountant. If a charitable organization received contributions in its immediately preceding tax year, as reported on the charitable organization's internal revenue service form 990, 990-EZ, 990-PF, or other 990-series return, in the amount of \$250,000.00 or more, but less than \$500,000.00, the charitable organization shall include financial statements with its application for license under this section that are either reviewed or audited by an independent certified public accountant. The attorney general may waive this requirement 1 time for a charitable organization.

(4) Both of the following apply for purposes of subsection (3):

(a) For license applications submitted under this section on or after January 1, 2015 and before January 1, 2020, the dollar amounts of contributions in subsection (3) at which reviewed financial statements and at which audited financial statements are required with the application are increased by \$25,000.00. Those dollar amounts are increased by an additional \$25,000.00 for every subsequent 5-year period, beginning on January 1, 2020.

(b) "Contributions" means all contributions and support reported on a charitable organization's form 990, 990-EZ, 990-PF, or other 990-series return. The term includes special fund-raising event receipts, net of direct expenses, but does not include contributions or grants received from governmental agencies.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor