

# SENATE BILL NO. 808

April 09, 2024, Introduced by Senators SHINK, CHANG, BAYER and WOJNO and referred to the Committee on Regulatory Affairs.

A bill to amend 1975 PA 169, entitled  
"Charitable organizations and solicitations act,"  
by amending section 3 (MCL 400.273), as amended by 2010 PA 377.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3. (1) Before a solicitation, unless the charitable  
2 organization is exempt from registration and reporting under  
3 section 13, a charitable organization that solicits or intends to  
4 solicit or receives or intends to receive contributions from  
5 persons by any means shall register with the attorney general as  
6 provided in this act.

1           (2) A charitable organization described in subsection (1)  
2 shall register under this act by submitting a registration  
3 statement in the form prescribed by the attorney general. To  
4 register, a charitable organization must include all of the  
5 following information about the charitable organization in the  
6 registration form:

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

9           (b) The principal address of the organization and the address  
10 of each office in this state. If the organization does not maintain  
11 a principal office, the organization shall include the name and  
12 address of the person that has custody of its financial records in  
13 the registration statement.

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

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

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

21           (f) The fiscal year of the organization.

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

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

25           (i) Copies of contracts between the organization and any  
26 professional fund raisers relating to financial compensation or  
27 profit to be derived by the professional fund raisers. If a  
28 contract described in this subdivision is executed after filing of  
29 the registration statement, the organization shall file a copy of

1 the contract with the attorney general ~~within~~ **not later than** 10  
2 days after the date of execution.

3 (j) If the charitable organization received contributions in  
4 its immediately preceding tax year, as reported on the charitable  
5 organization's ~~internal revenue service~~ **Internal Revenue Service**  
6 form 990, 990-EZ, 990-PF, or other 990-series return, in the amount  
7 of ~~\$500,000.00~~ **\$1,000,000.00** or more, financial statements prepared  
8 according to generally accepted accounting principles and audited  
9 by an independent certified public accountant. If the charitable  
10 organization received contributions in its immediately preceding  
11 tax year, as reported on the charitable organization's ~~internal~~  
12 ~~revenue service~~ **Internal Revenue Service** form 990, 990-EZ, 990-PF,  
13 or other 990-series return, in the amount of ~~\$250,000.00~~  
14 **\$275,000.00** or more, but less than ~~\$500,000.00~~, **\$1,000,000.00**, the  
15 charitable organization shall include financial statements that are  
16 either reviewed or audited by an independent certified public  
17 accountant. The attorney general may waive this requirement 1 time  
18 for a charitable organization.

19 (k) The charitable organization's ~~internal revenue service~~  
20 **Internal Revenue Service** form 990, 990-EZ, 990-PF, or other 990-  
21 series return for the preceding tax year.

22 (l) Any other information the attorney general requires by  
23 rule.

24 (3) ~~Both~~ **All** of the following apply for purposes of subsection  
25 (2)(j):

26 (a) ~~For registration statements submitted under this section~~  
27 ~~on or after January 1, 2015 and before January 1, 2020, the dollar~~  
28 ~~amounts of contributions in subsection (2)(j) at which reviewed~~  
29 ~~financial statements and at which audited financial statements are~~

1 ~~required with the registration statement are increased by~~  
2 ~~\$25,000.00. These dollar amounts are increased by an additional~~  
3 ~~\$25,000.00 for every subsequent 5-year period, beginning on January~~  
4 ~~1, 2020.~~ **Each December 31 after the effective date of the amendatory**  
5 **act that added subdivision (b), the contribution thresholds must be**  
6 **adjusted by the cumulative annual percentage change in the Consumer**  
7 **Price Index.**

8 (b) "Consumer Price Index" means the most comprehensive index  
9 of consumer prices available for this state from the Bureau of  
10 Labor Statistics of the United States Department of Labor.

11 (c) ~~(b)~~ "Contributions" means all contributions and support  
12 reported on a charitable organization's **Internal Revenue Service**  
13 form 990, 990-EZ, 990-PF, or other 990-series return. ~~The term~~  
14 ~~includes~~ **Contributions include** special fund-raising event receipts  
15 ~~, and~~ net of direct expenses. ~~, but does~~ **Contributions do** not  
16 include contributions or grants received from governmental  
17 agencies.

18 (4) The attorney general may suspend a charitable  
19 organization's obligation to provide any of the following with its  
20 registration statement submitted under subsection (2) for a  
21 reasonable, specifically designated time if the attorney general  
22 receives a written request to suspend that obligation and the  
23 attorney general determines, and notifies the charitable  
24 organization in writing, that the interest of the public will not  
25 be prejudiced by suspending that obligation:

26 (a) Financial statements under subsection (2)(j).

27 (b) A tax return under subsection (2)(k).

28 (c) Any other information the organization is obligated to  
29 provide ~~pursuant to any~~ **by a** rule promulgated under subsection

**1** (2) (l) .