

Senate Fiscal Agency  
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Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

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House Bill 4259 (Substitute S-1 as reported)  
Sponsor: Representative Gerald Law  
House Committee: Regulatory Reform  
Senate Committee: Gaming and Casino Oversight

### **CONTENT**

The bill would amend the Charitable Organizations and Solicitations Act to create a registration system for charitable organizations, professional fund-raisers, and vendors; revise the list of organizations exempted from the Act; provide that the requirements of the Act would not apply to a charitable organization that did not receive contributions over \$25,000 per year (rather than the current threshold of \$8,000); establish registration and renewal fees; create the "Charitable Organizations and Solicitations Fund"; require the Attorney General to spend money from the Fund, upon appropriation, only for expenditures directly related to gathering and providing the public with information regarding organizations or individuals subject to the Act; require the Attorney General to prepare a report for the Legislature regarding a plan to educate the public regarding charitable organizations and professional fund-raisers operating in or soliciting contributions in Michigan; require charitable organizations and professional fund-raisers to keep records of all money or other property collected from State residents and the disbursement of the money or property; increase fines for misdemeanor violations; and establish a civil penalty for prohibited activities.

MCL 400.272 et. al

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bill would result in increased revenue to the State from new registration fees, late fees, fines and penalties that under the bill would be deposited in a newly created Charitable Organizations and Solicitations Fund. There is no estimate currently available for projected revenue. Approximately 3,000 charitable organizations currently are licensed under the Act. However, the number of organizations that would come under the structured fee schedule contained in the bill is not available due to the change in threshold (from \$8,000 to \$25,000) and changes in exemptions.

There are approximately 240 licensed professional fund-raisers in Michigan. The new \$200 registration fee would generate up to \$48,000 depending on the number of professional fund-raisers that would register under the bill. No estimate is available on the number of vendors that would register under the bill.

Money in the Fund could be spent only for expenditures directly related to gathering and providing to the public information regarding persons subject to the Act. The bill would clarify the responsibilities of the Attorney General. The Attorney General currently has 6.5 FTEs allocated to the Charitable Trust Section of the Consumer Protection Division. New costs for the Department regarding development of a public information program have not been determined.

Date Completed: 12-7-99

Fiscal Analyst: B. Bowerman