

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 6633

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

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

1       Sec. 3. (1) ~~Before a solicitation, a~~ **UNLESS THE** charitable  
2 organization ~~which is not an exempt organization and which is not~~  
3 ~~described in~~ **THAT IS EXEMPT FROM LICENSING AND REPORTING UNDER**  
4 section 13, ~~which~~ **A CHARITABLE ORGANIZATION THAT** solicits or  
5 intends to solicit or receives or intends to receive contributions  
6 from persons by any means ~~whatsoever,~~ shall file **AN APPLICATION FOR**  
7 **A LICENSE UNDER THIS ACT** with the attorney general, ~~upon~~ **ON** forms  
8 prescribed by him, ~~an application for a license~~ **OR HER**. ~~It~~  
9       (2) **AN APPLICATION FOR A LICENSE UNDER THIS ACT** shall include  
10 the following information:

1 (a) The name of the organization and ~~the ANY name under which~~  
2 ~~it intends~~ **IT USES OR INTENDS TO USE** to solicit contributions.

3 (b) The principal address of the organization and the address  
4 of any office in this state. If the organization does not maintain  
5 a principal office, the **ORGANIZATION SHALL INCLUDE THE** name and  
6 address of the person ~~having~~ **THAT HAS** custody of its financial  
7 records.

8 (c) The names and addresses of the officers, directors,  
9 trustees, chief executive officer, and state agent **OF THE**  
10 **ORGANIZATION.**

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

13 (e) The purpose for which ~~it~~ **THE ORGANIZATION** is organized and  
14 the purposes for which contributions to be solicited will be used.

15 (f) The fiscal year date of the organization.

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

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

19 (i) Copies of contracts between charitable organizations and  
20 professional fund raisers relating to financial compensation or  
21 profit to be derived by the professional fund raisers. ~~When the~~ **IF**  
22 **A contract DESCRIBED IN THIS SUBDIVISION** is executed after filing  
23 of **THE** application, ~~statement,~~ **THE ORGANIZATION SHALL FILE** a copy  
24 ~~shall be filed~~ **OF THE CONTRACT WITH THE ATTORNEY GENERAL** within 10  
25 days of the date of execution.

26 (j) Other information as required by rule.

27 **(3) IF A CHARITABLE ORGANIZATION RECEIVED CONTRIBUTIONS IN ITS**

1 IMMEDIATELY PRECEDING TAX YEAR, AS REPORTED ON THE CHARITABLE  
2 ORGANIZATION'S INTERNAL REVENUE SERVICE FORM 990, 990-EZ, 990-PF,  
3 OR OTHER 990-SERIES RETURN, IN THE AMOUNT OF \$500,000.00 OR MORE,  
4 THE CHARITABLE ORGANIZATION SHALL INCLUDE FINANCIAL STATEMENTS WITH  
5 ITS APPLICATION FOR LICENSE UNDER THIS SECTION, PREPARED ACCORDING  
6 TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND AUDITED BY AN  
7 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT. IF A CHARITABLE  
8 ORGANIZATION RECEIVED CONTRIBUTIONS IN ITS IMMEDIATELY PRECEDING  
9 TAX YEAR, AS REPORTED ON THE CHARITABLE ORGANIZATION'S INTERNAL  
10 REVENUE SERVICE FORM 990, 990-EZ, 990-PF, OR OTHER 990-SERIES  
11 RETURN, IN THE AMOUNT OF \$250,000.00 OR MORE, BUT LESS THAN  
12 \$500,000.00, THE CHARITABLE ORGANIZATION SHALL INCLUDE FINANCIAL  
13 STATEMENTS WITH ITS APPLICATION FOR LICENSE UNDER THIS SECTION THAT  
14 ARE EITHER REVIEWED OR AUDITED BY AN INDEPENDENT CERTIFIED PUBLIC  
15 ACCOUNTANT. THE ATTORNEY GENERAL MAY WAIVE THIS REQUIREMENT 1 TIME  
16 FOR A CHARITABLE ORGANIZATION.

17 (4) BOTH OF THE FOLLOWING APPLY FOR PURPOSES OF SUBSECTION

18 (3):

19 (A) FOR LICENSE APPLICATIONS SUBMITTED UNDER THIS SECTION ON  
20 OR AFTER JANUARY 1, 2015 AND BEFORE JANUARY 1, 2020, THE DOLLAR  
21 AMOUNTS OF CONTRIBUTIONS IN SUBSECTION (3) AT WHICH REVIEWED  
22 FINANCIAL STATEMENTS AND AT WHICH AUDITED FINANCIAL STATEMENTS ARE  
23 REQUIRED WITH THE APPLICATION ARE INCREASED BY \$25,000.00. THOSE  
24 DOLLAR AMOUNTS ARE INCREASED BY AN ADDITIONAL \$25,000.00 FOR EVERY  
25 SUBSEQUENT 5-YEAR PERIOD, BEGINNING ON JANUARY 1, 2020.

26 (B) "CONTRIBUTIONS" MEANS ALL CONTRIBUTIONS AND SUPPORT  
27 REPORTED ON A CHARITABLE ORGANIZATION'S FORM 990, 990-EZ, 990-PF,

1 OR OTHER 990-SERIES RETURN. THE TERM INCLUDES SPECIAL FUND-RAISING  
2 EVENT RECEIPTS, NET OF DIRECT EXPENSES, BUT DOES NOT INCLUDE  
3 CONTRIBUTIONS OR GRANTS RECEIVED FROM GOVERNMENTAL AGENCIES.