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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 4944 (as passed by the House)  
Sponsor: Representative Michael Griffin  
House Committee: Health Policy  
Senate Committee: Health Policy and Senior Citizens

Date Completed: 10-20-97

### **CONTENT**

The bill would amend the Professional Service Corporation Act to specify that one or more physicians and surgeons, licensed under the Public Health Code, could organize a professional corporation under the Act with one or more physicians and surgeons licensed under different provisions of the Public Health Code.

The Professional Service Corporation Act specifies that if a professional corporation renders a service that is included within the Public Health Code, then all shareholders of the corporation must be licensed or legally authorized in Michigan to render the same professional service. The bill would make an exception to that requirement.

Under the Act, a "professional corporation" is a corporation that is organized for the sole and specific purpose of rendering one or more professional services, and has as shareholders only licensed persons. A "licensed person" is an individual licensed or otherwise legally authorized to practice a "professional service" by a court, department, board, commission, an agency of the State or another jurisdiction, or any corporation whose shareholders are all licensed persons. A "professional service" is a type of personal service to the public that requires licensure or other legal authorization, such as services rendered by public accountants, attorneys, engineers, physicians and surgeons, and other health professionals.

MCL 450.224

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: M. Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.