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

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House Bill 5120 (Substitute H-1 as discharged)

Sponsor: Representative Barbara Dobb

House Committee: Regulatory Affairs

Senate Committee: Economic Development, International Trade and Regulatory Affairs

### **CONTENT**

The bill would amend the Professional Service Corporation Act, which permits various licensed professionals to incorporate as professional service corporations, to allow a professional corporation to engage in the practice of public accounting if at least two-thirds of the shareholders were licensed as certified public accountants in Michigan or other states (or the equivalent in another licensing jurisdiction acceptable to the Board of Accountancy), and all other shareholders were licensed or legally authorized to render a professional service offered by the corporation.

Currently, a professional corporation may provide one or more professional services but each shareholder must be licensed in one or more of the professional services provided by the corporation. If the professional corporation provides a professional service included in the Public Health Code, however, all shareholders of the corporation must be licensed or legally authorized to provide the same professional service. In addition, a professional corporation may have a licensed person of another jurisdiction as an officer, director, shareholder, employee, or agent of the corporation, but must not have him or her provide any professional service in the State unless he or she is legally authorized to do so.

MCL 450.222 & 450.224

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

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

Date Completed: 12-10-97

Fiscal Analyst: M. Tyszkiewicz