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

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House Bill 5906 (Substitute H-2 as reported without amendment)

Sponsor: Representative Mark Schauer

House Committee: Commerce

Senate Committee: Economic Development, International Trade and Regulatory Affairs

### **CONTENT**

The bill would amend the Nonprofit Corporation Act to allow a corporation organized for purposes described in Section 501(c)(3) of the Internal Revenue Code to include on its board one or more directors who were 16 or 17 years of age, as long as that number did not exceed half the total number of directors required for a quorum for the transaction of business. If the corporation would have more than one director who was 16 or 17 years of age, the corporation would have to state in its articles of incorporation the number of directors who could be 16 or 17 years of age.

Currently, the business and affairs of a corporation must be managed by its board, except as otherwise provided in the Act. A director does not need to be a shareholder or member the corporation unless the articles or bylaws so require. The board must consist of one or more directors. The number of directors must be fixed by or in the manner provided in the bylaws, unless the articles of incorporation fix the number. The articles or a bylaw adopted by the shareholders or members of a corporation organized upon a stock or membership basis may specify the term of office and the manner of election or appointment of directors. A director must hold office for the term for which he or she is elected or appointed and until a successor is elected or appointed and qualified, or until resignation or removal.

Proposed MCL 450.2501a

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

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

Date Completed: 11-18-98

Fiscal Analyst: M. Tyszkiewicz