

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5120

A bill to amend 1962 PA 192, entitled
"Professional service corporation act,"
by amending section 4 (MCL 450.224), as amended by 1997 PA 139.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) One or more licensed persons may organize under
2 this act to become a shareholder or shareholders of a profes-
3 sional corporation for pecuniary profit.

4 (2) Except as otherwise provided in ~~subsection (3)~~
5 SUBSECTIONS (3) AND (4) or otherwise prohibited, a professional
6 corporation may render 1 or more professional services, except
7 that each shareholder must be a licensed person in 1 or more of
8 the professional services rendered by the corporation.

9 (3) A PROFESSIONAL CORPORATION MAY ENGAGE IN THE PRACTICE OF
10 PUBLIC ACCOUNTING IN THIS STATE IF NOT LESS THAN 2/3 OF THE
11 SHAREHOLDERS ARE LICENSED IN GOOD STANDING AS CERTIFIED PUBLIC

HB 5120, As Passed Senate, January 29, 1998

House Bill No. 5120

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1 ACCOUNTANTS OF THIS OR ANOTHER STATE OR THE EQUIVALENT IN ANOTHER
2 LICENSING JURISDICTION ACCEPTABLE TO THE BOARD OF ACCOUNTANCY AND
3 ALL OTHER SHAREHOLDERS ARE LICENSED OR LEGALLY AUTHORIZED TO
4 RENDER A PROFESSIONAL SERVICE OFFERED BY THE PROFESSIONAL
5 CORPORATION. AS USED IN THIS SUBSECTION:

6 (A) "BOARD OF ACCOUNTANCY" MEANS THAT BOARD CREATED IN SEC-
7 TION 721 OF THE OCCUPATIONAL CODE, 1980 PA 299, MCL 339.721.

8 (B) "PRACTICE OF PUBLIC ACCOUNTING" MEANS THAT TERM AS
9 DEFINED IN SECTION 720 OF THE OCCUPATIONAL CODE, 1980 PA 299, MCL
10 339.720.

11 (4) ~~(3)~~ Except as otherwise provided in this ~~section~~
12 SUBSECTION, if the professional corporation renders a profes-
13 sional service that is included within the public health code,
14 1978 PA 368, MCL 333.1101 to 333.25211, then all shareholders of
15 the corporation shall be licensed or legally authorized in this
16 state to render the same professional service. One or more phy-
17 sicians and surgeons licensed under the public health code, 1978
18 PA 368, MCL 333.1101 to 333.25211, may organize a professional
19 corporation under this act with 1 or more physicians and surgeons
20 licensed under different provisions of the public health code,
21 1978 PA 368, MCL 333.1101 to 333.25211.

22 (5) ~~(4)~~ A licensed person of another jurisdiction may
23 become an officer, director, shareholder, employee, or agent of
24 the corporation but shall not render any professional ~~services~~
25 SERVICE in this state until the person is licensed or otherwise
26 legally authorized to render the professional service in this
27 state.