

Act No. 10
Public Acts of 1998
Approved by the Governor
February 19, 1998
Filed with the Secretary of State
February 20, 1998
EFFECTIVE DATE: February 20, 1998

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Reps. Dobb, Profit, Varga, Anthony, Fitzgerald, Scranton, Richner, Voorhees, Rocca, Wallace, Wojno, Jaye, Vaughn, Leland, Olshove, Scott and Middleton

ENROLLED HOUSE BILL No. 5120

AN ACT to amend 1962 PA 192, entitled "An act authorizing the creation of professional service corporations; providing definitions; providing exceptions; providing the manner and method of creating such corporations; providing for individual liability of officers, employees and agents of such corporations in certain instances; authorizing certain investments of corporate funds; regulating the issuance and transfer of capital stock; providing forfeiture of corporate franchise in certain instances; and requiring identification as a corporation," by amending section 4 (MCL 450.224), as amended by 1997 PA 139.

The People of the State of Michigan enact:

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

(2) Except as otherwise provided in subsections (3) and (4) or otherwise prohibited, a professional corporation may render 1 or more professional services, except that each shareholder must be a licensed person in 1 or more of the professional services rendered by the corporation.

(3) A professional corporation may engage in the practice of public accounting in this state if not less than 2/3 of the shareholders are licensed in good standing as certified public accountants of this or another state or the equivalent in another licensing jurisdiction acceptable to the board of accountancy and all other shareholders are licensed or legally authorized to render a professional service offered by the professional corporation. As used in this subsection:

(a) "Board of accountancy" means that board created in section 721 of the occupational code, 1980 PA 299, MCL 339.721.

(b) "Practice of public accounting" means that term as defined in section 720 of the occupational code, 1980 PA 299, MCL 339.720.

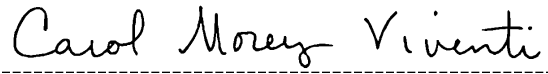
(4) Except as otherwise provided in this subsection, if the professional corporation renders a professional service that is included within the public health code, 1978 PA 368, MCL 333.1101 to 333.25211, then all shareholders of the corporation shall be licensed or legally authorized in this state to render the same professional service. One or more physicians and surgeons licensed under the public health code, 1978 PA 368, MCL 333.1101 to 333.25211, may organize a professional corporation under this act with 1 or more physicians and surgeons licensed under different provisions of the public health code, 1978 PA 368, MCL 333.1101 to 333.25211.

(5) A licensed person of another jurisdiction may become an officer, director, shareholder, employee, or agent of the corporation but shall not render any professional service in this state until the person is licensed or otherwise legally authorized to render the professional service in this state.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.