

Act No. 336  
Public Acts of 2000  
Approved by the Governor  
December 20, 2000  
Filed with the Secretary of State  
December 21, 2000  
EFFECTIVE DATE: December 21, 2000

**STATE OF MICHIGAN**  
**90TH LEGISLATURE**  
**REGULAR SESSION OF 2000**

Introduced by Senators Schuette, Rogers, Shugars, Hammerstrom and McCotter

# **ENROLLED SENATE BILL No. 1241**

AN ACT to amend 1993 PA 23, entitled "An act to provide for the organization and regulation of limited liability companies; to prescribe their duties, rights, powers, immunities, and liabilities; to prescribe the powers and duties of certain state departments and agencies; and to provide for penalties and remedies," by amending section 102 (MCL 450.4102), as amended by 1997 PA 52.

*The People of the State of Michigan enact:*

Sec. 102. (1) Unless the context requires otherwise, the definitions in this section control the interpretation of this act.

(2) As used in this act:

(a) "Administrator" means the director of the department of consumer and industry services or his or her designated representative.

(b) "Articles of organization" means the original documents filed to organize a limited liability company, as amended or restated by certificates of correction, amendment, or merger, by restated articles, or by other instruments filed or issued under any statute.

(c) "Constituent" means a party to a plan of merger, including the survivor.

(d) "Contribution" means anything of value that a person contributes to the limited liability company as a prerequisite for, or in connection with, membership, including cash, property, services performed, or a promissory note or other binding obligation to contribute cash or property, or to perform services.

(e) "Corporation" or "domestic corporation" means any of the following:

(i) A corporation formed under the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098.

(ii) A corporation existing on January 1, 1973 and formed under another statute of this state for a purpose for which a corporation may be formed under the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098.

(iii) A corporation formed under the professional service corporation act, 1962 PA 192, MCL 450.221 to 450.235.

(f) "Distribution" means a direct or indirect transfer of money or other property or the incurrence of indebtedness by a limited liability company to or for the benefit of its members or assignees of its members in respect of the members' membership interests.

(g) "Foreign limited liability company" means a limited liability company formed under laws other than the laws of this state.

(h) "Foreign limited partnership" means a limited partnership formed under laws other than the laws of this state.

(i) "Limited liability company" or "domestic limited liability company" means an entity that is an unincorporated membership organization formed under this act.

(j) "Limited partnership" or "domestic limited partnership" means a limited partnership formed under the Michigan revised uniform limited partnership act, 1982 PA 213, MCL 449.1101 to 449.2108.

(k) "Manager" or "managers" means a person or persons designated by the members of a limited liability company to manage the limited liability company as provided in the articles of organization or in an operating agreement.

(l) "Member" means a person who has been admitted to a limited liability company as provided in section 501 and who has the rights and obligations specified under this act, or, in the case of a foreign limited liability company, a person who is a member of the foreign limited liability company in accordance with the laws under which the foreign limited liability company is organized.

(m) "Membership interest" or "interest" means a member's rights in the limited liability company, including, but not limited to, the right to receive distributions of the limited liability company's assets and any right to vote or participate in management.

(n) "Operating agreement" means a valid written agreement of the members of a limited liability company having more than 1 member as to the affairs of the limited liability company and the conduct of its business and includes any provision in the articles of organization pertaining to the affairs of the limited liability company and the conduct of its business.

(o) "Person" means an individual, partnership, limited liability company, trust, custodian, estate, association, corporation, governmental entity, or any other legal entity.

(p) "Services in a learned profession" means services rendered by a dentist, an osteopathic physician, a physician, a surgeon, a doctor of divinity or other clergy, or an attorney-at-law.

(q) "Surviving company", "surviving entity", or "survivor" means the constituent surviving a merger, as identified in the certificate of merger.

(r) "Vote" means an affirmative vote, approval, or consent.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate.

*Jay E. Randall*

Clerk of the House of Representatives.

Approved .....

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Governor.