



Telephone 373-8080
Fax 373-5874

HOUSE FISCAL AGENCY

124 N. Capitol Avenue
4 – North, HOB Lansing, MI

HB5482 AS INTRODUCED

Sponsor: Rep. Jason Allen

Committee: COMMERCE

HB5483 AS INTRODUCED

Sponsor: Rep. Jud Gilbert

Committee: COMMERCE

Analyst(s): Schneider, Bob

Completed: 12/10/01

State Fiscal Impact

Cost: Indeterminate/Increase
Revenues: Indeterminate/Increase

Local Fiscal Impact

Cost: None
Revenues: None

The bills would create a new act and would amend the Nonprofit Corporations Act to provide for the formation, regulation, and registration of distance learning corporations. "Registered distance learning corporations" would have to be 501(c)(3) non-profit organizations that have been in existence for distance learning purposes for three years or more at the time the corporation applied for registration. The bills specify the purposes and lists permitted activities for registered distance learning corporations. They also establish a registration process for corporations that seek this designation.

A distance learning corporation would have to apply to the Director of the Department of Career Development (DCD) for registration. The DCD would examine required documentation, conduct any other investigations deemed necessary, and collect a \$500 registration fee. Interested corporations would also have to submit articles of incorporation to the attorney general who would have 60 days to review them for compliance with the bills' provisions. The corporation would pay a \$100 fee to the Attorney General for the examination.

It appears currently that the Michigan Virtual University is the one entity in the state with interest and eligibility to be designated as a registered distance learning corporation. It is likely that the fee provisions in the bills would result in \$600 in new, one-time state revenue. State costs to the DCD and Attorney General related to examination and document review would increase by a similar amount, again on a one-time basis. Similar fees and costs could be imposed in the future to the extent that other corporations became eligible for and applied for registered distance learning corporation designation.