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Senate Bill 206 (Substitute S-1 as reported)  
Sponsor: Senator Bill Bullard, Jr.  
Committee: Financial Services

### **CONTENT**

The bill would amend the Business Corporation Act to do the following:

- Specify that the Act would apply to professional service corporations formed under the Professional Service Corporation Act.
- Permit the electronic transmission of certain documents, including a document relating to a domestic or foreign corporation, a notice or communication under the Act, and notice of a shareholders' meeting.
- Permit a shareholders' meeting to be conducted solely by remote communication, and permit a shareholder or board member to participate in a meeting by means of remote communication.
- Permit a corporation's financial report to be distributed electronically.
- Permit a corporation to issue rights, options, or warrants for the purchase of securities of a corporation.
- Provide that a shareholder action seeking an award of damages would have to be commenced within three years after the cause of action had accrued, or within two years after the shareholder discovered or reasonably should have discovered the cause of action, whichever occurred first.
- Remove requirements for indemnification of an employee or agent of a corporation who was sued.
- Prohibit a class or series of shareholders from voting as a class if the class would receive at least the fair value of the shares of the class or series when a plan of merger or share exchange was adopted.
- Specify that a corporation would not have disposed of all of its property and assets if it retained a significant business activity, as defined in the bill.

MCL 450.1106 et al.

Legislative Analyst: L. Arasim

### **FISCAL IMPACT**

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

Date Completed: 4-13-01

Fiscal Analyst: M. Tyszkiewicz