

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 5482 (Substitute H-2 as reported without amendment)

House Bill 5483 (as reported without amendment)

Sponsor: Representative Jason Allen

House Committee: Commerce

Senate Committee: Education

## **CONTENT**

House Bill 5482 (H-2) would create the "Career Development and Distance Learning Act" to provide for the formation, regulation, and registration of distance learning corporations. The bill would require a registered distance learning corporation to do all of the following:

- Register as a distance learning corporation by submitting its articles of incorporation, financial statements, bylaws, and plan of proposed activities to the Director of the Department of Career Development; and pay examination fees of \$100 and \$500.
- Have been in existence for at least three years for distance learning purposes, and be tax-exempt under the Internal Revenue Code.
- Include specific educational purposes in its articles, as well as provisions that the board of directors contain members appointed by the Governor and members representing public universities, community colleges, public schools, private colleges, and the private sector.

The purposes would have to include promoting education technology to accelerate career and workforce development; promoting technology-based education and training to public and private sector organizations; providing technology-based services that would enable distance learning education and training to flourish and prosper; and encouraging collaborative efforts among educational institutions, businesses, nonprofit organizations, and government agencies to meet the training and educational needs of the State's workforce.

A distance learning corporation could not act as a public school or postsecondary degree-granting institution in the State, or independently grant degrees or high school diplomas.

House Bill 5483 would amend the Nonprofit Corporation Act to state that it would not modify the requirements of the Career Development and Distance Learning Act. The bill is tie-barred to House Bill 5482.

MCL 450.2124 (H.B. 5483)

Legislative Analyst: Claire Layman

## **FISCAL IMPACT**

The bills would create a specific corporate structure for distance learning corporations, to formalize the structure of the Michigan Virtual University. The proposed examination fees would result in one-time revenue of \$500 to the Department of Career Development and \$100 to the Attorney General, which would receive and review the required filings. The bills would have no fiscal impact on local government.

Date Completed: 2-21-02

Fiscal Analyst: Elizabeth Pratt

