



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5317 (as reported without amendment)

Sponsor: Representative Bill Huizenga

House Committee: Commerce

Senate Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend the Business Corporation Act to require that, unless otherwise provided, amendments to a corporation's articles of incorporation be proposed by the board (as well as approved by the shareholders); and to allow a board to condition its submission of an amendment on any basis.

Under the Act, unless the articles of incorporation provide otherwise, the board of a corporation may adopt particular amendments to the corporation's articles without shareholder action. Other amendments of the articles of incorporation, except as otherwise provided in the Act, must be approved by the shareholders.

Under the bill, other amendments of the articles of incorporation, except as otherwise provided in the Act, would have to be proposed by the board and approved by the shareholders. The board could condition its submission of an amendment to the shareholders on any basis.

MCL 450.1611

Legislative Analyst: J.P. Finet

FISCAL IMPACT

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

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