

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 298

A bill to amend 1972 PA 284, entitled
"Business corporation act,"
by amending section 1062 (MCL 450.2062), as amended by 1997 PA 118.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1062. (1) A domestic corporation or cooperative
2 association, organized for profit, ~~and~~ **OR** a domestic regulated
3 investment company, at the time of filing its articles of
4 incorporation, shall pay **1 OF THE FOLLOWING** to the administrator —
5 as an initial organization ~~fee~~ and ~~as an initial~~ admission fee:
6 ~~a sum equal to \$50.00 for the first 60,000 authorized shares and~~
7 ~~\$30.00 for each additional 20,000 authorized shares or portion of~~
8 ~~20,000 authorized shares, up to a maximum fee of \$5,000.00 for the~~
9 ~~first 10,000,000 authorized shares. The fee is \$30.00 for each~~

~~20,000 authorized shares or portion of 20,000 authorized shares in excess of 10,000,000 shares up to a maximum of \$200,000.00 for the filing.~~

(A) FOR 60,000 OR FEWER AUTHORIZED SHARES, \$50.00.

(B) FOR MORE THAN 60,000 AND FEWER THAN 1,000,001 AUTHORIZED SHARES, \$100.00.

(C) FOR MORE THAN 1,000,000 AND FEWER THAN 5,000,001 AUTHORIZED SHARES, \$300.00.

(D) FOR MORE THAN 5,000,000 AND FEWER THAN 10,000,001 AUTHORIZED SHARES, \$500.00.

(E) FOR MORE THAN 10,000,000 AUTHORIZED SHARES, \$1,000.00 FOR EACH ADDITIONAL 10,000,000 AUTHORIZED SHARES OR PORTION OF 10,000,000 AUTHORIZED SHARES IN EXCESS OF 10,000,000 AUTHORIZED SHARES.

(2) The initial admission ~~franchise~~ fee of a foreign corporation for profit and foreign regulated investment company applying for admission to do business in this state is \$50.00 and 60,000 shares are considered initially attributable to this state at the time of admission.

(3) Every corporation incorporated under the laws of this state that increases its authorized shares, at the time of filing its amendment to the articles of incorporation, shall pay ~~an additional organization fee of \$30.00 for each increase of 20,000 authorized shares or portion of 20,000 authorized shares. The maximum additional fee on the increase shall not exceed \$5,000.00 if the corporation's total authorized shares after the increase is 10,000,000 shares or fewer. The corporation shall pay an additional~~

~~fee of \$30.00 for each 20,000 additional shares or portion of 20,000 additional shares to the extent that the total authorized shares after the increase exceeds 10,000,000 shares up to a maximum of \$200,000.00 for each filing.~~ 1 OF THE FOLLOWING ADDITIONAL

ORGANIZATIONAL FEES:

(A) FOR AN INCREASE OF 60,000 OR FEWER AUTHORIZED SHARES, \$50.00.

(B) FOR AN INCREASE OF MORE THAN 60,000 AND LESS THAN 1,000,001 AUTHORIZED SHARES, \$100.00.

(C) FOR AN INCREASE OF MORE THAN 1,000,000 AND LESS THAN 5,000,001 AUTHORIZED SHARES, \$300.00.

(D) FOR AN INCREASE OF MORE THAN 5,000,000 AND LESS THAN 10,000,001 AUTHORIZED SHARES, \$500.00.

(E) FOR AN INCREASE OF MORE THAN 10,000,000 AUTHORIZED SHARES, \$1,000.00 FOR EACH ADDITIONAL 10,000,000 AUTHORIZED SHARES OR PORTION OF 10,000,000 AUTHORIZED SHARES IN EXCESS OF 10,000,000 AUTHORIZED SHARES.

(4) A foreign corporation authorized to transact business in this state that increases the number of authorized shares attributable to this state shall file an amended application in accordance with section 1021 and shall pay ~~an additional admission franchise fee of \$30.00 for each increase of 20,000 authorized shares or portion of 20,000 authorized shares attributable to this state. The maximum additional fee shall not exceed \$5,000.00 if the corporation's total authorized shares attributable to this state after the increase is 10,000,000 shares or fewer. The corporation shall pay an additional fee of \$30.00 for each 20,000 additional~~

~~shares or portion of 20,000 additional shares to the extent that the total authorized shares attributable to this state after the increase exceeds 10,000,000 shares up to a maximum of \$200,000.00 for each filing.~~ 1 OF THE FOLLOWING ADDITIONAL ADMISSION FEES:

(A) FOR AN INCREASE OF 60,000 OR FEWER AUTHORIZED SHARES ATTRIBUTABLE TO THIS STATE, \$50.00.

(B) FOR AN INCREASE OF MORE THAN 60,000 AND LESS THAN 1,000,001 AUTHORIZED SHARES ATTRIBUTABLE TO THIS STATE, \$100.00.

(C) FOR AN INCREASE OF MORE THAN 1,000,000 AND LESS THAN 5,000,001 AUTHORIZED SHARES ATTRIBUTABLE TO THIS STATE, \$300.00.

(D) FOR AN INCREASE OF MORE THAN 5,000,000 AND LESS THAN 10,000,001 AUTHORIZED SHARES ATTRIBUTABLE TO THIS STATE, \$500.00.

(E) FOR AN INCREASE OF MORE THAN 10,000,000 AUTHORIZED SHARES ATTRIBUTABLE TO THIS STATE, \$1,000.00 FOR EACH ADDITIONAL 10,000,000 AUTHORIZED SHARES ATTRIBUTABLE TO THIS STATE OR PORTION OF 10,000,000 AUTHORIZED SHARES ATTRIBUTABLE TO THIS STATE IN EXCESS OF 10,000,000 AUTHORIZED SHARES ATTRIBUTABLE TO THIS STATE.

(5) The number of authorized shares attributable to this state ~~shall be~~ IS determined by multiplying the total number of authorized shares by the most recent apportionment percentage used in the computation of the tax required by the single business tax act, 1975 PA 228, MCL 208.1 to 208.145. If the business activities are confined solely to this state, the total number of authorized shares are considered attributable to this state.

(6) The administrator is authorized to require ~~the~~ A corporation to furnish detailed and exact information relating to the determination of fees before making a final determination of

1 the organization or admission franchise fee to be paid by the
2 corporation.

3 (7) As used in this section, "corporation" includes **A**
4 partnership ~~associations~~ **ASSOCIATION** limited, **A** cooperative
5 ~~associations,~~ **ASSOCIATION**, **A** joint ~~associations~~ **ASSOCIATION**
6 having any of the powers of ~~corporations, and~~ **A CORPORATION, AND**
7 **A** common law ~~trusts~~ **TRUST** created by a statute of this state,
8 another state, or a country exercising common law powers in the
9 nature of ~~corporations~~ **A CORPORATION**, whether domestic or
10 foreign, in addition to other corporations as are referred to in
11 this act.

12 (8) If the capital of a corporation is not divided into
13 shares, ~~the~~ **A** fee for purposes of this section is determined as
14 if the corporation had 60,000 shares.

15 (9) If a foreign corporation authorized to transact business
16 in this state merges into a domestic corporation or consolidates
17 with 1 or more corporations into a domestic corporation by
18 complying with this act, the resulting domestic corporation shall
19 pay ~~franchise fees~~ **AN ORGANIZATION AND ADMISSION FEE** for any
20 increase in authorized shares or for any authorized shares as
21 provided in this section, less the amount that the merging or
22 consolidating foreign corporation previously paid to this state
23 under this section as an initial or additional admission ~~franchise~~
24 fee.

25 Enacting section 1. This amendatory act takes effect January
26 1, 2006.

27 Enacting section 2. This amendatory act does not take effect

1 unless all of the following bills of the 93rd Legislature are
2 enacted into law:

3 (a) Senate Bill No. 664.

4 (b) Senate Bill No. 665.

5 (c) Senate Bill No. 666.

6 (d) Senate Bill No. 667.