

SENATE BILL No. 558

May 7, 2009, Introduced by Senator ALLEN and referred to the Committee on Commerce and Tourism.

A bill to amend 1993 PA 23, entitled
"Michigan limited liability company act,"
by amending sections 207a and 803 (MCL 450.4207a and 450.4803),
section 207a as added by 2002 PA 686 and section 803 as amended by
2008 PA 567.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 207a. (1) Except as provided in this section, and section
2 909 for a professional limited liability company, from the
3 effective date of the articles of organization as provided in
4 section 104 until dissolution for a domestic limited liability
5 company, or from the effective date of the certificate of authority
6 to transact business in this state until withdrawal from this state
7 for a foreign limited liability company, a limited liability

1 company is entitled to issuance by the administrator, upon request,
2 of a certificate of good standing. A certificate of good standing
3 issued to a domestic limited liability company shall state that it
4 has been validly organized as a domestic limited liability company,
5 that it is validly in existence under the laws of this state, and
6 that it has satisfied its annual filing obligations. A certificate
7 of good standing issued to a foreign limited liability company
8 shall state that it has been validly authorized to transact
9 business in this state, that it holds a valid certificate of
10 authority to transact business in this state, and that it has
11 satisfied its annual filing obligations.

12 (2) If a domestic limited liability company or a foreign
13 limited liability company authorized to transact business in this
14 state fails to file an annual statement required by section 207 for
15 2 consecutive years, the administrator shall notify the company of
16 the consequences of the failure to file under subsection (3).

17 (3) If a limited liability company does not file all annual
18 statements it has failed to file, and the applicable fees, within
19 ~~60~~90 days after the administrator's notice under subsection (2) is
20 sent, the limited liability company is not in good standing. A
21 limited liability company that is not in good standing is not
22 entitled to issuance by the administrator of a certificate of good
23 standing described in subsection (1), the name of the company is
24 available for use by another entity filing with the administrator,
25 and the administrator shall not accept for filing any document
26 submitted by the limited liability company other than a certificate
27 of restoration of good standing provided for in subsection (4). A

1 limited liability company that is not in good standing remains in
2 existence and may continue to transact business in this state.

3 (4) A domestic limited liability company or a foreign limited
4 liability company authorized to transact business in this state
5 that is not in good standing under subsection (3) may file a
6 certificate of restoration of good standing, accompanied by the
7 annual statements and fees for all of the years for which they were
8 not filed and paid, and the fee for filing the certificate of
9 restoration of good standing. The certificate shall include all of
10 the following:

11 (a) The name of the limited liability company at the time it
12 ceased to be in good standing. If that name is not available when
13 the certificate of restoration of good standing is filed, the
14 limited liability company shall select a new name that complies
15 with section 204. The new name shall be the name of the domestic
16 limited liability company or the name used in this state by the
17 foreign limited liability company from the date of filing of the
18 certificate.

19 (b) The name of the limited liability company's current
20 resident agent and the address of the current registered office in
21 this state.

22 (c) A statement that the certificate is accompanied by the
23 annual statements and applicable fees for all of the years for
24 which statements were not filed and fees were not paid.

25 Sec. 803. (1) The attorney general may bring an action in the
26 circuit court for the county in which the registered office of a
27 limited liability company is located for dissolution of the limited

1 liability company on the ground that the company has committed any
2 of the following acts:

3 (a) Procured its organization through fraud.

4 (b) Repeatedly and willfully exceeded the authority conferred
5 on it by law.

6 (c) Repeatedly and willfully conducted its business in an
7 unlawful manner.

8 (d) If the limited liability company is a low-profit limited
9 liability company, ceased to meet any of the requirements described
10 in section 102(m) and for ~~60~~90 days after it ceased to meet those
11 requirements failed to file a certificate of amendment amending its
12 name to conform with the requirements of section 204.

13 (2) This section does not exclude any other statutory or
14 common law action by the attorney general for dissolution of a
15 limited liability company.