



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1048 (as reported without amendment)
Sponsor: Senator Mike Kowall
Committee: Commerce

CONTENT

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

- Allow the Administrator to maintain records and files in their original form or in the form of reproductions under the Records Reproduction Act.
- Specify that if the Administrator were required under the Act to give notice to a corporation, he or she could electronically transmit the notice to the corporation's resident agent in the manner authorized by the corporation.
- Specify that if the shares of a corporation were to be designated and issued in one or more classes or series, the articles of incorporation would have to include a statement of authority vested in the board to that effect.
- Modify various provisions relating to shareholders of professional corporations.
- Modify provisions relating to the designation of shares of corporate stock into one or more classes or series.
- Allow a person to execute a shareholder consent that directed that it would take effect at a future time, provided certain conditions were met.
- Allow an individual to execute a consent that directed that it would take effect at a future time, provided certain conditions were met.
- Specify that approval of a plan of merger or share exchange by the shareholders of a corporation would not be required if certain requirements were met.
- Allow the Administrator to electronically transmit notification of pending dissolution, notice of a reporting requirement violation, or a certificate of revocation to a corporation's resident agent.
- Increase filing fees for various documents.

The bill also would repeal Section 1062 of the Act, which specifies the organization and admission fees for domestic and foreign corporations based on authorized shares.

MCL 450.1131 et al.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the Department of Licensing and Regulatory Affairs (LARA) and no fiscal impact on local units of government. The bill would increase a number of filing fees paid by for-profit corporations; the increases in those fees would generate additional revenue of about \$640,000 per year. The bill also would eliminate fees paid by domestic or foreign corporations that increase their authorized shares or shares attributable to Michigan, but the amount of revenue that would be lost with the elimination of those fees is not available. For reference purposes, LARA collected a total of \$22.4 million in corporate fees in fiscal year 2014-15.

Date Completed: 10-20-16

Fiscal Analyst: Josh Sefton

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Bill Analysis @ www.senate.michigan.gov/sfa

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