

Legislative Analysis



REVISE LATE FILING FEES FOR LIMITED LIABILITY COMPANIES AND BUSINESS CORPORATIONS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4916 as introduced
House Bill 4917 as introduced
Sponsor: Rep. Martin Howrylak
Committee: Commerce and Trade
Complete to 3-13-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4916 would amend the Michigan Limited Liability Company Act, the act that provides for the organization and regulation of limited liability companies, to revise a late filing fee. Currently under the act, a professional limited liability company must file with the Department of Licensing and Regulatory Affairs (LARA) an annual report and \$50 filing fee by February 15 of each year. If the report is not filed or the fee is not paid by February 15, a \$50 late fee is added.

Under the bill, if a professional limited liability company did not file the annual report or pay the fee within the time specified, the company would be subject to a penalty of \$10 for each 1-month period or part of a 1-month period that the company was delinquent or \$50, whichever is less.

MCL 450.4909

House Bill 4917 would amend the Business Corporation Act, the act that provides for the organization and regulation of corporations, to make similar revisions in that act. Currently under the act, if a corporation does not file a report or pay a fee required under the act within the time specified, the corporation is subject to a penalty of \$10 for each month or part of a month that the corporation is delinquent, not to exceed \$50.

Under the bill, if a domestic or foreign corporation neglected or refused to file a report or pay a fee under the act within the time specified, the corporation would be subject to a penalty of \$10 for each 1-month period or part of a 1-month period or \$50, whichever is less.

MCL 450.1921

Each bill would take effect 90 days after being enacted into law.

FISCAL IMPACT:

House Bills 4916 and 4917 would have an indeterminate fiscal impact on the Department of Licensing and Regulatory Affairs. The bills could decrease the amount of fees that are collected by the department, but the magnitude of the impact would depend on how many

professional limited liability companies and corporations are less than five months delinquent in filing their annual reports.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.