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BILL



ANALYSIS

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House Bill 4701 (as passed by the House)  
Sponsor: Representative Holly Hughes  
House Committee: Military and Veterans Affairs  
Senate Committee: Veterans, Military Affairs and Homeland Security

Date Completed: 11-6-18

### **CONTENT**

**The bill would amend the Michigan Limited Liability Company Act to do the following:**

- **Require the Director of the Department of Licensing and Regulatory Affairs (LARA) to waive the fee for filing initial articles of organization if a majority of the initial membership interests in the domestic limited liability company (LLC) would be held by veterans.**
- **Require the person who requested a filing fee waiver to submit to the Director certain documents with the initial articles of organization.**

The bill would take effect 90 days after its enactment.

The Act requires the Director of LARA to waive a prescribed filing fee for an LLC if the majority of the membership interests are, and the LLC provides proof satisfactory to the Director that those interests are, held by one or more honorably discharged veterans. Under the bill, this would not apply to the fee for filing initial articles of organization.

The bill would require the Director to waive the filing fee for initial articles of organization (currently \$50) if a majority of the initial membership interests in the domestic LLC were held by veterans. To request the fee waiver, the person submitting the initial articles of organization for filing would have to submit both of the following to the Director with that document:

- A signed affidavit requesting the fee waiver and certifying that a majority of the initial membership interests in the LLC would be held by veterans.
- Copies of Form DD214 or Form DD215 for each veteran who would be an initial member of the LLC.

Under the bill, veteran would mean that term as defined in Public Act 190 of 1965 (which establishes who is considered a veteran in the state): an individual who served in the United States Armed Forces, including the reserve components, and was discharged or released under conditions other than dishonorable.

MCL 450.5101

Legislative Analyst: Tyler VanHuyse

### **FISCAL IMPACT**

The bill would have an indeterminate but minor negative fiscal impact on the Department of Licensing and Regulatory Affairs (LARA). The bill would allow veterans to request a waiver

for a \$50 fee for filing initial articles of organization, which would reduce fee revenue used to fund LARA. The magnitude of revenue loss would depend on the number of new domestic limited liability companies with a majority of initial membership interests held by veterans who succeeded in obtaining a waiver.

Fiscal Analyst: Elizabeth Raczowski

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.