



Senate Fiscal Agency
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House Bill 4995 through House Bill 4997 (Substitute H-2 as passed by the House)
Sponsor: Representative Phil Skaggs
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 9-26-23

CONTENT

The bills would amend the Michigan Limited Liability Company Act (HB 4995), the Nonprofit Corporation Act (HB 4996), and the Business Corporation Act (HB 4997) to extend the sunset date on certain fees. The Acts require entities to pay fees to the Director of the Department of Licensing and Regulatory Affairs (LARA) when submitting documents for filing. The fees for filing an annual report under the Business Corporation Act and the Nonprofit Corporation Act, and the fee for filing an annual statement of resident agent under the Limited Liability Company Act, are currently due to sunset on September 30, 2023. The bill would extend the sunset on these fees to September 30, 2027.

MCL 450.2060 (H.B. 4997)
450.3060 (H.B. 4996)
450.5101 (H.B. 4995)

FISCAL IMPACT

The bills would have a positive fiscal impact on the Department of Licensing and Regulatory Affairs (LARA) and no fiscal impact on local units of government. Extending the sunsets would preserve approximately \$9.5 million in annual revenue. The revenue from these fees is deposited into the Corporations Fees Fund and is used to administer the Corporations, Securities, & Commercial Licensing Bureau's regulatory activities.

If the sunset were not extended, the revenue loss would be approximately \$7.0 million from fees under the Michigan Limited Liability Company Act, \$2.0 million from those under the Business Corporation Act, and \$500,000 from those under the Nonprofit Corporation Act.

Fiscal Analyst: Elizabeth Raczkowski

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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.