

## NONPROFIT CORPORATION ACT (EXCERPT)

### Act 162 of 1982

#### CHAPTER 10

#### **450.3001 Foreign corporation authorized to conduct affairs in this state on January 1, 1983; rights and privileges; duties, restrictions, penalties, and liabilities.**

Sec. 1001. A foreign corporation that was authorized to conduct affairs in this state on January 1, 1983, for a purpose for which a corporation might secure authority to conduct affairs in this state under this act, has the rights and privileges applicable to a foreign corporation that receives a certificate of authority to conduct affairs in this state under this act. Beginning on January 1, 1983, the corporation is subject to the duties, restrictions, penalties, and liabilities under this act that are applicable to a foreign corporation that receives a certificate of authority to conduct affairs in this state under this act.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

#### **450.3002 Foreign corporation receiving certificate of authority under act; rights and privileges; duties, restrictions, penalties, and liabilities.**

Sec. 1002. (1) A foreign corporation that receives a certificate of authority under this act, until a certificate of revocation or of withdrawal is issued under this act, has the same rights and privileges as a domestic corporation organized for the purposes contained in the application under which the certificate of authority is issued. Except as otherwise provided in this act, the corporation is subject to the same duties, restrictions, penalties, and liabilities of a similar domestic corporation.

(2) This act does not authorize this state to regulate the organization or internal affairs of a foreign corporation authorized to transact business in this state.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

#### **450.3003 Foreign corporation conducting affairs without certificate of authority; duties, restrictions, penalties, and liabilities.**

Sec. 1003. A foreign corporation which conducts affairs in this state without a certificate of authority under this act is subject to the same duties, restrictions, penalties, and liabilities now or hereafter imposed upon a foreign corporation which receives such certificate of authority, in addition to any other penalty or liability imposed by law.

**History:** 1982, Act 162, Eff. Jan. 1, 1983.

#### **450.3011 Foreign corporation; certificate of authority required; extent of authorization to conduct affairs in state.**

Sec. 1011. A foreign corporation shall not conduct affairs in this state until it has procured a certificate of authority so to do from the administrator. A foreign corporation may be authorized to conduct affairs in this state which may be conducted lawfully in this state by a domestic corporation, to the extent that it is authorized to conduct such affairs in the jurisdiction where it is organized, but no other affairs.

**History:** 1982, Act 162, Eff. Jan. 1, 1983.

#### **450.3012 Foreign corporation not considered to be conducting affairs in state; activities; applicability of section.**

Sec. 1012. (1) Without excluding other activities that may not constitute conducting affairs in this state, a foreign corporation is not considered to be conducting affairs in this state for the purposes of this act solely because it is carrying on in this state any 1 or more of the following activities:

(a) Maintaining, defending, or settling any proceeding.

(b) Holding meetings of the board of directors, shareholders, or members or carrying on other activities concerning internal corporate affairs.

(c) Maintaining bank accounts.

(d) Maintaining offices or agencies for the transfer, exchange, or registration of the corporation's own securities or maintaining trustees or depositories with respect to those securities.

(e) Selling through independent contractors.

(f) Soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if the orders require acceptance outside this state before they become contracts.

(g) Soliciting or obtaining donations, whether by mail, by telephone or other form of remote communications, by electronic transmission, or through employees, agents, volunteers or otherwise, if the

donations are made to a foreign corporation that has its principal place of business outside the state.

(h) Creating or acquiring indebtedness, mortgages, or security interests in real or personal property.

(i) Securing or collecting debts or enforcing mortgages and security interests in property that secures those debts.

(j) Owning, without more, real or personal property.

(k) Conducting an isolated transaction that is completed within 30 days and that is not 1 transaction in the course of repeated transactions of a similar nature.

(l) Transacting business in interstate commerce.

(2) This section does not apply in determining the contracts or activities that may subject a foreign corporation to service of process or taxation in this state or to regulation under any other statute of this state.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

#### **450.3013 Acquisition of federally insured or guaranteed loan by foreign corporation.**

Sec. 1013. (1) A foreign corporation may acquire, or through another person entitled to conduct affairs or transact business in this state may make, a loan that is insured or guaranteed in whole or in part by the federal department of housing and urban development, department of veteran's affairs, or a successor or other agency of the federal government and that is secured in whole or in part by 1 or more mortgages of real property that is located in this state, and a foreign corporation may purchase a loan that is secured in whole or in part by a mortgage of real property that is located in this state, without maintaining authority to conduct affairs in this state under this act or any other law of this state that relates to qualification or maintaining authority to conduct affairs in this state and without paying a fee to qualify or maintain that authority to conduct affairs in this state.

(2) A failure of a foreign corporation described in subsection (1) to qualify or maintain authority to conduct affairs in this state under this act or a failure to pay fees to qualify or maintain authority to conduct affairs in this state does not affect or impair its ownership of a loan or its right to collect and service the loan through another person that is entitled to conduct affairs or transact business in this state, or its right to enforce a loan or to acquire, hold, protect, convey, lease, or otherwise contract and deal with respect to any property mortgaged as security for the loan.

(3) As used in this section, "loan" includes an interest or participation in a loan.

**History:** Add. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

#### **450.3015 Application of foreign corporation for certificate of authority to conduct affairs in state; contents.**

Sec. 1015. To procure a certificate of authority to conduct affairs in this state, a foreign corporation shall file with the administrator an application that contains all of the following:

(a) The name of the corporation and the jurisdiction of its incorporation.

(b) The date of incorporation and the period of duration of the corporation.

(c) The street address, and the mailing address if it is different from the street address, of its main business or headquarters office.

(d) The street address of its registered office in this state, the mailing address if it is different from the street address, and the name of its resident agent in this state at that address, together with a statement that the resident agent is an agent of the corporation on which process against the corporation may be served.

(e) The character of the affairs it is to conduct in this state, together with a statement that it is authorized to conduct those affairs in the jurisdiction of its incorporation.

(f) Any additional information that the administrator reasonably requires in order to determine whether the corporation is entitled to a certificate of authority to conduct affairs in this state and to determine the fees and taxes prescribed by law.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

#### **450.3016 Application of foreign corporation to conduct affairs in state; certificate; attachment; fees; issuance of certificate; duration of authority.**

Sec. 1016. (1) A foreign corporation shall attach a certificate to an application for authority to conduct affairs in this state under section 1015 that states that the corporation is in good standing under the laws of the jurisdiction of its incorporation, is executed by the official of the jurisdiction who has custody of the records that pertain to corporations, and is dated not more than 30 days before the date the application is filed. If the certificate is in a foreign language, the foreign corporation shall attach a translation of the certificate under oath of the translator to the certificate.

(2) If a foreign corporation files an application described in subsection (1), accompanied by the filing and

franchise fees prescribed by law, the administrator shall issue to the foreign corporation a certificate of authority to conduct affairs in this state. When a certificate of authority is issued, the foreign corporation is authorized to conduct in this state any affairs of the character set forth in its application that a domestic corporation formed under this act may lawfully transact. The authority granted under this subsection continues so long as the foreign corporation retains its authority to conduct its affairs in the jurisdiction of its incorporation and its authority to conduct affairs in this state is not surrendered, suspended, or revoked.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

#### **450.3021 Foreign corporation authorized to conduct affairs in state; filing with administrator copy of amended application; contents; survivor of merger or conversion.**

Sec. 1021. (1) Except as otherwise provided in this section, a foreign corporation authorized to conduct affairs in this state that changes its corporate name, or enlarges, limits, or otherwise changes the affairs that the foreign corporation proposes to conduct in this state, or makes any other change that affects the information included in its application for certificate of authority to conduct affairs in this state, shall file an amended application with the administrator within 30 days after the time a change becomes effective. A foreign corporation may make a change in its registered office or resident agent under section 242. An amended application under this subsection shall state all of the following:

(a) The name of the foreign corporation as it appears on the records of the administrator and the jurisdiction of its incorporation.

(b) The date the foreign corporation was authorized to conduct affairs in this state.

(c) If the name of the foreign corporation has changed, a statement of the name relinquished, a statement of the new name, and a statement that the name was properly changed under the laws of the jurisdiction of its incorporation and the date the name was changed.

(d) If the affairs that the foreign corporation proposes to conduct in this state enlarge, limit, or otherwise change the affairs the foreign corporation is authorized to conduct, a statement reflecting the change and a statement that the foreign corporation is authorized to conduct in the jurisdiction of its incorporation the affairs that it proposes to conduct in this state.

(e) Any additional information as the administrator may require.

(2) If a foreign corporation that is authorized to conduct affairs in this state is the survivor of a merger permitted by the laws of the jurisdiction in which the foreign corporation is incorporated, within 30 days after the merger becomes effective, the foreign corporation shall file a certificate that is issued by the proper officer of the jurisdiction of its incorporation and attests to the occurrence of the merger. If the merger has changed the corporate name of the foreign corporation, or has enlarged, limited, or changed the affairs that the foreign corporation proposes to conduct in this state, or changed any of the information included in the application, the foreign corporation shall comply with subsection (1).

(3) If a foreign corporation that is authorized to conduct affairs in this state is the survivor of a conversion under the laws of the jurisdiction in which the foreign corporation is incorporated, the foreign corporation shall, within 30 days after the conversion becomes effective, file a certificate that is issued by the proper officers of the jurisdiction of its incorporation and attests to the occurrence of the conversion. If the conversion has changed the corporate name of the foreign corporation, or has enlarged, limited, or changed the affairs the foreign corporation that proposes to conduct in this state or has affected the information included in the application, the foreign corporation shall comply with subsection (1).

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

#### **450.3031 Foreign corporation authorized to conduct affairs in state; withdrawal; certificate; application.**

Sec. 1031. A foreign corporation authorized to conduct affairs in this state may withdraw from this state upon receiving from the administrator a certificate of withdrawal. The foreign corporation shall file an application for withdrawal setting forth:

(a) The name of the corporation and the jurisdiction of its incorporation.

(b) That the corporation is not conducting affairs in this state.

(c) That the corporation surrenders its authority to conduct affairs in this state.

**History:** 1982, Act 162, Eff. Jan. 1, 1983.

#### **450.3032 Issuance of certificate of withdrawal to foreign corporation; conditions; effect.**

Sec. 1032. If a foreign corporation files an application for withdrawal and pays the filing fees prescribed by law, the administrator shall issue to the foreign corporation a certificate of withdrawal, and both of the following shall occur:

- (a) The authority of the foreign corporation to conduct affairs in this state is terminated.
- (b) The authority of its resident agent in this state to accept service of process against the foreign corporation is revoked.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

**450.3035 Foreign corporation authorized to conduct affairs in state; dissolution; termination or cancellation of authority or existence; merger, conversion, or consolidation; filing information, certificate, order, or judgment with administrator; payment of fees; certificate of withdrawal.**

Sec. 1035. (1) If a foreign corporation that is authorized to conduct affairs in this state is dissolved, or its authority or existence is otherwise terminated or canceled in the jurisdiction of its incorporation, or it is merged into, converted into, or consolidated with another corporation, or business organization, the foreign corporation or business organization shall file with the administrator any information that is required by the administrator to determine and assess any unpaid fees payable by the foreign corporation as required by law and either of the following:

- (a) A certificate of the official of the jurisdiction of incorporation of the foreign corporation who has custody of the records pertaining to corporations, evidencing the occurrence of the event.

- (b) A certified copy of an order or judgment of a court of competent jurisdiction directing dissolution of the foreign corporation, the termination of its existence, or the cancellation of its authority.

(2) If a foreign corporation files a certificate, order, or judgment under subsection (1) and pays the filing fee prescribed by law, the administrator shall issue a certificate of withdrawal that has the same effect as a certificate of withdrawal under section 1032.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

**450.3041 Revocation of certificate of authority of foreign corporation to conduct affairs in state; grounds.**

Sec. 1041. In addition to any other ground for revocation provided by law, the administrator may revoke the certificate of authority of a foreign corporation to conduct affairs in this state, in the manner described in section 1042, on any of the following grounds:

- (a) The corporation fails to maintain a resident agent in this state as required under this act.

- (b) The corporation, after changing its registered office or resident agent, fails to file a statement of the change as required under this act.

- (c) The corporation fails to file an amended application if required under this act.

- (d) The corporation, after becoming the survivor in a merger, consolidation, or conversion, fails to file a certificate that attests to the occurrence of the merger, consolidation, or conversion as required under this act.

- (e) The corporation fails to file its annual report within the time required under this act, or fails to pay an annual fee required under this act.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

**450.3042 Revocation of certificate of authority of foreign corporation to conduct affairs in state; notice of default; certificate of revocation; force and effect.**

Sec. 1042. (1) The administrator shall revoke a certificate of authority of a foreign corporation only if he or she gives the foreign corporation at least 90 days' notice, by mail or by electronic transmission under subsection (2), that a default under section 1041 exists and that he or she will revoke its certificate of authority unless the default is cured within 90 days after the notice is mailed or electronically transmitted, and the corporation fails within the 90-day period to cure the default.

(2) The administrator may electronically transmit a notice described in subsection (1) to the resident agent of the corporation in the manner authorized by the corporation.

(3) If he or she revokes a certificate of authority under this section, the administrator shall issue a certificate of revocation and shall mail, or if authorized by the corporation, may electronically transmit, a copy of the certificate of revocation to the resident agent of the corporation.

(4) Issuing a certificate of revocation under this section has the same force and effect as issuing a certificate of withdrawal under section 1031.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

**450.3051 Action commenced by foreign corporation without certificate of authority prohibited; order of dismissal; effect of failure to obtain certificate of authority on validity of contract and act of corporation; defense of action or proceeding.**

Sec. 1051. (1) A foreign corporation that conducts affairs in this state without a certificate of authority shall not maintain an action or proceeding in any court of this state until the corporation obtains a certificate of authority. An action commenced by a foreign corporation that does not have a certificate of authority shall not be dismissed if the foreign corporation obtains a certificate of authority before the order of dismissal. If an action or proceeding is dismissed because a foreign corporation does not have a certificate of authority, the order of dismissal shall be without prejudice to the recommencement of the action or proceeding by the foreign corporation after it obtains a certificate of authority. This subsection applies to the foreign corporation and to any of the following:

(a) A successor in interest of the foreign corporation, except a receiver, trustee in bankruptcy, or other representative of creditors of the corporation.

(b) An assignee of the foreign corporation, except an assignee for value that accepts an assignment without knowledge that the foreign corporation should have but did not obtain a certificate of authority in this state.

(2) Failure of a foreign corporation to obtain a certificate of authority to conduct affairs in this state does not impair the validity of a contract or act of the corporation, and does not prevent the corporation from defending an action or proceeding in a court of this state.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

#### **450.3055 Foreign corporation conducting affairs in state without certificate of authority; penalty.**

Sec. 1055. In addition to any other liability imposed by law, a foreign corporation conducting affairs in this state without a certificate of authority shall forfeit to the state a penalty of not less than \$100.00 nor more than \$1,000.00 for each calendar month, not more than 5 years prior thereto, in which it has conducted affairs in this state without a certificate of authority. This penalty shall not exceed \$10,000.00. The penalty shall be recovered with costs in an action prosecuted by the attorney general.

**History:** 1982, Act 162, Eff. Jan. 1, 1983.

#### **450.3060 Fees; payment; certification of file or record; waiver; form of payment.**

Sec. 1060. (1) When delivering a document described in this subsection to the administrator for filing, the person shall pay the administrator whichever of the following fees apply to that document:

(a) Articles of incorporation of a domestic corporation, \$10.00.

(b) An application of a foreign corporation for a certificate of authority to conduct affairs in this state, \$10.00.

(c) An amendment to the articles of incorporation of a domestic corporation, \$10.00.

(d) An amended application for certificate of authority to conduct affairs in this state, \$10.00.

(e) A certificate of merger or conversion under chapter 7, \$50.00.

(f) A certificate attesting to the occurrence of a merger of a foreign corporation under section 1021, \$10.00.

(g) A certificate of dissolution, \$10.00.

(h) An application for withdrawal and issuance of a certificate of withdrawal of a foreign corporation, \$10.00.

(i) An application for reservation of corporate name, \$10.00.

(j) A certificate of assumed name or certificate of termination of assumed name, \$10.00.

(k) A statement of change of registered office or resident agent, \$5.00.

(l) Restated articles of incorporation of a domestic corporation, \$10.00.

(m) A certificate of abandonment, \$10.00.

(n) A certificate of correction, \$10.00.

(o) A certificate of revocation of dissolution proceedings, \$10.00.

(p) A certificate of renewal of corporate existence, \$10.00.

(q) For examining a special report required by law, \$2.00.

(r) A certificate of registration of corporate name of a foreign corporation, \$50.00.

(s) A certificate of renewal of registration of corporate name of a foreign corporation, \$50.00.

(t) A certificate of termination of registration of corporate name of a foreign corporation, \$10.00.

(u) For filing a report required under section 911, \$10.00 if paid after September 30, 2027. Before October 1, 2027, the fee is \$20.00.

(2) The fees described in subsection (1) are in addition to any franchise fees prescribed under this act. The administrator shall not refund all or any part of a fee described in this section.

(3) Except as provided in subsection (9), the administrator shall deposit all fees received and collected under this section in the state treasury to the credit of the administrator, who may only use the money credited in accordance with legislative appropriation and only in carrying out those duties of the department required



by law.

(4) A person shall pay a minimum charge of \$1.00 for each certificate and 50 cents per folio to the administrator for certifying a part of a file or record pertaining to a corporation if a fee for that service is not described in subsection (1). The administrator may furnish copies of documents, reports, and papers required or permitted by law to be filed with the administrator, and shall charge for those copies the fee established in a schedule of fees adopted by the administrator with the approval of the state administrative board. The administrator shall retain the revenue collected under this subsection, and the department shall use it to defray the costs for its copying and certifying services.

(5) The administrator shall waive the fee for filing initial articles of incorporation, otherwise required under subsection (1), if a majority of the initial members of a membership corporation, initial directors of a directorship corporation, or initial shareholders of a stock corporation, as applicable, are, or if applicable the initial members, initial directors, or initial shareholders will be, individuals who served in the Armed Forces of the United States and were separated from that service with an honorable character of service or under honorable conditions (general) character of service.

(6) To request a fee waiver under subsection (5), the person that is submitting the document for filing shall submit both of the following to the administrator with the document:

(a) A signed affidavit requesting the fee waiver and certifying that a majority of the initial members of the membership corporation, initial directors of the directorship corporation, or initial shareholders of the stock corporation, as applicable, are, or if applicable the initial members, initial directors, or initial shareholders will be, individuals who served in the Armed Forces of the United States and were separated from that service with an honorable character of service or under honorable conditions (general) character of service.

(b) Copies of form DD214 or form DD215, or any other form that is satisfactory to the department, for each individual described in subsection (5) who is or will be an initial member of the corporation, initial director of the corporation, or initial shareholder of the corporation, as applicable.

(7) If a person pays a fee or penalty on behalf of a domestic or foreign corporation by check and the check is dishonored, the fee is unpaid and the administrator shall rescind the filing of all related documents.

(8) The administrator may accept a credit card in lieu of cash or check as payment of a fee under this act. The administrator shall determine which credit cards the administrator accepts for payment.

(9) The administrator may charge a nonrefundable fee of not more than \$50.00 for any document submitted or certificate sent by facsimile or electronic transmission. The administrator shall retain the revenue collected under this subsection and the department shall use it in carrying out its duties required by law.

**History:** 1982, Act 162, Eff. Jan. 1, 1983;—Am. 1984, Act 209, Eff. Nov. 1, 1985;—Am. 2003, Act 107, Imd. Eff. July 24, 2003;—Am. 2007, Act 87, Imd. Eff. Sept. 30, 2007;—Am. 2012, Act 309, Imd. Eff. Oct. 1, 2012;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015;—Am. 2015, Act 65, Eff. Oct. 1, 2015;—Am. 2019, Act 69, Imd. Eff. Sept. 30, 2019;—Am. 2023, Act 134, Imd. Eff. Sept. 29, 2023.

#### **450.3061 Fee for privilege of exercising franchises in state.**

Sec. 1061. Every corporation organized or conducting affairs in this state shall, upon filing its articles, or, if a foreign corporation, upon filing its application for admission, pay to the administrator a fee of \$10.00 for the privilege of exercising its franchises within this state, upon such organization or admission as the case may be.

**History:** 1982, Act 162, Eff. Jan. 1, 1983.

#### **450.3098 Repeal of acts and parts of acts.**

Sec. 1098. The following acts and parts of acts are repealed:

(a) Act No. 213 of the Public Acts of 1935, being sections 450.401 to 450.402 of the Compiled Laws of 1970.

(b) Act No. 90 of the Public Acts of 1954, being sections 450.441 to 450.442 of the Compiled Laws of 1970.

(c) Sections 62, 63, 64, 81, 92, 117, 118, 119, 119a, 120, 121, 122, 123, 124, 124a, 125, 126, 127, 128, 129, 130, 131, 132, 132a, 163, 164, 165, 166, 167, 168, 188, and 189 of Act No. 327 of the Public Acts of 1931, as amended, being sections 450.62, 450.63, 450.64, 450.81, 450.92, 450.117, 450.118, 450.119, 450.119a, 450.120, 450.121, 450.122, 450.123, 450.124, 450.124a, 450.125, 450.126, 450.127, 450.128, 450.129, 450.130, 450.131, 450.132, 450.132a, 450.163, 450.164, 450.165, 450.166, 450.167, 450.168, 450.188, and 450.189 of the Compiled Laws of 1970.

(d) Act No. 161 of the Public Acts of 1947, being sections 450.421 to 450.422 of the Compiled Laws of 1970.

**History:** 1982, Act 162, Eff. Jan. 1, 1983.

**450.3099 Effective date of act.**

Sec. 1099. This act shall take effect January 1, 1983.

**History:** 1982, Act 162, Eff. Jan. 1, 1983.