

## **BUSINESS CORPORATION ACT (EXCERPT)**

### **Act 284 of 1972**

#### **CHAPTER 10**

#### **FOREIGN CORPORATIONS**

##### **450.2001 Foreign corporation transacting business in state on effective date of act.**

Sec. 1001. A foreign corporation which is authorized to transact business in this state on the effective date of this act, for a purpose for which a corporation might secure such authority under this act, has the rights and privileges applicable to a foreign corporation which receives a certificate of authority to transact business in this state under this act. From the effective date of this act the corporation is subject to the duties, restrictions, penalties and liabilities prescribed herein for a foreign corporation which receives a certificate of authority to transact business in this state under this act.

**History:** 1972, Act 284, Eff. Jan. 1, 1973.

##### **450.2002 Foreign corporation with certificate of authority.**

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 set forth in the application pursuant to 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:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 2008, Act 402, Imd. Eff. Jan. 6, 2009.

##### **450.2003 Foreign corporation without certificate of authority.**

Sec. 1003. A foreign corporation which transacts business 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:** 1972, Act 284, Eff. Jan. 1, 1973.

##### **450.2011 Certificate of authority as prerequisite to transacting business; scope of authority.**

Sec. 1011. A foreign corporation shall not transact business in this state until it has procured a certificate of authority to transact business from the administrator. A foreign corporation may be authorized to transact business in this state that may be transacted lawfully in this state by a domestic corporation, to the extent that it is authorized to transact that business in the jurisdiction where it is organized, but no other business.

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1997, Act 118, Imd. Eff. Oct. 24, 1997.

##### **450.2012 Activities not constituting transaction of business; applicability of section.**

Sec. 1012. (1) Without excluding other activities which may not constitute transacting business in this state, a foreign corporation is not considered to be transacting business 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 or shareholders or carrying on other activities concerning internal corporate affairs.
- (c) Maintaining bank accounts.
- (d) Maintaining offices or agencies for the transfer, exchange, and 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) Creating or acquiring indebtedness, mortgages, and security interests in real or personal property.
- (h) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts.
- (i) Owning, without more, real or personal property.
- (j) Conducting an isolated transaction that is completed within 30 days and that is not one in the course of repeated transactions of like nature.
- (k) Transacting business in interstate commerce.

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

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1973, Act 98, Imd. Eff. Aug. 8, 1973;—Am. 1993, Act 91, Eff. Oct. 1, 1993.

#### **450.2013 Loans.**

Sec. 1013. A foreign corporation may acquire or, through another person entitled to transact business in this state, may make loans, or participations or interests therein, insured or guaranteed in whole or in part by the federal housing administration or the veterans' administration or a successor or similar agency of the federal government, which are secured in whole or in part by mortgages of real property located in this state, and a foreign corporation may purchase a loan, or participation or interest therein, secured in whole or in part by a mortgage of real property located in this state, without maintaining authority to transact business in this state under this act or any other law of this state relating to such qualification or authority and without paying fees with respect thereto. Neither the failure, heretofore or hereafter, of such a foreign corporation to qualify or maintain authority to transact business in this state under this act or any such other law of this state nor its failure, heretofore or hereafter, to pay fees with respect thereto affects or impairs its ownership of such loans or participations or interests therein, whether heretofore or hereafter made or acquired, or its right to collect and service the same through another person entitled to transact business in this state, or its right to enforce the same or to acquire, hold, protect, convey, lease and otherwise contract and deal with respect to the property mortgaged as security therefor.

**History:** 1972, Act 284, Eff. Jan. 1, 1973.

#### **450.2014 Applicability of MCL 450.2001 to 450.2055.**

Sec. 1014. (1) Sections 1001 through 1055 shall apply to all of the following:

(a) A foreign corporation organized not for pecuniary profit.

(b) A foreign joint stock company.

(c) A foreign common law or statutory trust, by whatever term or designation known, having any of the powers or privileges of a corporation not possessed by an individual or partnership.

(2) Sections 1001 through 1055 shall not apply to either of the following:

(a) A foreign corporation permitted to do business in this state by license issued by the commissioner of insurance according to the provisions of law.

(b) The government of any state or political subdivision of the state or of the United States or of any foreign nation or any political subdivision of the United States or a foreign nation, or any corporation organized as an instrumentality of the government of any of the foregoing.

**History:** Add. 1973, Act 98, Imd. Eff. Aug. 8, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am. 1993, Act 91, Eff. Oct. 1, 1993.

#### **450.2015 Certificate of authority to transact business; application; filing; contents.**

Sec. 1015. To procure a certificate of authority to transact business in this state, a foreign corporation shall file with the administrator an application setting forth 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 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 different from the street address, and the name of its resident agent in this state at the address, together with a statement that the resident agent is an agent of the corporation upon whom process against the corporation may be served.

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

(f) Any additional information as the administrator may require in order to determine whether the corporation is entitled to a certificate of authority to transact business in this state and to determine the fees and taxes prescribed by law.

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1973, Act 98, Imd. Eff. Aug. 8, 1973;—Am. 1993, Act 91, Eff. Oct. 1, 1993.

#### **450.2016 Foreign corporation; application; attaching certificate of good standing; fees; issuance of certificate of authority; duration of authority.**

Sec. 1016. (1) A certificate setting forth that the corporation is in good standing under the laws of the jurisdiction of its incorporation, executed by the official of the jurisdiction who has custody of the records pertaining to corporations and dated not earlier than 30 days before filing of the application, shall be attached to the application of a foreign corporation. If the certificate is in a foreign language, a translation of the

certificate under oath of the translator shall be attached to the certificate.

(2) Upon filing of the application, accompanied by the filing and franchise fees prescribed by law, the administrator shall issue to the foreign corporation a certificate of authority to transact business in this state. Upon the issuance of a certificate of authority, the foreign corporation is authorized to transact in this state any business of the character set forth in its application, which a domestic corporation formed under this act may lawfully transact. The authority continues so long as the foreign corporation retains its authority to transact such business in the jurisdiction of its incorporation and its authority to transact business in this state has not been surrendered, suspended, or revoked.

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1982, Act 407, Eff. Jan. 1, 1983;—Am. 1993, Act 91, Eff. Oct. 1, 1993.

#### **450.2021 Foreign corporation; amended application; conditions; contents; corporation as survivor of merger or conversion; increase in authorized shares.**

Sec. 1021. (1) Except as otherwise provided in this section, if a foreign corporation authorized to transact business in this state changes its corporate name, enlarges, limits, or otherwise changes the business that the foreign corporation proposes to do in this state, or otherwise affects the information set forth in its application for certificate of authority to transact business in this state, the corporation shall file an amended application with the administrator not later than 30 days after the time that change becomes effective. A foreign corporation may make a change in the registered office or resident agent under section 242. An amended application under this subsection shall set forth 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 do business in this state.

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

(d) If the business the foreign corporation proposes to do in this state is to be enlarged, limited, or otherwise changed, a statement reflecting the change and a statement that the foreign corporation is authorized to do in the jurisdiction of its incorporation the business that it proposes to do in this state.

(e) Any additional information required by the administrator.

(2) If a foreign corporation that is authorized to transact business in this state is the survivor of a merger permitted under the laws of the jurisdiction in which the foreign corporation is incorporated, not later than 30 days after the merger becomes effective, the foreign corporation shall file a certificate issued by the proper officer of the jurisdiction of its incorporation attesting to the occurrence of the merger. If the merger changed the corporate name of the foreign corporation, enlarged, limited, or changed the business the foreign corporation proposes to do in this state, or affected the information set forth in the application, the foreign corporation shall also comply with subsection (1).

(3) If a foreign corporation that is authorized to transact business in this state is the survivor of a conversion permitted under the laws of the jurisdiction in which the foreign corporation is incorporated, not later than 30 days after the conversion becomes effective, the foreign corporation shall file a certificate issued by the proper officer of the jurisdiction of its incorporation attesting to the occurrence of the conversion. If the conversion changed the corporate name of the foreign corporation, enlarged, limited, or changed the business the foreign corporation proposes to do in this state, or affected the information set forth in the application, the foreign corporation shall also comply with subsection (1).

(4) A foreign corporation that has been authorized to transact business in this state and that, after its authorization, increases the number of authorized shares attributable to this state shall file an amended application giving a detailed account of the amount of the increase, and shall pay an additional franchise fee on account of the increase attributable to this state as prescribed by law. The amended application shall be filed within 30 days after the end of the corporation's fiscal year. The number of shares attributable to this state shall be determined under section 1062.

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1973, Act 98, Imd. Eff. Aug. 8, 1973;—Am. 1982, Act 407, Eff. Jan. 1, 1983;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am. 1993, Act 91, Eff. Oct. 1, 1993;—Am. 2012, Act 569, Imd. Eff. Jan. 2, 2013.

#### **450.2023 Repealed. 1993, Act 91, Eff. Oct. 1, 1993.**

**Compiler's note:** The repealed section pertained to increase by foreign corporation of authorized stock attributable to state.

#### **450.2031 Application for withdrawal from state.**

Sec. 1031. A foreign corporation authorized to transact business 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 transacting business in this state.
- (c) That the corporation surrenders its authority to transact business in this state.

**History:** 1972, Act 284, Eff. Jan. 1, 1973.

#### **450.2032 Issuance and effect of certificate of withdrawal.**

Sec. 1032. Upon filing the application for withdrawal, and payment of the filing fee prescribed by law, the administrator shall issue to the foreign corporation a certificate of withdrawal, and the following shall occur:

- (a) The authority of the foreign corporation to transact business in this state shall cease.
- (b) The authority of its resident agent in this state to accept service of process against the foreign corporation is revoked.

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989.

#### **450.2035 Information required to be filed on dissolution, termination, merger, conversion, or consolidation; assessment of unpaid fees; certificate of withdrawal; "business organization" defined.**

Sec. 1035. (1) If a foreign corporation authorized to transact business 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, it shall file with the administrator any information the administrator requires 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 certificate, order, or judgment described in subsection (1) is filed and the filing fee prescribed by law is paid, the administrator shall issue a certificate of withdrawal that has the same effect as provided under section 1032.

(3) As used in this section, "business organization" means that term as defined in section 736(1).

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am. 2012, Act 569, Imd. Eff. Jan. 2, 2013.

#### **450.2041 Certificate of authority; grounds for revocation.**

Sec. 1041. Subject to section 1042, in addition to any other ground for revocation provided by law, the administrator may revoke the certificate of authority of a foreign corporation to transact business in this state 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 as required under this act.

(d) The corporation, after becoming the survivor to a merger or conversion, fails to file the certificate attesting to the occurrence of the merger 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 filing fee required under this act.

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1973, Act 98, Imd. Eff. Aug. 8, 1973;—Am. 1974, Act 303, Imd. Eff. Oct. 21, 1974;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am. 1997, Act 118, Imd. Eff. Oct. 24, 1997;—Am. 2012, Act 569, Imd. Eff. Jan. 2, 2013.

#### **450.2042 Certificate of authority; revocation; notice; certificate of revocation; effect.**

Sec. 1042. (1) The administrator shall revoke a certificate of authority of a foreign corporation only if he or she has given 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 the certificate of revocation has the same force and effect as issuing a certificate of withdrawal under section 1031.

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1974, Act 303, Imd. Eff. Oct. 21, 1974;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am. 1993, Act 91, Eff. Oct. 1, 1993;—Am. 1997, Act 118, Imd. Eff. Oct. 24, 1997;—Am. 2018, Act 85, Eff. June 24, 2018.

#### **450.2051 Action or proceeding by or against foreign corporation without certificate of authority; order of dismissal; recommencement of action; validity of corporate contracts or acts.**

Sec. 1051. (1) A foreign corporation transacting business in this state without a certificate of authority shall not maintain an action or proceeding in any court of this state until the corporation has obtained a certificate of authority. An action commenced by a foreign corporation having no certificate of authority shall not be dismissed if a certificate of authority has been obtained before the order of dismissal. Any such order of dismissal shall be without prejudice to the recommencement of such action or proceeding by the foreign corporation after it obtains a certificate of authority. This prohibition applies to:

(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 who accepts an assignment without knowledge that the foreign corporation should have but has not obtained a certificate of authority in this state.

(2) Failure of a foreign corporation to obtain a certificate of authority to transact business 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:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1982, Act 407, Eff. Jan. 1, 1983.

#### **450.2055 Penalty for transacting business without certificate of authority.**

Sec. 1055. In addition to any other liability imposed by law, a foreign corporation transacting business 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 transacted business 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:** 1972, Act 284, Eff. Jan. 1, 1973.

#### **450.2056 Registration of corporate name by foreign corporation not authorized to transact business in state; filing; duration; notice; renewal.**

Sec. 1056. (1) Any foreign corporation that is not authorized to transact business in this state and is not required to be authorized to transact business in this state may register its corporate name under this act, if permissible under section 212.

(2) A foreign corporation shall register its corporate name under this section by filing all of the following in the office of the administrator:

(a) An application for registration executed on behalf of the corporation, that includes the name and the mailing address of the corporation, the jurisdiction of its incorporation, the date of its incorporation, a statement that it is carrying on or doing business, and a brief statement of the business in which it is engaged.

(b) A certificate that is dated not earlier than 30 days before filing of the application, stating that the corporation is in good standing under the laws of the jurisdiction of its incorporation, executed by the office of the jurisdiction that has custody of the records pertaining to corporations.

(3) Unless sooner terminated by the filing of a certificate of termination, the registration of the corporate name of a foreign corporation is effective until the close of the calendar year in which the application for registration is filed. However, a registration filed after September 30 of a year expires at the end of the following calendar year. The administrator shall notify the corporation of the impending expiration at least 90 days before the expiration of the registration. The administrator may electronically transmit the notification to the resident agent of the corporation in the manner authorized by the corporation. A foreign corporation that has in effect a registration of its corporate name may renew the registration from year to year by filing annually an application for renewal and a certificate of good standing as required for the original registration. A renewal application may be filed between October 1 and December 31 in each year, and shall extend the registration for the following calendar year.

**History:** Add. 1982, Act 407, Eff. Jan. 1, 1983;—Am. 2018, Act 85, Eff. June 24, 2018.

#### **450.2060 Filing fees.**



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

- (a) Articles of a domestic corporation, \$10.00.
- (b) Application of a foreign corporation for a certificate of authority to transact business in this state, \$10.00.
- (c) Amendment to the articles of a domestic corporation, \$10.00.
- (d) Amended application for a certificate of authority to transact business in this state, \$10.00.
- (e) Certificate of merger, conversion, or share exchange under chapter 7, \$50.00.
- (f) Certificate attesting to the occurrence of a merger or conversion of a foreign corporation under section 1021, \$10.00.
- (g) Certificate of dissolution, \$10.00.
- (h) Application for withdrawal and issuance of a certificate of withdrawal of a foreign corporation, \$10.00.
- (i) Application for reservation of corporate name, \$10.00.
- (j) Certificate of assumed name or a certificate of termination of assumed name, \$10.00.
- (k) Statement of change of registered office or resident agent, \$5.00.
- (l) Restated articles of domestic corporations, \$10.00.
- (m) Certificate of abandonment, \$10.00.
- (n) Certificate of correction, \$10.00.
- (o) Certificate of revocation of dissolution proceedings, \$10.00.
- (p) Certificate of renewal of corporate existence, \$10.00.
- (q) For examining a special report required by law, \$2.00.
- (r) Certificate of registration of corporate name of a foreign corporation, \$50.00.
- (s) Certificate of renewal of registration of corporate name of a foreign corporation, \$50.00.
- (t) Certificate of termination of registration of corporate name of a foreign corporation, \$10.00.
- (u) Report required under section 911, \$15.00 if paid after September 30, 2027. Before October 1, 2027, the fee is \$25.00.

(2) The fees described in subsection (1) are in addition to any franchise fees prescribed in 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) The fees described in this section apply to documents filed by a domestic or foreign regulated investment company as that term is defined in section 1064.

(5) If any money received by the administrator from fees paid under subsection (1)(u) is not appropriated to the department in that fiscal year, the money remaining from those fees reverts to the general fund of this state.

(6) A minimum charge of \$1.00 for each certificate and 50 cents per folio must be paid 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.

(7) If a domestic or foreign corporation pays fees or penalties by check and the check is dishonored, or by credit card and a chargeback is successful, 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 to carry out its duties required by law.

(10) The administrator shall waive any fee otherwise required under this section if a majority of the shares of the domestic or foreign corporation responsible for paying the fee are, and the corporation provides proof satisfactory to the administrator that those shares are, held by 1 or more honorably discharged veterans of the Armed Forces of the United States.

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1973, Act 98, Imd. Eff. Aug. 8, 1973;—Am. 1974, Act 303, Imd. Eff. Oct. 21, 1974

;—Am. 1977, Act 36, Eff. Oct. 1, 1977;—Am. 1978, Act 32, Imd. Eff. Feb. 24, 1978;—Am. 1982, Act 407, Eff. Jan. 1, 1983;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am. 1993, Act 91, Eff. Oct. 1, 1993;—Am. 2001, Act 57, Imd. Eff. July 23, 2001;—Am. 2003, Act 106, Imd. Eff. July 24, 2003;—Am. 2007, Act 83, Imd. Eff. Sept. 30, 2007;—Am. 2008, Act 402, Imd. Eff. Jan. 6, 2009;—Am. 2012, Act 315, Imd. Eff. Oct. 1, 2012;—Am. 2015, Act 66, Eff. Oct. 1, 2015;—Am. 2018, Act 85, Eff. June 24, 2018;—Am. 2019, Act 68, Imd. Eff. Sept. 30, 2019;—Am. 2023, Act 135, Imd. Eff. Sept. 29, 2023.

#### **450.2061 Repealed. 1989, Act 121, Eff. Oct. 1, 1989.**

**Compiler's note:** The repealed section pertained to franchise fee for nonprofit corporations.

#### **450.2062 Organization and admission fee; initial admission fee of foreign corporation for profit and foreign regulated investment company; fees for increase in authorized shares; additional admission fee; determining amount of authorized shares attributable to this state; information relating to determination of fees; "corporation" defined; determination of fee if capital of corporation not divided into shares; domestic corporation resulting from merger or consolidation; admission fees.**

Sec. 1062. (1) A domestic corporation or cooperative association, organized for profit, or a domestic regulated investment company, at the time of filing its articles of incorporation, shall pay 1 of the following to the administrator as an initial organization and admission fee:

- (a) For 60,000 or fewer authorized shares, \$50.00.
- (b) For more than 60,000 and fewer than 1,000,001 authorized shares, \$100.00.
- (c) For more than 1,000,000 and fewer than 5,000,001 authorized shares, \$300.00.
- (d) For more than 5,000,000 and fewer than 10,000,001 authorized shares, \$500.00.
- (e) For more than 10,000,000 authorized shares, \$500.00 plus an additional \$1,000.00 for each additional 10,000,000 authorized shares or portion of 10,000,000 authorized shares in excess of the initial 10,000,000 authorized shares.

(2) The initial admission fee of a foreign corporation for profit and foreign regulated investment company applying for admission to do business in this state is \$50.00 and 60,000 shares are considered initially attributable to this state at the time of admission.

(3) Every corporation incorporated under the laws of this state that increases its authorized shares, at the time of filing its amendment to the articles of incorporation, shall pay 1 of the following additional organizational fees:

- (a) For an increase of 60,000 or fewer authorized shares, \$50.00.
- (b) For an increase of more than 60,000 and less than 1,000,001 authorized shares, \$100.00.
- (c) For an increase of more than 1,000,000 and less than 5,000,001 authorized shares, \$300.00.
- (d) For an increase of more than 5,000,000 and less than 10,000,001 authorized shares, \$500.00.
- (e) For an increase of more than 10,000,000 authorized shares, \$500.00 plus an additional \$1,000.00 for each additional 10,000,000 authorized shares or portion of 10,000,000 authorized shares in excess of the initial 10,000,000 authorized shares.

(4) A foreign corporation authorized to transact business in this state that increases the number of authorized shares attributable to this state shall file an amended application in accordance with section 1021 and shall pay 1 of the following additional admission fees:

- (a) For an increase of 60,000 or fewer authorized shares attributable to this state, \$50.00.
- (b) For an increase of more than 60,000 and less than 1,000,001 authorized shares attributable to this state, \$100.00.
- (c) For an increase of more than 1,000,000 and less than 5,000,001 authorized shares attributable to this state, \$300.00.
- (d) For an increase of more than 5,000,000 and less than 10,000,001 authorized shares attributable to this state, \$500.00.
- (e) For an increase of more than 10,000,000 authorized shares attributable to this state, \$500.00 plus an additional \$1,000.00 for each additional 10,000,000 authorized shares attributable to this state or portion of 10,000,000 authorized shares attributable to this state in excess of the initial 10,000,000 authorized shares attributable to this state.

(5) The number of authorized shares attributable to this state is determined by multiplying the total number of authorized shares by the most recent apportionment percentage used in the computation of the tax required by the single business tax act, 1975 PA 228, MCL 208.1 to 208.145, or the Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601. If the business activities are confined solely to this state, the total number of authorized shares are considered attributable to this state.

(6) The administrator is authorized to require a corporation to furnish detailed and exact information

relating to the determination of fees before making a final determination of the organization or admission franchise fee to be paid by the corporation.

(7) As used in this section, "corporation" includes a partnership association limited, a cooperative association, a joint association having any of the powers of a corporation, and a common law trust created by a statute of this state, another state, or a country exercising common law powers in the nature of a corporation, whether domestic or foreign, in addition to other corporations as are referred to in this act.

(8) If the capital of a corporation is not divided into shares, a fee for purposes of this section is determined as if the corporation had 60,000 shares.

(9) If a foreign corporation authorized to transact business in this state merges into a domestic corporation or consolidates with 1 or more corporations into a domestic corporation by complying with this act, the resulting domestic corporation shall pay an organization and admission fee for any increase in authorized shares or for any authorized shares as provided in this section, less the amount that the merging or consolidating foreign corporation previously paid to this state under this section as an initial or additional admission fee.

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1973, Act 98, Imd. Eff. Aug. 8, 1973;—Am. 1978, Act 32, Imd. Eff. Feb. 24, 1978;—Am. 1982, Act 407, Eff. Jan. 1, 1983;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am. 1993, Act 91, Eff. Oct. 1, 1993;—Am. 1997, Act 118, Imd. Eff. Oct. 24, 1997;—Am. 2005, Act 212, Eff. Jan. 1, 2006;—Am. 2007, Act 182, Imd. Eff. Dec. 21, 2007.

#### **450.2063 Repealed. 1989, Act 121, Eff. Oct. 1, 1989.**

**Compiler's note:** The repealed section pertained to valuation of shares without par value as basis for franchise fees.

#### **450.2064 "Regulated investment company" defined.**

Sec. 1064. A regulated investment company, for purposes of this act, means any domestic or foreign corporation or association, common law or statutory trust, under whatever authority organized, which for any taxable year or period for purposes of federal income tax is registered and regulated under the investment company act of 1940, title I of chapter 686, 54 Stat. 789 and which for such taxable year or period is classified as a regulated investment company as defined in part 1 of subchapter M of chapter 1 of the internal revenue code, 26 U.S.C. 851 to 855.

**History:** 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989.

#### **450.2098 Repeals.**

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

(a) Act No. 226 of the Public Acts of 1885, being sections 450.351 to 450.354 of the Compiled Laws of 1948.

(b) Sections 1 to 61, 65 to 80, 82 to 91a and 187b of Act No. 327 of the Public Acts of 1931, as amended, being sections 450.1 to 450.61, 450.65 to 450.80, 450.82 to 450.91a and 450.187b of the Compiled Laws of 1948.

(c) Act No. 16 of the Public Acts of the Extra Session of 1932, being sections 450.361 to 450.363 of the Compiled Laws of 1948.

(d) Act No. 48 of the Public Acts of 1947, as amended, being sections 450.431 and 450.432 of the Compiled Laws of 1948.

(e) Section 2908 of Act No. 236 of the Public Acts of 1961, being section 600.2908 of the Compiled Laws of 1948.

(f) Sections 1 to 3(b) of Act No. 85 of the Public Acts of 1921, as amended, being sections 450.301 to 450.303b of the Compiled Laws of 1948.

**History:** 1972, Act 284, Eff. Jan. 1, 1973.

#### **450.2099 Repealed. 1989, Act 121, Eff. Oct. 1, 1989.**

**Compiler's note:** The repealed section pertained to effective date of act.