

# Legislative Analysis



## WAIVE DOMESTIC LIMITED LIABILITY COMPANY FEES FOR VETERANS

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

**House Bill 4701 as reported from Committee**  
**Sponsor: Rep. Holly Hughes**  
**Committee: Military and Veterans Affairs**  
**Complete to 11-28-17**

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

*(Enacted as Public Act 380 of 2018)*

### SUMMARY:

House Bill 4701 would amend the Michigan Limited Liability Company Act to require that the Department of Licensing and Regulatory Affairs (LARA) waive the required \$50 fee for filing initial articles of organization for a domestic limited liability company if a majority of the initial membership interests in the company will be held by veterans.

To request a fee waiver, the person submitting the initial articles of organization for filing would need to submit to LARA the following:

- A signed affidavit requesting the fee waiver and certifying that a majority of the initial membership interests will be held by veterans.
- Copies of form DD214 or form DD215, or any other form satisfactory to LARA, for each veteran who will be an initial member of the limited liability company.

LARA is currently required to waive a filing fee under the act if a majority of the membership interests in the domestic or foreign limited liability company responsible for paying the fee are held by veterans. When filing initial articles of organization, however, there does not yet exist any membership interest that could be held by anyone.

The bill allows a filing fee waiver for initial articles of organization for a domestic limited liability company if a majority of the initial membership interests in the company will be held by veterans. The waiver would not apply to a foreign limited liability company.

Under the bill, “veteran” would mean that term as defined in Section 1 of Act 190 of 1965, and would include an individual who served in the U.S. Armed Forces or the Reserves and who was discharged or released honorably.

MCL 450.5101

### FISCAL IMPACT:

This bill would have an indeterminate reduction in revenue for the Department of Licensing and Regulatory Affairs. The size of the fiscal impact would depend upon the extent to which new domestic limited liability companies that are held by a veteran or by a board, a majority of which consists of veterans, are created. Corporation fees are annually appropriated by the legislature to support the general, ongoing operations of the

Department of Licensing and Regulatory Affairs. According to the U.S. Census Bureau, Michigan is estimated to be home to approximately 672,000 veterans and approximately 72,000 veteran-owned businesses.

**POSITIONS:**

The Department of Licensing and Regulatory Affairs supports the bill. (10-24-17)

The Department of Military and Veterans Affairs supports the bill. (10-24-17)

The American Legion supports the bill. (10-24-17)

The Michigan Veterans Affairs Agency supports the bill. (10-24-17)

Vietnam Veterans of America supports the bill. (10-24-17)

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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.