

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 422 (Substitute S-2 as reported)
Sponsor: Senator Bill Bullard, Jr.
Committee: Financial Services

CONTENT

The bill would repeal two sections of the Revised Judicature Act dealing with corporations.

Section 3520 details the manner in which certain corporations are dissolved. If a corporation is organized under the general acts or any special act of the Legislature authorizing its organization for the purpose of mining, smelting, or manufacturing, and the charter on the corporation has expired, a stockholder or creditor may bring a suit to dissolve the corporation. The Act specifies that nothing can prohibit the corporation from legally reorganizing, from extending the renewal of its corporate term, or from exercising its legal property rights. In the case of dissolution, the circuit court may appoint a vested receiver of the corporation's property. The bill would repeal this section.

Section 3615 states that an incorporated company that has remained insolvent for one year, or has neglected to pay its debt for one year, must be dissolved. The bill would repeal this section.

MCL 600.3520 & 600.3615

Legislative Analyst: C. Layman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 10-5-01

Fiscal Analyst: B. Bowerman
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