

Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**SFA**

BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 422 (Substitute S-1)  
Sponsor: Senator Bill Bullard, Jr.  
Committee: Financial Services

Date Completed: 10-2-01

### **CONTENT**

The bill would amend or repeal three sections of the Revised Judicature Act dealing with corporations.

Section 2021 prohibits a foreign corporation from filing a lawsuit based on an act the corporation was forbidden to do by State law. Under the bill, this section would not apply to a foreign corporation, including a nonprofit, that failed to file for a certificate of authority to transact business in the State.

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 600.2021 et al.

Legislative Analyst: C. Layman

### **FISCAL IMPACT**

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

Fiscal Analyst: B. Bowerman  
M. Tyszkiewicz

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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.