



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



BILL ANALYSIS

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

Senate Bill 1279 (as reported by the Committee of the Whole)

Sponsor: Senator Alan Sanborn

Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend the Nonprofit Corporation Act to permit the use of electronic communication. The bill would do the following:

- Specify that, when a notice was required or permitted by the Act to be given in writing, electronic transmission would be written notice.
- Allow notice of meetings to be electronically transmitted.
- Allow a board of directors to conduct a meeting of shareholders or members solely by means of remote communication.
- Specify conditions under which a shareholder or member could participate in a meeting and vote by means of remote communication.
- Allow a corporation's bylaws to permit voting by electronic transmission.
- Describe conditions under which shareholders and members could consent by electronic transmission to actions taken without a meeting.
- Allow a board or committee to consent by electronic transmission to action taken without a meeting.

The bill would define "electronic transmission" or "electronically transmitted" as any form of communication that meets all of the following:

- It does not directly involve the physical transmission of paper.
- It creates a record that may be retained and retrieved by the recipient.
- It may be directly reproduced in paper form by the recipient through an automated process.

MCL 450.2106 et al.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

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

Date Completed: 6-7-06

Fiscal Analyst: Elizabeth Pratt
Maria Tyszkiewicz