

SENATE BILL No. 360

May 4, 2011, Introduced by Senators JANSEN, HUNTER and PAPPAGEORGE and referred to the Committee on Economic Development.

A bill to amend 1972 PA 284, entitled
"Business corporation act,"
by amending sections 105, 106, 202, 211, and 911 (MCL 450.1105,
450.1106, 450.1202, 450.1211, and 450.1911), section 105 as amended
by 2001 PA 57, section 106 as amended by 2006 PA 68, section 202 as
amended by 1989 PA 121, section 211 as amended by 2008 PA 402, and
section 911 as amended by 2007 PA 182.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 105. (1) "Administrator" means the chief officer of the
2 department or of any other agency or department authorized by law
3 to administer this act, or his or her designated representative.

4 (2) "Articles of incorporation" includes any of the following:

5 (a) The original articles of incorporation or any other

instrument filed or issued under any statute to organize a domestic or foreign corporation, as amended, supplemented, or restated by certificates of amendment, merger, or consolidation or other certificates or instruments filed or issued under any statute.

(b) A special act or charter creating a domestic or foreign corporation, as amended, supplemented, or restated.

(3) "Authorized shares" means shares of all classes that a corporation is authorized to issue.

(4) "BENEFIT CORPORATION" MEANS A DOMESTIC CORPORATION THAT MEETS THE REQUIREMENTS FOR BEING A BENEFIT CORPORATION UNDER CHAPTER 9A AND HAS NOT TERMINATED ITS STATUS AS A BENEFIT CORPORATION UNDER THAT CHAPTER.

(5) ~~(4)~~—"Board" means board of directors or other governing board of a corporation.

(6) ~~(5)~~—"Bonds" includes secured and unsecured bonds, debentures, and notes.

Sec. 106. (1) "Corporation" or "domestic corporation" means a corporation formed under this act, or existing on January 1, 1973 and formed under any other statute of this state for a purpose for which a corporation may be formed under this act. **THE TERM INCLUDES A BENEFIT CORPORATION.**

(2) "Department" means the department of ~~labor and economic growth~~. **LICENSING AND REGULATORY AFFAIRS.**

(3) "Director" means a member of the board of a corporation.

(4) "Distribution" means a direct or indirect transfer of money or other property, except the corporation's shares, or the incurrence of indebtedness by the corporation to or for the benefit

1 of its shareholders in respect to the corporation's shares. A
2 distribution may be in the form of a dividend, a purchase,
3 redemption or other acquisition of shares, an issuance of
4 indebtedness, or any other declaration or payment to or for the
5 benefit of the shareholders.

6 (5) "Electronic transmission" or "electronically transmitted"
7 means any form of communication that meets all of the following:

8 (a) It does not directly involve the physical transmission of
9 paper.

10 (b) It creates a record that may be retained and retrieved by
11 the recipient.

12 (c) It may be directly reproduced in paper form by the
13 recipient through an automated process.

14 Sec. 202. The articles of incorporation shall contain all of
15 the following:

16 (a) The name of the corporation.

17 (b) The purposes for which the corporation is formed. **ALL OF**
18 **THE FOLLOWING APPLY FOR PURPOSES OF THIS SUBDIVISION:**

19 (i) It is a sufficient compliance with this subdivision to
20 state substantially, alone or with specifically enumerated
21 purposes, that the corporation may engage in any activity within
22 the purposes for which corporations may be formed under the
23 business corporation act, and all activities shall by the statement
24 be considered within the purposes of the corporation, subject to
25 expressed limitations.

26 (ii) Any corporation ~~which~~ **THAT** proposes to conduct educational
27 purposes shall state the purposes and shall comply with all

requirements of sections 170 to 177 of ~~Act No. 327 of the Public Acts of 1931, being sections 450.170 to 450.177 of the Michigan Compiled Laws 1931~~ PA 327, MCL 450.170 TO 450.177.

(iii) THE PURPOSES OF A BENEFIT CORPORATION MUST COMPLY WITH SECTION 952, BUT A BENEFIT CORPORATION IS NOT REQUIRED TO STATE ITS GENERAL PUBLIC BENEFIT PURPOSE IN THE ARTICLES.

(c) The aggregate number of shares which the corporation has authority to issue.

(d) If the shares are, or are to be, divided into classes, or into classes and series, the designation of each class and series, the number of shares in each class and series, and a statement of the relative rights, preferences and limitations of the shares of each class and series, to the extent that the designations, numbers, relative rights, preferences, and limitations have been determined.

(e) If any class of shares is to be divided into series, a statement of any authority vested in the board to divide the class of shares into series, and to determine or change for any series its designation, number of shares, relative rights, preferences and limitations.

(f) The street address, and the mailing address if different from the street address, of the corporation's initial registered office and the name of the corporation's initial resident agent at that address.

(g) The names and addresses of the incorporators.

(h) The duration of the corporation if other than perpetual.

Sec. 211. (1) ~~The~~ **SUBJECT TO SUBSECTION (2), THE** corporate

1 name of a domestic corporation shall contain the word
 2 "corporation", "company", "incorporated", or "limited" or shall
 3 contain 1 of the following abbreviations: corp., co., inc., or
 4 ltd., with or without periods.

5 (2) THE CORPORATE NAME OF A BENEFIT CORPORATION MAY CONTAIN
 6 THE WORDS "BENEFIT CORPORATION"; OR CONTAIN THE INITIALS "B.C." OR
 7 "B.C.", WITH OR WITHOUT PERIODS OR OTHER PUNCTUATION.

8 Sec. 911. (1) A domestic corporation and each foreign
 9 corporation subject to chapter 10 shall file a report with the
 10 administrator no later than May 15 of each year. The report shall
 11 be on a form approved by the administrator, signed by an authorized
 12 officer or agent of the corporation, and ~~contain~~ **INCLUDE** all of the
 13 following: ~~information.~~

14 (a) The name of the corporation.

15 (b) The name of ~~its~~ **THE CORPORATION'S** resident agent and
 16 address of its registered office in this state.

17 (c) The names and addresses of ~~its~~ **THE CORPORATION'S**
 18 president, secretary, treasurer, and directors.

19 (d) ~~General~~ **THE GENERAL** nature and kind of business in which
 20 the corporation is engaged.

21 (e) For each foreign corporation authorized to transact
 22 business in this state, the total number of authorized shares and
 23 the most recent percentage used in computation of the tax required
 24 by the ~~single business tax act, 1975 PA 228, MCL 208.1 to 208.145,~~
 25 ~~or the~~ Michigan business tax act, 2007 PA 36, MCL 208.1101 to
 26 208.1601.

27 (F) IF THE CORPORATION IS A BENEFIT CORPORATION, THE ANNUAL

1 **BENEFIT REPORT REQUIRED UNDER SECTION 958.**

2 (2) The report is not required to be filed in the year of
3 incorporation or authorization by a corporation formed or
4 authorized to do business on or after January 1 and before May 16
5 of that year.

6 (3) If there are no changes in the information provided in the
7 last filed report required under subsection (1), ~~the~~**A** corporation
8 may file a report that certifies to the administrator that no
9 changes in the required information have occurred since the last
10 filed report. The report filed under this subsection shall be on a
11 form approved by the administrator and filed no later than ~~the date~~
12 ~~required under section 911~~**MAY 15 OF THE YEAR FOLLOWING THE FILING**
13 **OF THE PREVIOUS REPORT UNDER THIS SECTION.**

14 Enacting section 1. This amendatory act does not take effect
15 unless Senate Bill No. 359
16 of the 96th Legislature is enacted into law.