

HOUSE BILL No. 5992

December 2, 2014, Introduced by Rep. Haines and referred to the Committee on Local Government.

A bill to amend 1987 PA 230, entitled "Municipal health facilities corporations act," by amending sections 206, 207, 255, and 256 (MCL 331.1206, 331.1207, 331.1255, and 331.1256), section 206 as amended by 1994 PA 398, sections 207 and 256 as amended by 2010 PA 331, and section 255 as added by 1988 PA 502.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 206. (1) Except as provided in section 203, the
2 incorporation of a corporation by a county ~~shall be~~ **IS** accomplished
3 by approval of articles of incorporation by resolution of the
4 county board of commissioners. The incorporation of a subsidiary
5 corporation by a county ~~shall be~~ **IS** accomplished by approval of
6 articles of incorporation by resolution of the county board of
7 commissioners.

1 (2) The articles of incorporation of a corporation or
2 subsidiary corporation established by a county shall ~~set forth the~~
3 **INCLUDE ALL OF THE FOLLOWING:**

4 (A) **THE** name of the corporation or subsidiary corporation. ~~+~~
5 ~~the~~

6 (B) **THE** purposes for which ~~it~~**THE CORPORATION OR SUBSIDIARY**
7 **CORPORATION** is created, which may include all of the purposes for
8 which a corporation or subsidiary corporation may be organized
9 under this act. ~~+~~~~the~~

10 (C) **THE** number, terms, and manner of selection of the officers
11 of ~~its~~**THE** board of trustees **OF THE CORPORATION** or subsidiary board
12 **OF THE SUBSIDIARY CORPORATION, AS APPLICABLE**, which shall include a
13 chairperson and a secretary, and a general description of their
14 respective powers and duties. ~~+~~~~the~~

15 (D) **THE** date ~~upon~~**ON** which the incorporation ~~becomes~~**OF THE**
16 **CORPORATION OR SUBSIDIARY CORPORATION IS** effective. ~~+~~~~and the~~

17 (E) **THE** name of the newspaper ~~in which~~**OR LINK TO THE WEBSITE**
18 **WHERE THE COUNTY CLERK IS PUBLISHING OR POSTING** the articles of
19 incorporation ~~shall be published.~~**UNDER SECTION 207(1).**

20 (3) The articles of incorporation of a subsidiary corporation
21 shall also contain the name of the corporation acting as its parent
22 ~~+~~and shall specify the size of the subsidiary board in accordance
23 with section 209(1).

24 (4) The articles of incorporation of a corporation established
25 by a county may specify transactions otherwise within the powers of
26 its board of trustees which shall require approval by resolution of
27 the county board of commissioners, and may also contain other

1 ~~matters~~**PROVISIONS** considered expedient ~~to be included~~**FOR**
2 **INCLUSION** in the articles of incorporation.

3 (5) The articles of incorporation of a subsidiary corporation
4 incorporated by a county may specify transactions otherwise within
5 the powers of its subsidiary board which shall require approval by
6 resolution of the board of trustees of its designated parent
7 corporation, and may also contain other ~~matters~~**PROVISIONS**
8 considered expedient ~~to be included~~**FOR INCLUSION** in the articles
9 of incorporation.

10 Sec. 207. (1) The articles of incorporation of a corporation
11 incorporated by a county shall be executed in duplicate by the
12 chairperson of the county board of commissioners or other
13 commissioner designated by the county board of commissioners. The
14 articles of incorporation of a subsidiary corporation of a
15 corporation incorporated by a county shall be executed in duplicate
16 by the chairperson of the board of trustees of the parent
17 corporation, or other trustee designated by the board of trustees.
18 The articles of incorporation shall then be delivered to the county
19 clerk who shall file 1 copy in his or her office and the other with
20 the secretary of the corporation or subsidiary corporation when a
21 secretary is selected. The county clerk shall ~~cause~~**PROVIDE PUBLIC**
22 **NOTICE OF THE INCORPORATION OF THE CORPORATION OR SUBSIDIARY**
23 **CORPORATION BY MEETING 1 OF THE FOLLOWING:**

24 (A) **BEFORE JANUARY 1, 2015, PUBLISHING** a copy of the articles
25 of incorporation ~~to be published~~ once in a newspaper designated in
26 the articles of incorporation and circulating within the county,
27 accompanied by a statement that the right exists to question the

1 validity of the incorporation in court as provided in this section.

2 (B) BEGINNING JANUARY 1, 2015, PROVIDING PUBLIC NOTICE OF THE
3 INCORPORATION BY PUBLISHING OR POSTING THE ARTICLES OF
4 INCORPORATION AND THE STATEMENT DESCRIBED IN SUBDIVISION (A) IN THE
5 SAME MANNER THAT TIER B PUBLIC NOTICE WITH A LINK IS PROVIDED UNDER
6 THE LOCAL GOVERNMENT PUBLIC NOTICE ACT.

7 (2) The county clerk shall file 1 printed copy of articles of
8 incorporation delivered to him or her under subsection (1) with the
9 secretary of state and 1 printed copy in his or her office. The
10 county clerk shall attach to each of the printed copies his or her
11 certificate setting forth that the copy is a true and complete copy
12 of the original articles of incorporation on file in his or her
13 office.

14 (3) The incorporation of a corporation or a subsidiary
15 corporation described in this section is effective at the time
16 provided in the articles of incorporation.

17 (4) The validity of the incorporation of a corporation or a
18 subsidiary corporation described in this section is conclusively
19 presumed unless questioned in a court of competent jurisdiction
20 within 60 days after the certified copy of the articles of
21 incorporation of that corporation or subsidiary corporation is
22 filed with the secretary of state under subsection (2).

23 (5) This section does not apply to articles of incorporation
24 of a restructured corporation or restructured subsidiary
25 corporation described in section 305a.

26 Sec. 255. (1) The incorporation of a corporation by a city or
27 village ~~shall be~~ IS accomplished by approval of articles of

1 incorporation by resolution of the city council or village council.
 2 The incorporation of a subsidiary corporation ~~shall be~~ **IS**
 3 accomplished by approval of articles of incorporation by resolution
 4 of the city council or village council.

5 (2) The articles of incorporation shall ~~set forth the~~ **INCLUDE**
 6 **ALL OF THE FOLLOWING:**

7 (A) **THE** name of the corporation or subsidiary corporation. ~~+~~
 8 ~~the~~

9 (B) **THE** purposes for which ~~it~~ **THE CORPORATION OR SUBSIDIARY**
 10 **CORPORATION** is created, which may include all of the purposes for
 11 which a corporation or subsidiary corporation may be organized
 12 under this act. ~~+~~ ~~the~~

13 (C) **THE** number, terms, and manner of selection of the officers
 14 of ~~its~~ **THE** board of trustees **OF THE CORPORATION** or subsidiary board
 15 **OF THE SUBSIDIARY CORPORATION, AS APPLICABLE**, which shall include a
 16 chairperson and a secretary, and a general description of their
 17 respective powers and duties. ~~+~~ ~~the~~

18 (D) **THE** date ~~upon~~ **ON** which the incorporation shall ~~become~~ **OF**
 19 **THE CORPORATION OR SUBSIDIARY CORPORATION IS** effective. ~~+~~ ~~and the~~

20 (E) **THE** name of the newspaper ~~in which~~ **OR LINK TO THE WEBSITE**
 21 **WHERE THE CITY CLERK OR VILLAGE CLERK IS PUBLISHING OR POSTING** the
 22 articles of incorporation ~~shall be published.~~ **UNDER SECTION 256(1).**

23 (3) The articles of incorporation of a subsidiary corporation
 24 shall also contain the name of the corporation acting as its parent
 25 ~~+~~ and shall specify the size of the subsidiary board in accordance
 26 with section 258(2).

27 (4) The articles of incorporation of a corporation may specify

1 transactions otherwise within the powers of its board of trustees
2 which shall require approval by resolution of the city council or
3 village council, and may also contain other ~~matters~~ **PROVISIONS**
4 considered expedient ~~to be included~~ **FOR INCLUSION** in the articles
5 of incorporation.

6 (5) The articles of incorporation of a subsidiary corporation
7 may specify transactions otherwise within the powers of its
8 subsidiary board which shall require approval by resolution of the
9 board of trustees of its designated parent corporation, and may
10 also contain other ~~matters~~ **PROVISIONS** considered expedient ~~to be~~
11 ~~included~~ **FOR INCLUSION** in the articles of incorporation.

12 Sec. 256. (1) The articles of incorporation of a corporation
13 incorporated by a city or village shall be executed in duplicate by
14 the chairperson of the city council or the president of the village
15 council or other member of the city council or village council
16 designated by the city council or village council. The articles of
17 incorporation of a subsidiary corporation of a corporation
18 incorporated by a city or village shall be executed in duplicate by
19 the chairperson of the board of trustees of the parent corporation,
20 or other trustee designated by the board of trustees. The articles
21 of incorporation shall then be delivered to the city clerk or
22 village clerk who shall file 1 copy in his or her office and the
23 other with the secretary of the corporation or subsidiary
24 corporation when a secretary is selected. The city clerk or village
25 clerk shall ~~cause~~ **PROVIDE PUBLIC NOTICE OF THE INCORPORATION OF THE**
26 **CORPORATION OR SUBSIDIARY CORPORATION BY MEETING 1 OF THE**
27 **FOLLOWING:**

1 **(A) BEFORE JANUARY 1, 2015, PUBLISHING** a copy of the articles
2 of incorporation ~~to be published~~ once in a newspaper designated in
3 the articles of incorporation and circulating within the city or
4 village, accompanied by a statement that the right exists to
5 question the validity of the incorporation in court as provided in
6 this section.

7 **(B) BEGINNING JANUARY 1, 2015, PROVIDING PUBLIC NOTICE OF THE**
8 **INCORPORATION BY PUBLISHING OR POSTING THE ARTICLES OF**
9 **INCORPORATION AND THE STATEMENT DESCRIBED IN SUBDIVISION (A) IN THE**
10 **SAME MANNER THAT TIER B PUBLIC NOTICE WITH A LINK IS PROVIDED UNDER**
11 **THE LOCAL GOVERNMENT PUBLIC NOTICE ACT.**

12 (2) The city clerk or village clerk shall file 1 printed copy
13 of articles of incorporation delivered to him or her under
14 subsection (1) with the secretary of state and 1 printed copy in
15 his or her office. The city clerk or village clerk shall attach to
16 each of the printed copies his or her certificate setting forth
17 that the copy is a true and complete copy of the original articles
18 of incorporation on file in his or her office.

19 (3) The incorporation of a corporation or a subsidiary
20 corporation described in this section is effective at the time
21 provided in the articles of incorporation, but not before approval
22 of the question of incorporation by the city or village electors
23 under section 251.

24 (4) The validity of the incorporation of a corporation or a
25 subsidiary corporation described in this section is conclusively
26 presumed unless questioned in a court of competent jurisdiction
27 within 60 days after the certified copy of the articles of

1 incorporation of that corporation or subsidiary corporation is
2 filed with the secretary of state under subsection (2).

3 (5) This section does not apply to articles of incorporation
4 of a restructured corporation or restructured subsidiary
5 corporation described in section 305a.

6 Enacting section 1. This amendatory act does not take effect
7 unless House Bill No. 5560 of the 97th Legislature is enacted into
8 law.