

Legislative Analysis



CORPORATE FILING FEE SUNSET EXTENSIONS

Phone: (517) 373-8080
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**Senate Bill 438 as passed by the Senate
Sponsor: Sen. Sean McCann**

Analysis available at
<http://www.legislature.mi.gov>

**Senate Bill 439 as passed by the Senate
Sponsor: Sen. Adam Hollier**

**Senate Bill 440 as passed by the Senate
Sponsor: Sen. Jeff Irwin**

**House Committee: Appropriations
Senate Committee: Appropriations
Complete to 8-29-19**

SUMMARY:

Senate Bills 438, 439, and 440 would amend the Business Corporation Act (1972 PA 284), the Nonprofit Corporation Act (1982 PA 162), and the Michigan Limited Liability Company Act (1993 PA 23), respectively, by extending sunsets on fees that will mature on September 30, 2019. The aforementioned statutes pertain to the regulation of business and nonprofit corporations and limited liability companies and require the payment of filing fees for various documents submitted to the Department of Licensing and Regulatory Affairs (LARA). The bills would maintain FY 2018-19 fee amounts by extending previous fee increases (initially enacted in 2003) for an additional four years, through September 30, 2023. The fee sunsets were last extended in 2015.

MCL 450.2060 (SB 438)
MCL 450.3060 (SB 439)
MCL 450.5101 (SB 440)

FISCAL IMPACT:

The bills would maintain current levels of fee revenue collected by the Corporations, Securities, and Commercial Licensing Bureau (CSCLB), within LARA, to the extent that the CSCLB would continue collecting revenue generated by fee increases that would otherwise sunset. Revenue generated from these fees is deposited to the Corporation Fees Fund and expended for the administration of various agencies within LARA. Estimates made using data provided by the State Budget Office indicate that revenue losses resulting if the sunsets are not extended would total approximately **\$7.2 million**. The table below provides information for each of the bills.

Bill	Fee Title	MCL	Current Fee	Fee Post-Sunset	Projected Revenue Loss
SB 438	Business Corporation Annual Report Filing Fee	450.2060	\$25	\$15	\$2,101,660
SB 439	Nonprofit Corporation Annual Report Filing Fee	450.3060	\$20	\$10	\$727,490
SB 440	Limited Liability Company Annual Statement of Resident Agent Fee	450.5101	\$25	\$15	\$4,387,050

Fiscal Analyst: Marcus Coffin

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.