

Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 438, 439, & 440 (as introduced 8-20-19)

Sponsor: Senator Sean McCann

Senator Adam Hollier

Senator Jeff Irwin

Committee: Appropriations

Date Completed: 8-20-19

CONTENT

Senate Bills 438, 439, and 440 would amend the Business Corporation Act, the Nonprofit Corporation Act, and the Michigan Limited Liability Company Act, respectively, to extend the sunset date on certain fees from September 30, 2019, to September 30, 2023.

The Acts require certain fees to be paid to the Director of the Department of Licensing and Regulatory Affairs (LARA) when documents are delivered to LARA for filing. The fees for filing an annual report under the Business Corporation Act and the Nonprofit Corporation Act, and the fee for filing an annual statement of resident agent under the Limited Liability Company Act, are due to sunset on September 30, 2019. After that date, those filing fees would return to their 2003 levels. The bills would extend this sunset until September 30, 2023.

MCL 450.2060 (438)

450.3060 (439)

450.5101 (440)

FISCAL IMPACT

The bills would have a positive fiscal impact on LARA and no fiscal impact on local units of government. The extension of the current fees would preserve \$7.2 million in annual fee revenues. The revenue from these fees is deposited into the Corporation Fees Fund, which is used to administer the Corporations, Securities & Commercial Licensing Bureau's regulatory activities.

Fee Sunsets and Potential Revenue Losses				
Request	Fee	Current Fee	Fee After Sunset	Revenue Loss from Fee Sunset
438	Business Corporation Annual Report Filing Fee	\$25	\$15	\$2,101,660
439	Nonprofit Corporation Annual Report Filing Fee	\$20	\$10	\$727,490
440	LLC Annual Statement of Resident Agent	\$25	\$15	\$4,387,050
Total				\$7,216,200

Fiscal Analyst: Elizabeth Raczkowski

SAS\S1920\s438sa

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.