

SUBSTITUTE FOR
HOUSE BILL NO. 5120

A bill to amend 1962 PA 192, entitled
"Professional service corporation act,"
by amending section 4 (MCL 450.224), as amended by 1990 PA 166.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) One or more licensed persons may organize under
2 this act to become a shareholder or shareholders of a profes-
3 sional corporation for pecuniary profit.

4 (2) Except as otherwise provided in ~~subsection (3)~~
5 SUBSECTIONS (3) AND (4) or otherwise prohibited, a professional
6 corporation may render 1 or more professional services, except
7 that each shareholder must be a licensed person in 1 or more of
8 the professional services rendered by the corporation.

9 (3) A PROFESSIONAL CORPORATION MAY ENGAGE IN THE PRACTICE OF
10 PUBLIC ACCOUNTING IN THIS STATE IF NOT LESS THAN 2/3 OF THE
11 SHAREHOLDERS ARE LICENSED IN GOOD STANDING AS CERTIFIED PUBLIC

HB5120, As Passed House, November 13, 1997

House Bill No. 5120

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1 ACCOUNTANTS OF THIS OR ANOTHER STATE OR THE EQUIVALENT IN ANOTHER
2 LICENSING JURISDICTION ACCEPTABLE TO THE BOARD OF ACCOUNTANCY AND
3 ALL OTHER SHAREHOLDERS ARE LICENSED OR LEGALLY AUTHORIZED TO
4 RENDER A PROFESSIONAL SERVICE OFFERED BY THE PROFESSIONAL
5 CORPORATION. AS USED IN THIS SUBSECTION:

6 (A) "BOARD OF ACCOUNTANCY" MEANS THAT BOARD CREATED IN SEC-
7 TION 721 OF THE OCCUPATIONAL CODE, 1980 PA 299, MCL 339.721.

8 (B) "PRACTICE OF PUBLIC ACCOUNTING" MEANS THAT TERM AS
9 DEFINED IN SECTION 720 OF THE OCCUPATIONAL CODE, 1980 PA 299, MCL
10 339.720.

11 (4) ~~-(3)-~~ If the professional corporation renders a profes-
12 sional service that is included within the public health code,
13 ~~Act No. 368 of the Public Acts of 1978, being sections 333.1101~~
14 ~~to 333.25211 of the Michigan Compiled Laws~~ 1978 PA 368, MCL
15 333.1101 TO 333.25211, then all shareholders of the corporation
16 shall be licensed or legally authorized in this state to render
17 the same professional service.

18 (5) ~~-(4)-~~ A licensed person of another jurisdiction may
19 become an officer, director, shareholder, employee, or agent of
20 the corporation but shall not render any professional ~~services~~
21 SERVICE in this state until the person is licensed or otherwise
22 legally authorized to render the professional service in this
23 state.