

SENATE BILL No. 1241

May 3, 2000, Introduced by Senators SCHUETTE, ROGERS, SHUGARS, HAMMERSTROM and MC COTTER and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1993 PA 23, entitled "Michigan limited liability company act," by amending sections 102 and 902 (MCL 450.4102 and 450.4902), as amended 1997 PA 52.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 102. (1) Unless the context requires otherwise, the
2 definitions in this section control the interpretation of this
3 act.

4 (2) As used in this act:

5 (a) "Administrator" means the director of the department of
6 consumer and industry services or his or her designated
7 representative.

8 (b) "Articles of organization" means the original documents
9 filed to organize a limited liability company, as amended or
10 restated by certificates of correction, amendment, or merger, by

SB 1241, As Passed Senate, May 30, 2000

1 restated articles, or by other instruments filed or issued under
2 any statute.

3 (c) "Constituent" means a party to a plan of merger, includ-
4 ing the survivor.

5 (d) "Contribution" means anything of value that a person
6 contributes to the limited liability company as a prerequisite
7 for, or in connection with, membership, including cash, property,
8 services performed, or a promissory note or other binding obliga-
9 tion to contribute cash or property, or to perform services.

10 (e) "Corporation" or "domestic corporation" means any of the
11 following:

12 (i) A corporation formed under the business corporation act,
13 1972 PA 284, MCL 450.1101 to 450.2098.

14 (ii) A corporation existing on January 1, 1973 and formed
15 under another statute of this state for a purpose for which a
16 corporation may be formed under the business corporation act,
17 1972 PA 284, MCL 450.1101 to 450.2098.

18 (iii) A corporation formed under the professional service
19 corporation act, 1962 PA 192, MCL 450.221 to 450.235.

20 (f) "Distribution" means a direct or indirect transfer of
21 money or other property or the incurrence of indebtedness by a
22 limited liability company to or for the benefit of its members or
23 assignees of its members in respect of the members' membership
24 interests.

25 (g) "Foreign limited liability company" means a limited
26 liability company formed under laws other than the laws of this
27 state.

SB 1241, As Passed Senate, May 30, 2000

1 (h) "Foreign limited partnership" means a limited
2 partnership formed under laws other than the laws of this state.

3 (i) "Limited liability company" or "domestic limited liabil-
4 ity company" means an entity that is an unincorporated membership
5 organization formed under this act.

6 (j) "Limited partnership" or "domestic limited partnership"
7 means a limited partnership formed under the Michigan revised
8 uniform limited partnership act, 1982 PA 213, MCL 449.1101 to
9 449.2108.

10 (k) "Manager" or "managers" means a person or persons desig-
11 nated by the members of a limited liability company to manage the
12 limited liability company as provided in the articles of organi-
13 zation or in an operating agreement.

14 (l) "Member" means a person who has been admitted to a
15 limited liability company as provided in section 501 and who has
16 the rights and obligations specified under this act, or, in the
17 case of a foreign limited liability company, a person who is a
18 member of the foreign limited liability company in accordance
19 with the laws under which the foreign limited liability company
20 is organized.

21 (m) "Membership interest" or "interest" means a member's
22 rights in the limited liability company, including, but not
23 limited to, the right to receive distributions of the limited
24 liability company's assets and any right to vote or participate
25 in management.

26 (n) "Operating agreement" means a valid written agreement of
27 the members of a limited liability company having more than 1

SB 1241, As Passed Senate, May 30, 2000

4

1 member as to the affairs of the limited liability company and the
2 conduct of its business and includes any provision in the arti-
3 cles of organization pertaining to the affairs of the limited
4 liability company and the conduct of its business.

5 (o) "Person" means an individual, partnership, limited
6 liability company, trust, custodian, estate, association, corpo-
7 ration, governmental entity, or any other legal entity.

8 (p) "Services in a learned profession" means services
9 rendered by ~~a certified or other public accountant,~~ a dentist,
10 an osteopathic physician, a physician, a surgeon, a doctor of
11 divinity or other clergy, or an attorney-at-law.

12 (q) "Surviving company", "surviving entity", or "survivor"
13 means the constituent surviving a merger, as identified in the
14 certificate of merger.

15 (r) "Vote" means an affirmative vote, approval, or consent.
16 Sec. 902. As used in this article:

17 (a) "Licensed person" means an individual who is licensed or
18 otherwise legally authorized to practice a professional service
19 by a court, department, board, commission, or an agency of this
20 state or another jurisdiction, any corporation or professional
21 services corporation all of whose shareholders are licensed per-
22 sons, any partnership all of whose partners are licensed persons,
23 or any limited liability company all of whose members and manag-
24 ers are licensed persons.

25 (b) "Professional service" means a type of personal service
26 to the public that requires as a condition precedent to the
27 rendering of the service the obtaining of a license or other

SB 1241, As Passed Senate, May 30, 2000

Senate Bill No. 1241 as amended May 18, 2000

5

1 legal authorization [REDACTED]
2 [REDACTED]. Professional service includes, but
3 is not limited to, services rendered by a certified or other
4 public accountant, chiropractor, dentist, optometrist, veteri-
5 narian, osteopathic physician, physician, surgeon, podiatrist,
6 chiropodist, architect, professional engineer, land surveyor, and
7 attorney-at-law.

8 (c) "Professional services corporation" means a corporation
9 formed under the professional service corporation act, 1962 PA
10 192, MCL 450.221 to 450.235.