

Legislative Analysis



FILING BUSINESS DOCUMENTS & EXPEDITED FEES

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Senate Bill 664
Sponsor: Sen. Tom George

Senate Bill 666
Sponsor: Sen. Alan Sanborn

Senate Bill 665
Sponsor: Sen. Mike Goschka

Senate Bill 667
Sponsor: Sen. Ron Jelenik

House Committee: Commerce
Senate Committee: Commerce and Labor

Complete to 10-24-05

A SUMMARY OF SENATE BILLS 664-667 AS PASSED BY THE SENATE

The bills would amend four separate acts, each of which deals with various kinds of business and nonprofit organizations, to achieve the following purposes:

** To require the Department of Labor and Economic Growth (DLEG), by December 31, 2006, to establish a procedure for accepting delivery of a document filed with the relevant administrator within the department by *electronic mail or over the Internet*. Beginning January 1, 2007, the department would have to accept delivery of documents submitted by electronic mail or over the Internet. The department would have to determine a method to provide proof of filing when those technologies were used.

** To establish a new set of fees to be charged by DLEG when the *expedited filing of documents* is requested. The fees (described below) would be nonrefundable and the revenue would be retained by DLEG for use in carrying out duties required by law. The department could establish deadlines by which a person would have to submit a request for an expedited filing.

The bills are tie-barred to Senate Bill 298, which, generally speaking, would reduce the fees paid by an in-state business for its initial organizational fee and for increasing its authorized shares, and would reduce the fees paid by an out-of-state corporation when it is first authorized to transact business in the state and when it increases the number of authorized shares attributable to Michigan.

Senate Bill 664 would amend the Business Corporation Act (MCL 450.1131). Senate Bill 665 would amend the Michigan Limited Liability Company Act (MCL 450.4104). Senate Bill 666 would amend the Nonprofit Corporation Act (MCL 450.2131). Senate Bill 667 would amend the Michigan Revised Uniform Limited Partnership Act (MCL 449.1206).

Fees for Expedited Filing of Documents

<u>Requested Filing</u>	<u>Fee</u>
To be completed within one hour on same day	\$1,000
To be completed within two hours on same day	\$500
To be completed on the same day as the request (Formation or qualification document)	\$100
To be completed on the same day (Other documents)	\$200
To be completed within 24 hours (Formation or qualification document)	\$50
To be completed within 24 hours (Other documents)	\$100

FISCAL IMPACT:

The Department of Labor and Economic Growth has already begun implementation of electronic document processing, and expects to meet the December 31, 2006 deadline defined in these bills. No additional staff is needed for this implementation. The Department expects to collect an additional \$3 million as a result of the new expedited filing fee schedule. This new revenue is expected to be sufficient to cover the cost of providing expedited filing services and other new duties described in these bills.

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