



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 664 (Substitute S-4 as reported by the Committee of the Whole)
Senate Bill 665 (Substitute S-4 as reported by the Committee of the Whole)
Senate Bill 666 (Substitute S-4 as reported by the Committee of the Whole)
Senate Bill 667 (Substitute S-4 as reported by the Committee of the Whole)

Sponsor: Senator Tom George (S.B. 664)
Senator Mike Goschka (S.B. 665)
Senator Alan Sanborn (S.B. 666)
Senator Ron Jelinek (S.B. 667)

Committee: Commerce and Labor

CONTENT

The bills would amend various statutes governing business entities to require the Director of the Department of Labor and Economic Growth (DLEG) to establish, by December 31, 2006, a procedure for accepting the delivery of documents submitted under those laws by electronic transmission. Beginning January 1, 2007, a person could file a document under those statutes by electronic mail or over the internet. The DLEG Director would have to mark the filing date on the copy or original of a document before returning it or, if the document were submitted by electronic mail or over the internet, the Director could provide proof of the filing date to the person who submitted the document.

The bills also would require the administrator to charge one of the following nonrefundable fees if a person requested expedited filing of a document:

- \$1,000, for a filing requested to be completed within one hour.
- \$500, for a filing requested to be completed within two hours.
- \$100, for a filing of any formation or qualification document requested to be completed on the same day, other than within one or two hours.
- \$200, for any other document concerning an existing domestic or qualified foreign entity requested to be completed on the same day, other than within one or two hours.
- \$50, for the filing of any other formation or qualification document requested to be completed within 24 hours.
- \$100, for the filing of any other document concerning an existing domestic or qualified foreign entity requested to be completed within 24 hours.

The Director would have to retain the revenue collected from expedited filing requests and DLEG would have to use it to carry out its duties required by law.

Senate Bill 664 (S-4) would amend the Business Corporation Act; Senate Bill 665 (S-4) would amend the Michigan Limited Liability Company Act; Senate Bill 666 (S-4) would amend the Nonprofit Corporation Act; and Senate Bill 667 (S-4) would amend the Michigan Revised Uniform Limited Partnership Act.

The Business Corporation Act and the Michigan Limited Liability Company Act currently allow the DLEG Director to establish a procedure for accepting delivery by facsimile or other electronic transmission. Senate Bills 664 (S-4) and 665 (S-4) would retain this provision, and Senate Bill 666 (S-4) and 667 (S-4) would add the provision to the Nonprofit

Corporation Act and the Michigan Revised Uniform Limited Partnership Act, in addition to requiring the Director to establish a procedure for accepting delivery by electronic transmission by December 31, 2006.

The bills would take effect January 1, 2006, and are tire-barred to Senate Bill 298, which would amend the Business Corporation Act to revise the fee structure for a corporation's authorized shares.

MCL 450.1131 (S.B. 664)
450.4104 (S.B. 665)
450.2131 (S.B. 666)
449.1206 (S.B. 667)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The Department has begun the process to accept documents submitted electronically, and expects to meet the December 31, 2006, deadline. Existing resources within the affected agencies are being used to cover the costs of the project.

The bills would create a new fee schedule for expedited services. According to the Department, these fees are expected to generate approximately \$3 million annually.

The bills would have no fiscal impact on local government.

Date Completed: 10-17-05

Fiscal Analyst: Elizabeth Pratt
Maria Tyszkiewicz