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BILL ANALYSIS

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House Bill 5321 (as reported without amendment)  
Sponsor: Representative Judy Emmons  
House Committee: Commerce  
Senate Committee: Economic Development, Small Business and Regulatory Reform

### **CONTENT**

The bill would amend the Business Corporation Act to allow a corporation to provide shareholders that shared a common address with one copy of a written notice or other written communication that the corporation was required or permitted to provide, if the shareholders did not object. Additionally, a corporation that had securities registered under the Securities and Exchange Act would not be subject to the Business Corporation Act's requirement that mailings be made by registered, certified, or other first-class mail, except as otherwise provided.

Under the bill, if a corporation were required or permitted to provide its shareholders with a written notice or other written report, statement, or communication by the Act, the articles of incorporation, or the bylaws, the corporation could provide that notice, report, statement, or communication to all shareholders that shared a common address by delivering one copy of it to the common address if all of the following were met:

- The corporation addressed the notice, report, statement, or communication to the shareholders who shared the common address as a group, individually, or in any other form to which any of those shareholders had not objected.
- At least 60 days before the first delivery of any delivery to a common address, the corporation notified the shareholders who shared that common address that it intended to provide only one copy of notices, reports, statements, or other communications to shareholders that shared a common address.
- The corporation had not received a written objection from any shareholder that shared a common address to deliveries to that shareholder.

If the corporation received a written objection, within 30 days it would have to begin providing the objecting shareholder with separate copies of any notices, reports, statements, or communications to the shareholders, but the corporation could deliver one copy to all of the shareholders at that common address that had not objected.

MCL 450.1143

Legislative Analyst: J.P. Finet

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

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Analysis available @ <http://www.michiganlegislature.org>

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