



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5356 (Substitute S-3 as reported)
Sponsor: Representative Bill Huizenga
House Committee: New Economy and Quality of Life
Senate Committee: Economic Development and Regulatory Reform

CONTENT

The bill would amend the Business Corporation Act to do all of the following:

- Allow a domestic corporation to convert into a "business organization".
- Allow a business organization to convert into a domestic corporation.
- Allow a voting shareholder to dissent from a domestic corporation's conversion plan, unless shareholders received cash and/or shares.
- Impose a \$50 fee for filing a certificate of conversion.
- Specify that satisfying requirements that preclude an action regarding a transaction in which a director or officer has an interest, would not preclude other claims.
- Provide that a certificate of dissolution filed with the administrator (the Director of the Department of Labor and Economic Growth) would be effective at the time the certificate was first received by the administrator, not the date of filing, if certain conditions were met.

The bill also would repeal Chapter 7B (Control Share Acquisitions) of the Act. (That chapter is known as the "Stacey, Bennett, and Randall Shareholder Equity Act".)

Under the Business Corporation Act, "business organization" means a domestic or foreign limited liability company, limited partnership, general partnership, or any other type of domestic or foreign business enterprise, incorporated or unincorporated, except a domestic corporation. "Domestic corporation" means a corporation formed under the Act, or existing on January 1, 1973, and formed under any other statute of this State for a purpose for which a corporation may be formed under the Act.

MCL 450.1131 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

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

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