

# SENATE BILL NO. 666

November 09, 2023, Introduced by Senators MCCANN, IRWIN, GEISS and BAYER and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1972 PA 284, entitled "Business corporation act," by amending section 911 (MCL 450.1911), as amended by 2012 PA 569, and by adding section 961.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           Sec. 911. (1) A domestic corporation and each foreign  
2 corporation subject to chapter 10 shall file a report with the  
3 administrator ~~no~~**not** later than May 15 of each year. The report  
4 ~~shall~~**must** be on a form approved by the administrator, signed by an  
5 authorized officer or agent of the corporation, and contain all of

1 the following information:

2 (a) The name of the corporation.

3 (b) The name of ~~its~~**the corporation's** resident agent and  
4 address of ~~its~~**the corporation's** registered office in this state.

5 (c) The names and addresses of ~~its~~**the corporation's**  
6 president, secretary, treasurer, and directors.

7 (d) ~~General~~**The general** nature and kind of business in which  
8 the corporation is engaged.

9 (e) For each foreign corporation authorized to transact  
10 business in this state, the total number of authorized shares and  
11 the most recent percentage used in computation of the tax required  
12 by the Michigan business tax act, 2007 PA 36, MCL 208.1101 to  
13 208.1601.

14 (f) For each professional corporation, the names and addresses  
15 of its shareholders and a certification that both of the following  
16 are met:

17 (i) Each shareholder is a licensed person in 1 or more of the  
18 professional services provided by the professional corporation.

19 (ii) The corporation meets the other requirements of chapter  
20 2A.

21 **(2) A corporation that is a benefit corporation shall file**  
22 **with the administrator the annual benefit report that is required**  
23 **under section 961 with the report filed under subsection (1).**

24 **(3) ~~(2)~~A corporation that is** formed or authorized to do  
25 business on or after January 1 and before May 16 of a calendar year  
26 is not required to file the report described in subsection (1) for  
27 that calendar year.

28 **(4) ~~(3)~~If** there are no changes in the information provided in  
29 the last filed report required under subsection (1), the

1 corporation may file a report that certifies to the administrator  
2 that no changes in the required information have occurred since the  
3 last filed report. A report filed under this subsection ~~shall~~**must**  
4 be on a form approved by the administrator and filed ~~no~~**not** later  
5 than the date required under **this** section. ~~911.~~**A corporation that**  
6 **is a benefit corporation that files a report under this subsection**  
7 **shall include the annual benefit report that is required under**  
8 **section 961 with the report filed under this subsection.**

9       **Sec. 961. (1) A benefit corporation shall prepare an annual**  
10 **benefit report. An annual benefit report must include all of the**  
11 **following:**

12       **(a) A narrative description of the ways in which the benefit**  
13 **corporation pursued the benefit corporation's general public**  
14 **benefit purpose during the year and the extent to which general**  
15 **public benefit was created.**

16       **(b) A narrative description of the ways in which the benefit**  
17 **corporation pursued any specific public benefit included in the**  
18 **purposes of the benefit corporation in the articles of**  
19 **incorporation and the extent to which that specific public benefit**  
20 **was created.**

21       **(c) A narrative description of any circumstances that have**  
22 **hindered the creation by the benefit corporation of general public**  
23 **benefit or a specific public benefit described in subdivision (a)**  
24 **or (b) .**

25       **(d) The process and rationale for selecting or changing the**  
26 **third-party standard used to prepare the benefit report.**

27       **(e) An assessment of the overall social and environmental**  
28 **performance of the benefit corporation that meets 1 of the**  
29 **following:**

1 (i) Is prepared in accordance with a third-party standard  
2 applied consistently with any application of that standard in  
3 previous benefit reports.

4 (ii) If the assessment is prepared by applying a third-party  
5 standard in a manner inconsistent with that standard as applied in  
6 previous benefit reports, is accompanied by an explanation of the  
7 reasons for the inconsistent application of the standard applied.

8 (f) The compensation paid by the benefit corporation during  
9 the year to each director in the director's capacity as a director.

10 (g) A statement of any connection between the organization  
11 that developed the third-party standard, or its directors,  
12 officers, or material owners, and the benefit corporation, or its  
13 directors, officers, or material owners, including any financial or  
14 governance relationship that might materially affect the  
15 credibility of the objective assessment of the third-party  
16 standard.

17 (2) A benefit corporation is not required to use a third party  
18 to perform, audit, or certify an assessment included in an annual  
19 benefit report under subsection (1) (e).

20 (3) A benefit corporation shall distribute to each shareholder  
21 a copy of the annual benefit report, either within 120 days  
22 following the end of the fiscal year of the benefit corporation or  
23 at the same time that the benefit corporation distributes any other  
24 annual report to its shareholders. The benefit corporation may  
25 distribute the annual benefit report to a shareholder  
26 electronically, either by electronic transmission of the report or  
27 by making the report available for electronic transmission. If the  
28 report is distributed electronically under this subsection, the  
29 benefit corporation shall provide the report in written form to a

1 shareholder on request.

2 (4) A benefit corporation shall post its most recent annual  
3 benefit report on the public portion of its internet website, if  
4 any, but the benefit corporation may omit the compensation paid to  
5 directors and any financial or proprietary information included in  
6 the benefit report from the benefit report posted on its website.

7 (5) If a benefit corporation does not have an internet  
8 website, the benefit corporation shall provide a copy of its most  
9 recent annual benefit report, without charge, to a person that  
10 requests a copy, but the benefit corporation may omit the amount of  
11 compensation paid to directors and any financial or proprietary  
12 information included in the benefit report from the benefit report  
13 provided to the person.

14 (6) A benefit corporation shall file its annual benefit report  
15 as described in this section with the administrator with the report  
16 it is required to file with the administrator under section 911,  
17 but the benefit corporation may omit the amount of compensation  
18 paid to directors and any financial or proprietary information  
19 included in the benefit report from the benefit report filed as  
20 required under this subsection.

21 Enacting section 1. This amendatory act takes effect 90 days  
22 after the date it is enacted into law.

23 Enacting section 2. This amendatory act does not take effect  
24 unless Senate Bill No. 667 of the 102nd Legislature is enacted into  
25 law.