



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4384 (Substitute H-1 as passed by the House)
House Bill 4397 (Substitute H-1 as passed by the House)
House Bill 4399 (Substitute H-1 as passed by the House)
Sponsor: Representative Chris Afendoulis (H.B. 4384)
Representative George Darany (H.B. 4397)
Representative Leslie Love (H.B. 4399)
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 5-4-15

CONTENT

The bills would amend several public acts to delay the sunset on corporate filing fees paid by business, nonprofit, and limited liability corporations. These fees were last increased in 2003, and, after September 30, 2015, current law will roll back the amount to the 2003 level. The bills would delay that sunset until September 30, 2019.

MCL 450.3060 (H.B. 4384)
450.2060 (H.B. 4397)
450.5101 (H.B. 4397)

FISCAL IMPACT

The bills would have a positive fiscal impact on the Department of Licensing and Regulatory Affairs (LARA) and no fiscal impact on local units of government. The bills would prevent LARA from losing approximately \$7.2 million in fee revenue each year. Revenue from corporate filing fees is credited to the Corporations Fees Fund, and is used by LARA for various purposes within the Department including the administration of the Corporations, Securities, and Commercial Licensing Bureau.

The fiscal year (FY) 2015-16 LARA budget as passed from the Senate Appropriations Committee assumes LARA will be able to collect these fees at their current levels. Table 1 provides additional detail on the fee sunsets that would be delayed by these bills.

Each of the bills would take effect on October 1, 2015.

Table 1

Fee Sunsets Delayed Under Bills				
Bill	Fee Type	Fee Amount (Current)	Fee Amount (Sunset)	Revenue Loss Prevented Under Bills
4384	Nonprofit Corp. Ann. Filing Fee	\$20	\$10	\$727,490
4397	Business Corp. Annual Filing Fee	25	15	2,101,660
4399	LLC Annual Filing Fee	\$25	\$15	\$4,387,050
			Total	\$7,216,200

Fiscal Analyst: Josh Sefton

S1516/s4384sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.