

Legislative Analysis



CORPORATE FILING FEE SUNSET EXTENSIONS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4995 (H-2)
Sponsor: Rep. Phil Skaggs

Analysis available at
<http://www.legislature.mi.gov>

House Bill 4996 (H-2)
Sponsor: Rep. Phil Skaggs

House Bill 4997 (H-2)
Sponsor: Rep. Phil Skaggs

House Committee: Appropriations
Complete to 9-19-23

SUMMARY:

House Bills 4995, 4996, and 4997 would amend the Michigan Limited Liability Company Act (1993 PA 23), the Nonprofit Corporation Act (1982 PA 162), and the Business Corporation Act (1972 PA 284), respectively, by extending fee sunsets through September 30, 2027, which would otherwise mature on September 30, 2023. The aforementioned statutes pertain to the regulation of business and nonprofit corporations and limited liability companies and require the payment of filing fees for various documents submitted to the Department of Licensing and Regulatory Affairs (LARA). The bills would maintain FY 2022-23 fee amounts by extending previously enacted fee increases. (Increases were initially enacted in 2003 with sunset provisions.) The fee sunsets were previously extended in 2019.

The bills would also make non-substantive stylistic revisions.

MCL 450.2060 (HB 4997)
MCL 450.3060 (HB 4996)
MCL 450.5101 (HB 4995)

FISCAL IMPACT:

The bills would maintain current levels of fee revenue collected by the Corporations, Securities, and Commercial Licensing Bureau (CSCLB), within LARA, to the extent that the CSCLB would continue collecting revenue generated by fee increases that would otherwise sunset. Revenue generated from these fees is deposited into the Corporation Fees Fund and expended for administration of various agencies within LARA. The department estimates that resulting revenue losses if the sunsets are not extended would total approximately \$9.5 million annually. The table below provides information for each of the bills.

Bill	Fee Title	MCL	Current Fee	Fee Post-Sunset	Projected Revenue Loss
HB 4995	Limited Liability Company Annual Statement of Resident Agent Fee	450.5101	\$25	\$15	\$7,035,500
HB 4996	Nonprofit Corporation Annual Report Filing Fee	450.3060	\$20	\$10	\$488,400
HB 4997	Business Corporation Annual Report Filing Fee	450.2060	\$25	\$15	\$1,976,100

Fiscal Analyst: Marcus Coffin

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.