

Legislative Analysis



NONPROFIT CORPORATIONS AS PERSONS UNDER THE LIMITED LIABILITY COMPANY ACT

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Senate Bill 926 as passed by the Senate
Sponsor: Sen. Wayne Schmidt
House Committee: Commerce and Tourism
Senate Committee: Economic and Small Business Development
Complete to 6-6-22

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

SUMMARY:

Senate Bill 926 would amend the Michigan Limited Liability Company Act to include nonprofit corporations under the definition of “person” for purposes of the act.

The act provides regulations regarding the organization of limited liability companies, the rights of these companies, and the rights of regulatory agents. It authorizes a *person* to form or enter a limited liability company that is subject to oversight and regulation by the Department of Licensing and Regulatory Affairs (LARA).

A *person* is defined as an individual, partnership, limited liability company, trust, custodian, estate, association, corporation, governmental entity, or any other legal entity.

The bill would modify this definition to include nonprofit corporations.

MCL 450.4102

FISCAL IMPACT:

Senate Bill 926 would be unlikely to have an appreciable fiscal impact on the Department of Licensing and Regulatory Affairs or any other units of state or local government. Current appropriation levels and fees would likely be sufficient to offset any additional costs incurred by LARA.

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