
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5120 (Substitute H-1 as passed by the House)

Sponsor: Representative Barbara Dobb

House Committee: Regulatory Affairs

Senate Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 12-9-97

CONTENT

The bill would amend the Professional Service Corporation Act, which permits various licensed professionals to incorporate as professional service corporations, to allow a professional corporation to engage in the practice of public accounting if at least two-thirds of the shareholders were licensed as certified public accountants in Michigan or other states (or the equivalent in another licensing jurisdiction acceptable to the Board of Accountancy), and all other shareholders were licensed or legally authorized to render a professional service offered by the corporation.

Currently, a professional corporation may provide one or more professional services but each shareholder must be licensed in one or more of the professional services provided by the corporation. If the professional corporation provides a professional service included in the Public Health Code, however, all shareholders of the corporation must be licensed or legally authorized to provide the same professional service. In addition, a professional corporation may have a licensed person of another jurisdiction as an officer, director, shareholder, employee, or agent of the corporation, but must not have him or her provide any professional service in the State unless he or she is legally authorized to do so.

MCL 450.222 & 450.224

Legislative Analyst: N. Nagata

FISCAL IMPACT

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

Fiscal Analyst: M. Tyszkiewicz

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