

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 216 (as reported without amendment)
Sponsor: Senator Bill Bullard, Jr.
Committee: Financial Services

CONTENT

The bill would amend Section 13 of the Professional Service Corporation Act, which provides that the Business Corporation Act applies to a corporation organized under the Professional Service Corporation Act. In the case of a conflict between the Acts, the Professional Service Corporation Act controls. The bill contains the following statement:

This amendatory act is remedial and curative and intended to eliminate any confusion with respect to the application of the business corporation act...to a corporation formed under the professional service corporation act... as a result of OAG [Opinion of the Attorney General], 1989-1990, No 6592, p 166 (July 10, 1989). As provided in section 8 of 1846 RS 1, MCL 8.8, the legislature declares that the reference to the business corporation act...in section 13 of the professional service corporation act...includes the latest amendments to the business corporation act...

(The Attorney General opinion addressed the question whether amendments to the Business Corporation Act made in 1987 applied to professional service corporations. The Attorney General stated that the answer depended on whether amendments to the Business Corporation Act subsequent to its adoption in Section 13 of the Professional Service Corporation Act were incorporated in that Act. According to the opinion, "Section 13...adopted by reference the whole of the Business Corporation Act, except to the extent that there may be conflicts between the two acts... There is no indication that the Legislature intended that subsequent additions to or modifications of the Business Corporation Act would be included in the Professional Service Corporation Act."

Under Section 8 of the Revised Statutes of 1846, a reference to "Michigan Compiled Laws" includes all sections of law, as last amended, that are assigned a compilation number by the Legislative Service Bureau and are not subsequently repealed. Unless otherwise specifically provided, a reference to all or part of a statute includes the latest amendments to the statute or part.)

MCL 450.233

Legislative Analyst: L. Arasim
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FISCAL IMPACT

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

Date Completed: 4-13-01

Fiscal Analyst: M. Tyszkiewicz