



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



## BILL ANALYSIS

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

Senate Bill 926 (as enacted)  
Sponsor: Senator Wayne A. Schmidt  
Senate Committee: Economic and Small Business  
House Committee: Commerce and Tourism

### **PUBLIC ACT 137 of 2022**

Date Completed: 8-25-22

### **CONTENT**

**The bill amended the Michigan Limited Liability Company Act to modify the definition of "person" to include a nonprofit corporation.**

The bill took effect December 27, 2021.

Generally, the Act governs the organization and regulation of limited liability companies (LLCs). Among other things, the Act allows a person to organize an LLC by filing articles of organization with the Department of Licensing and Regulatory Affairs (LARA). The Act formerly defined "person" as an individual, partnership, limited liability company, trust, custodian, estate, association, corporation, governmental entity, or any other legal entity. The bill included nonprofit corporation within the definition (in effect, allowing nonprofit corporations to organize an LLC).

MCL 450.4102

Legislative Analyst: Olivia Ponte

### **FISCAL IMPACT**

The bill likely will not have a significant fiscal impact on State or local units of government. Existing appropriations, as well as revenue obtained from fees collected because of the definition change, likely will fund any additional work performed by LARA.

Fiscal Analyst: Joe Carrasco, Jr.

SAS\S2122\s926es

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.