

CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE DECEMBER 4, 2025 COUNCIL MEETING

1. Next Scheduled Meeting of the Committee.

The Committee most recently met in December 2023 and decided that it was far enough along in the process of evaluating its proposed Business Corporation Act amendments that further consideration could be handled by e-mail. Since then, we have been communicating by e-mail. In February we sent Committee members a final draft of our amendment package and subsequently sent it to our lobbyists for submission for legislative consideration, as described below.

2. Council Approval.

The Committee does not seek Council approval of any matters at this meeting.

3. Membership.

The Committee remains open to participation by any interested parties. The Committee has approximately 75 members on its active roster, though many fewer who actively participate.

4. Accomplishments Toward Committee Objectives.

The activity of the Committee is directly related to the Strategic Plan mission of promoting improved legislation and regulation for business and the goal of reviewing Michigan laws affecting business formation, capital raising, corporate governance and related legal matters. The Committee attempts to keep Michigan corporate law current with national trends and competitive with the business law environments of other jurisdictions.

The Committee continues to monitor legislation that could affect Michigan corporation law. We have assembled material for the next round of amendments to the Michigan Business Corporation Act. In 2024 we determined to bifurcate our approach and seek approval of provisions relating to benefit corporations in a separate bill. Though bills to implement the benefit corporation provisions were introduced in the Michigan Legislature, and Mike Molitor and Justin Klimko testified in favor of those bills, final legislation was never adopted, and so the bills died at the end of the legislative session.

We've now recombined the benefit corporation provisions with the rest of our proposed amendments, with the goal of having them introduced as part of a single bill package. We have been working with our lobbying firm (Michigan Legislative Consultants) to seek sponsors. We have prepared a summary of the amendments to help explain them to potential sponsors, and we anticipate calls with potential sponsors in the coming weeks to help educate them and answer questions they may have about the amendments.

Committee members have participated from time to time in preparation of amicus briefs on behalf of the Business Law Section, at the request of both the Michigan Court of Appeals and the Michigan Supreme Court. Past examples include Madugula v. Taub, Murphy v. Inman, Soaring Pine v Park, and Kircher v Boyne USA.

5. Meetings and Programs.

No programs are currently scheduled, but committee members have been involved with presentations at the Business Law Institute and Business Boot Camp.

6. Publications.

The Committee was responsible for the Fall 2023 edition of the Business Law Journal, which was published with articles from several contributors. It will be responsible for the Fall 2026 edition as well.

7. Methods of Monitoring Legislative/Judicial/Administrative Developments and Recommended Action.

The Committee monitors bills that would affect corporation statutes that are introduced without its input and considers these together with the Corporations Division of the Bureau of Commercial Services of the Department of Licensing and Regulatory Affairs. The Committee interacts with the Division and the Bureau frequently on matters of legislative interpretation and administrative practice. The Committee also consults with the Division regarding efforts to further streamline corporate filings and information dissemination.

The Committee reviews judicial decisions affecting matters of Michigan corporate law. From time to time the Committee proposes statutory amendments that are intended to address the effects of specific case law. Additionally, as noted above, the Committee has prepared and filed amicus curiae briefs at the invitation of the Michigan Court of Appeals and the Michigan Supreme Court.

The Committee monitors developments and changes in the corporate laws of other states such as Delaware and developments and changes in the Model Business Corporation Act.

8. Miscellaneous.

The Committee will continue to accept ideas for technical and other amendments to the Business Corporation Act. Suggestions in this regard may be addressed to either committee co-chair.

Any questions regarding this report may be directed to Justin Klimko or Mike Molitor.

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