

BUSINESS LAW SECTION

LEGISLATIVE REVIEW DIRECTORSHIP REPORT

Prepared for the September 13, 2025 Council Meeting

(Report as of September 2, 2025)

I. PUBLIC ACTS

A. Public Acts 31 and 32 of 2022. Public Acts 31 and 32 amend the Michigan Limited Liability Company Act and the Michigan Business Corporation Act, respectively, to do the following:

- Allow one or more individuals licensed to engage in the practice of chiropractic medicine to organize a professional limited liability company (PLLC) or a professional corporation (PC), as applicable, with one or more other individuals licensed in the practice of chiropractic medicine, the practice of medicine, the practice of osteopathic medicine and surgery, or the practice of podiatric medicine and surgery.
- Allow one or more individuals licensed to engage in the practice of chiropractic medicine to organize a PLLC or a PC with one or more licensed physician assistants.
- Prohibit one or more physician assistants from forming a PLLC or a PC with a chiropractic physician unless a physician licensed to engage in the practice of medicine or osteopathic medicine and surgery is also a member.

(HB 5295 and HB 5296; Effective: 3/15/2022).

B. Public Act 131 of 2022. Public Act 131 amends the Act that governs local hospital authorities, to do the following:

- Delete a provision requiring the articles of incorporation of a nonprofit corporation, and the contractual arrangements between a hospital authority and the nonprofit corporation, to prohibit a nonprofit corporation from selling, leasing, or otherwise transferring a hospital without voter approval.
- Allow a nonprofit corporation to sell, lease, or otherwise transfer a hospital on terms and conditions the nonprofit corporation considered reasonable if the sale, lease, or other transfer is approved by the hospital authority.
- Delete a provision requiring the articles of incorporation of a nonprofit corporation, and the contractual arrangements between a hospital authority and the nonprofit corporation, to require a nonprofit corporation to adopt and carry out policies designed to ensure that hospital care is provided to a reasonable degree to indigent people in its hospital service area free of charge and that patients not be denied appropriate care on the basis of source of payment.

- Allow a hospital board, by a majority vote of the board, to provide for the dissolution of a hospital authority if the authority has completed the purposes for which it was organized.

(HB 5876; Effective: 6/29/2022).

- C. Public Act 137 of 2022. Public Act 137 amends the Michigan Limited Liability Company Act to modify the definition of "person" to include a nonprofit corporation, and in effect, allows nonprofit corporations to organize an LLC. (SB 926; Effective: 7/20/2022).
- D. Public Act 132 of 2023. Public Act 132 amends the Uniform Securities Act to extend the sunset of several applications, renewals, and filing fees paid by individuals for professional registrations regulated under the Act. (HB 4994; Effective: 9/29/2023).
- E. Public Acts 133, 134 and 135 of 2023. Public Acts 133, 134 and 135 amend the Michigan Business Corporation Act, the Nonprofit Corporation Act, and the Limited Liability Company Act, respectively, to extend the sunset date on certain filing fees, including the fees for filing an annual report under the Business Corporation Act and the Nonprofit Corporation Act, and the fee for filing an annual statement of resident agent under the Limited Liability Company Act. (HB 4995, HB 4996 and HB 4997; Effective: 9/29/2023).
- F. Public Acts 118 and 119 of 2024. Public Act 118 amends the Income Tax Act to define certain terms for research and development (R&D) tax credits and is part of a broader effort to encourage R&D activities by providing clearer tax credit guidelines for corporations engaged in such activities. Public Act 119 requires the Michigan Department of Treasury to submit a report on the R&D tax credit program in collaboration with the Michigan Strategic Fund. (HB 4368 and HB 5102; Effective 10/20/2024).
- G. Public Acts 174, 175, 176, and 177 of 2024. Public Act 174 amends 1183 PA 129, which regulates the organization of telephone and messenger companies, to add a new section to allow a telephone corporation formed under the act to convert into a domestic LLC if the corporation satisfies the requirements applicable to a "business organization" as defined under the Michigan Limited Liability Company Act. Public Act 175 amends the Michigan Limited Liability Company Act to include telephone corporations formed under 1883 PA 129 in the definition of "business organization." Public Act 176 amends the Business Corporation Act to provide that the act does not prevent a telephone corporation from converting into a domestic LLC. Finally, Public Act 177 amends the Income Tax Act to provide that a telephone corporation that is converted into a domestic LLC is treated as a corporation for state income tax purposes, unless the entity is a disregarded entity, and the owner is treated as a corporation for state and federal tax purposes. (SB 0982, SB 0983, SB 0984, and SB 1050; Effective 4/01/2025).
- H. Public Acts 188, 189, and 190 of 2024. Public Act 188 amends the Michigan Strategic Fund Act to require the Michigan Strategic Fund (MSF) to create the Michigan Innovation Fund Program to provide support in Michigan for investments in qualified evergreen venture funds, qualified emerging evergreen funds, qualified venture capital funds, and qualified start-up support services, and to provide that money deposited in the 21st Century Jobs Trust Fund has to be spent by the MSF to support the program, among

other provisions. Public Act 189 amends the Michigan Early Stage Venture Investment Act to extend the Michigan Early Stage Venture Investment program and requires that \$60 million from the program's investment funds be deposited into the 21st Century Jobs Trust Fund. Public Act 190 amends the Michigan Trust Fund Act to create the Michigan Innovation Fund program, which is administered by the MSF, to provide grants to certain venture capital funds and nonprofits. (HB 5651, HB 5652, and HB5653; Effective 4/01/25).

- I. Public Act 198 of 2024. Public Act 198 amends the Michigan Energy Assistance Act, the enabling act for the Michigan Public Service Commission, to require the Department of Health and Human Services to notify Michigan Energy Assistance Program participants of their eligibility for other services under the program, including energy waste reduction products and services offered by an energy provider or a home weatherization assistance program. (SB 353 and HB 6075; Effective 4/02/25).
- J. Public Acts 201 and 202 of 2024. Public Act 201 repealed the Michigan Economic and Social Opportunity Act. Public Act 202 establishes the Bureau of Community Action and Economic Opportunity Act to (1) establish the Bureau of Community Action and Economic Opportunity within the Department of Health and Human Services to serve as an advocate for social and economic opportunities for low-income individuals and (2) establish the Commission on Community Action and Economic Opportunity. (HB 5060 and HB 5523; Effective 4/01/2025).
- K. Public Act 216 of 2024. Public Act 216 amends the Income Tax Act to change provisions relating to the flow-through entity tax, including the conditions under which penalties and interest are not assessed and the date on which a taxpayer must elect to pay the tax. (HB 5022; Effective 4/01/2025).
- L. Public Act 1 of 2025. Public Act 1 amends the Improved Workforce Opportunity Act to make changes regarding the minimum wage in Michigan and changes the department responsible for enforcement under the act from the Department of Licensing and Regulatory Affairs to the Department of Labor and Economic Opportunity. (SB 0008; Effective 2/21/2025).
- M. Public Act 2 of 2025. Public Act 2 amends the Earned Sick Time Act (ESTA) to modify the terms under which employers are required to provide paid sick time to employees. All Michigan employers are now required to provide employees with paid sick time. Specifically, the ESTA requires that employers provide Michigan-based hourly employees with 1 hour of paid sick time for every 30 hours worked up to 72 paid hours per year (or for employers with fewer than 10 employees, up to 40 hours of sick time per year would be paid and up to 32 hours would be unpaid). The ESTA provides that salaried employees are generally assumed to work 40 hours per week for the purpose of determining paid sick time. (HB 4002; Effective 2/21/2025).
- N. Public Act 9 of 2025. Public Act 9 amends the Michigan Liquor Control Code to permit arrangements where two or more distillers and two or more mixed spirit manufacturers take turns using the same space and equipment to manufacture spirits and mixed drinks. Public Act 9 also authorizes private label manufacturing arrangements between suppliers

and retailers, subject to certain regulatory requirements. (HB 4403; Effective 4/1/2026).

II. NEW BILLS AND STATUS OF PENDING BILLS

- A. Senate Bill 92 of 2025. The Bill would amend 1951 PA 51 to establish a program to reimburse businesses for revenue losses due to prolonged road construction, with grants up to \$15,000, funded by a newly created state treasury fund. The Bill was introduced by Senator Sarah Anthony and referred to the Committee on Appropriations on 2/19/2025.
- B. Senate Bill 134 of 2025. The Bill would amend the Michigan Consumer Protection Act to treat the unfair or deceptive provision of goods and services to nonprofit corporations, small businesses, and for the purpose of enhancing an individual's livelihood as a violation of the Act. The Bill prescribes specific fines for violations of the Act that targeted individuals 80 years old or older and vulnerable adults. Additionally, the Bill would allow the Attorney General or prosecuting attorney to serve a written demand to a person suspected of having information related to a violation of the Act before bringing an action in court. Finally, the Bill would create the Consumer Protection and Antitrust Revolving Enforcement and Education Fund and require the costs and proceeds from proceedings under the Act to be deposited into the Fund. The Bill was passed by the Senate and referred to the House Committee on Judiciary on 6/10/2025.
- C. Senate Bill 209 of 2025. The Bill would amend the Michigan Income Tax Act to allow taxpayers to deduct certain broadband expansion grants from their taxable income. The Bill was introduced by Senator Edward McBroom and referred to the Committee on Regulatory Affairs on 4/16/2025.
- D. Senate Bill 359 of 2025. The Bill would enact the "Personal Privacy Data Act" to establish consumers' rights related to the collection and use of personal data in the course of business. The Bill establishes requirements for collectors and processors of personal data, such as the requirement to obtain consent from a consumer before processing the consumer's personal data and the requirement to provide a privacy notice concerning the purpose of such data processing. The Bill would allow the Attorney General and consumers to initiate civil actions for violations of the Act. The Bill was introduced by Senator Rosemary Bayer and referred to the Committee on Finance, Insurance, and Consumer Protection on 6/05/2025.
- E. House Bill 4170 of 2025. The Bill would amend the Income Tax Act to reduce the individual income tax rate from 4.25% to 4.05%. The Bill would impact pass through business entities whose income flows through to owners' personal tax returns. The Bill was introduced by Representative Kathy Schmaltz on 3/05/2025. The Bill was passed by the House and referred to the Senate Committee on Finance, Insurance, and Consumer Protection on 3/20/2025.
- F. House Bill 4186 of 2025. The Bill would amend the Michigan Business Tax Act to increase the income tax rate from 4.95% to 30%. Additionally, the Bill would allow taxpayers to forgo any certificated credits to which they are entitled and switch to the Corporate Income Tax. The Bill was introduced by Representative Steve Carra on 3/06/2025. The Bill was passed by the House and referred to the Senate Committee on

Appropriations on 4/15/2025.

- G. House Bill 4287 of 2025. The Bill would amend the Income Tax Act to allow taxpayers that file under the individual income tax, the corporate income tax, or the flow-through entity tax to deduct, beginning for the 2023 tax year, any grant money received from an eligible grant to the extent such money is included in federal taxable income. “Eligible grant” is defined under the Bill as a grant issued by Michigan, a political subdivision of Michigan, the federal government, or any other state for the purposes of providing, improving, or expanding broadband expansion in Michigan under certain programs outlined in the Bill. The Bill was introduced by Representative Karl Bohnak on 3/25/2025. The Bill was passed by the House and referred to the Senate Committee on Finance, Insurance, and Consumer Protection on 5/29/2025.
- H. House Bill 4324 of 2025. The Bill would amend the Income Tax Act to enhance transparency regarding worker classification by mandating the Michigan Department of Treasury to include clear information in the annual income tax instruction booklet about the criteria distinguishing employees from independent contractors. Additionally, the Bill requires the Michigan Department of Treasury to send notices to individuals who receive Form 1099-MISC explaining these classification guidelines. The notices will also provide contact details for the Michigan Department of Labor and Economic Opportunity’s Wage and Hour Division and the Attorney General’s office, enabling individuals to report misclassifications and payroll fraud. The Bill was introduced by Representative Brenda Carter and referred to the Committee on Economic Competitiveness on 4/16/2025.
- I. House Bill 4387 of 2025. The Bill would amend the Income Tax Act to allow qualified taxpayers to claim an individual income tax credit for qualified expenses incurred during the 2025 tax year to clean up, restore, or rebuild the taxpayer’s property or business located in an emergency area of a qualified declaration. The credit would be equal to the taxpayer’s qualified expenses, up to a maximum of \$5,000, and would be refundable if it exceeded the taxpayer’s liability. The Bill was introduced by Representative John Roth and referred to the Committee on Finance on 4/24/2025.
- J. House Bill 4511 of 2025. The Bill would prohibit state and local governments from banning digital asset ownership or use, and ensure digital assets are taxed no differently than traditional currency. The Bill was introduced by Representative Bryan Posthumus and referred to the Committee on Communications and Technology on 5/21/2025.
- K. House Bill 4512 and 4513 of 2025. House Bill 4512 would amend the Natural Resources and Environmental Protection Act to establish a framework for a new program that allows for the use of abandoned oil and gas wells for bitcoin mining. House Bill 4513 would amend the Income Tax Act to provide income tax deductions for participants of the bitcoin program. The Bills were introduced by Representative Mike McFall and referred to the Committee on Communications and Technology on 5/21/2025.
- L. House Bill 4603 of 2025. The Bill would amend the Income Tax Act to include a corporate income tax surcharge based on the ratio of executive pay to median employee compensation. Companies required to report this pay ratio to the Securities and

Exchange Commission would face surcharges ranging from 5% to 50% depending on the size of the disparity. The surcharge would apply to tax years beginning on or after October 1, 2025. The Bill was introduced by Representative Dylan Wegela and referred to the Committee on Economic Competitiveness on 6/10/2025.

- M. House Bill 4663 of 2025. The Bill would amend the Michigan Liquor Control Code to allow liquor licensees to donate a portion of the profits generated from their license to an organization that is exempt from taxation as a nonprofit under section 501(c)(3) of the Internal Revenue Code, as long as the licensee's profits are recorded on its financial records before the donation. The Bill was introduced by Representative Curtis VanderWall and referred to the Committee on Regulatory Reform on 6/17/2025.
- N. House Bill 4737 of 2025. The Bill would amend the Income Tax Act to gradually decrease the corporate income tax rate from 6.0% to 4.25% over five years, with the final rate effective October 1, 2030. The Bill was introduced by Representative Steve Carra and referred to the Committee on Finance on 7/15/2025.
- O. House Bill 4745 of 2025. The Bill would amend the Charitable Organizations and Solicitations Act to exempt certain nonprofit corporations from the Act's registration and reporting requirements for charitable organizations. Specifically, the Bill would add nonprofit corporations that are primarily engaged in the collection and distribution of donated food items to the list of exempt entities. The Bill was introduced by Representative Jason Woolford and referred to the Committee on Regulatory Reform on 7/22/2025.

Respectfully submitted as of September 2, 2025:

Eric I. Lark/Danielle M. Love
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