

CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE JUNE 6, 2017 COUNCIL MEETING

1. Next Scheduled Meeting of the Committee.

No meetings are currently scheduled, as we are in the process of seeking legislative approval of our proposed amendments to the Business Corporation Act. We expect re-introduction of our proposed BCA amendment bill imminently. It was originally introduced in the fall of 2016 but not acted on during the lame duck session. We have been working with our lobbyist and our legislative sponsor on reintroducing the bill in the new legislative session.

2. Council Approval.

We do not request council approval of any matters at this meeting.

3. Membership.

The Committee remains open to participation by any interested parties. The Committee has approximately 70 members on its active roster, though many fewer who actively participate.

4. Accomplishments Toward Committee Objectives.

As noted above, the Committee prepared a new round of amendments for the Michigan Business Corporation Act. The Committee engaged Karoub Associates to assist in the legislative process. Sen. Mike Kowall sponsored the amendments in 2016, which were introduced as SB 1048 and reported out of committee recommended for approval. We are working with Senator Kowall's staff again on getting a new bill introduced in the current session. At the Mackinac Conference, I was told by Senator Kowall's legislative aide that the bill would likely be introduced the week of June 5.

The Committee worked with the sponsors of benefit corporation legislation in 2016, but we do not know the status of that effort in the current legislative session.

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.

5. Meetings and Programs.

No programs are currently scheduled.

6. Publications.

The Committee was responsible for the Fall 2014 edition of the Business Law Journal and generated a number of articles for that issue. The next issue for which the Committee will be responsible will be the Fall 2017 issue. We have arranged for articles from various sources.

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, the Committee has prepared and filed amicus curiae briefs at the invitation of 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, which is amended periodically. Suggestions in this regard may be addressed to me as committee chair.

Any questions regarding this report may be directed to me.

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