

STATE BAR OF MICHIGAN BUSINESS LAW SECTION

Nonprofit Corporations Committee Report May 7, 2009

1. Next Scheduled Meeting of the Committee

No meetings of the full Committee are currently scheduled. A conference call meeting of the subcommittee working to secure legislative approval of the amendments to the Nonprofit Corporation Act (the "Act") that were approved by the Council in December will take place in May. A meeting of the group updating the more comprehensive amendments to the Act is also being planned.

2. Council Approval

None.

3. Membership

The Committee is seeking active members who will assist in (i) obtaining legislative approval of the bills making technical and other changes in response to amendments made to the Act during 2008; (ii) reviewing and updating the comprehensive proposed legislation updating the Nonprofit Corporation Act; and (iii) monitoring Michigan tax legislation affecting nonprofit organizations. Interested lawyers should contact one of the Committee Chairs.

4. Accomplishments Toward Committee Objectives

During the later part of 2008, the Committee prepared proposed bills addressing issues raised by amendments to the Act made during 2008. These bills were approved by Council at its December meeting. The Michigan Legislative Service Bureau has converted the Committee's proposed revisions to the Act to a draft bill. This draft is being updated to reflect subsequent revisions to the Act and to the Business Corporation Act and to address other issues. In addition, a summary of the legislation and comments on its provisions are being prepared to assist the legislature in its review.

5. Meetings and Programs

See the information about the Committee meeting above.

6. Publications

The Committee is providing articles for the Summer 2009 issue of *The Michigan Business Law Journal*.

7. Legislative/Judicial/Administrative Developments

In January, several pieces of legislation affecting nonprofit organizations were signed into law, including (i) changes to the Charitable Contributions and Solicitations Act

increasing the levels of contributions requiring audited and review financial statements;
(ii) an amendment to the LLC statute providing for “low profit LLCs;” and (iii)
amendments to the statute imposing real estate transfer taxes that could create tax
liabilities for some nonprofit organizations.

8. Miscellaneous

None.

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