

HOUSE BILL NO. 152

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE STAPP

Introduced: 4/3/23

Referred:

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the transfer of shares in a limited liability company upon the death**
2 **or incapacity of a member."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 10.50.210 is amended to read:

5 **Sec. 10.50.210. Effect of death or incompetency on membership. (a)**
6 **Except as provided in (b) of this section or** [UNLESS] otherwise provided in an
7 operating agreement or by the written consent of all of the members at the time, the
8 membership of a member of a limited liability company who is an individual
9 terminates if the member dies, or if a court of competent jurisdiction enters an order
10 adjudicating the member **unable** [INCOMPETENT] to manage the member's person
11 or property **because of incapacity.**

12 * **Sec. 2.** AS 10.50.210 is amended by adding a new subsection to read:

13 (b) Unless otherwise provided in an operating agreement, the membership of
14 an individual who is the sole member of a limited liability company passes to the

1 individual's estate upon the individual's death, and the personal representative of the
2 estate has the rights and powers of the member and is subject to the restrictions and
3 liabilities of the member. Unless otherwise provided in an operating agreement, if a
4 court of competent jurisdiction enters an order adjudicating an individual unable to
5 manage the individual's person or property because of incapacity and the individual is
6 the sole member of a limited liability company, the guardian or conservator of the
7 individual shall have all the rights and powers of the member and is subject to the
8 restrictions and liabilities of the member.

9 * **Sec. 3.** AS 10.50.385 is amended to read:

10 **Sec. 10.50.385. Rights of estate or legal representative of deceased or**
11 **incompetent member.** If a member who is an individual dies or if a court of
12 competent jurisdiction determines the member to be **unable** [INCOMPETENT] to
13 manage the member's person or property **because of incapacity**, the member's
14 **personal representative** [EXECUTOR], administrator, guardian, conservator, or
15 other legal representative has the rights of an assignee of the member's interest, if the
16 member's interest has not been terminated, **except**

17 **(1) as provided in AS 10.50.210(b);**

18 **(2) as provided in an operating agreement of the company; or**

19 **(3) with the written consent of all members.**