

IN THE SENATE

SENATE BILL NO. 1091

BY JUDICIARY AND RULES COMMITTEE

AN ACT

RELATING TO LIMITED LIABILITY COMPANIES; AMENDING SECTION 30-25-701, IDAHO
CODE, TO REMOVE PROVISIONS REGARDING THE DISSOLUTION OF A LIMITED LIA-
BILITY COMPANY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 30-25-701, Idaho Code, be, and the same is
hereby amended to read as follows:

30-25-701. EVENTS CAUSING DISSOLUTION. (a) A limited liability com-
pany is dissolved, and its activities and affairs must be wound up, upon the
occurrence of any of the following:

(1) An event or circumstance that the operating agreement states causes
dissolution;

(2) The affirmative vote or consent of all the members;

(3) The passage of ninety (90) consecutive days during which the com-
pany has no members unless before the end of the period:

(A) Consent to admit at least one (1) specified person as a member
is given by transferees owning the rights to receive a majority of
distributions as transferees at the time the consent is to be ef-
fective; and

(B) At least one (1) person becomes a member in accordance with the
consent;

(4) On application by a member, the entry by the district court of an
order dissolving the company on the grounds that:

(A) The conduct of all or substantially all the company's activi-
ties and affairs is unlawful; or

(B) It is not reasonably practicable to carry on the company's ac-
tivities and affairs in conformity with the certificate of organi-
zation and the operating agreement;

~~(i) Have acted, are acting, or will act in a manner that is
illegal or fraudulent; or~~

~~(ii) Have acted or are acting in a manner that is oppressive
and was, is, or will be directly harmful to the applicant; or~~

(C) The managers or those members in control of the company:

(i) Have acted, are acting, or will act in a manner that is
illegal or fraudulent; or

(ii) Have acted or are acting in a manner that is oppressive
and was, is, or will be directly harmful to the applicant; or

(5) The signing and filing of a statement of administrative dissolution
by the secretary of state under section 30-25-708, Idaho Code.

(b) In a proceeding brought under subsection (a) (4) (B) of this section,
the court may order a remedy other than dissolution.