

SENATE RESOLUTION NO. 37

BY SENATOR GATTI

A RESOLUTION

To urge and request the Louisiana State Law Institute and the Louisiana Tax Institute to study the feasibility of authorizing "series" limited liability companies in Louisiana.

WHEREAS, R.S. 12:1301 et seq., presently authorize and provide requirements for the formation and operation of limited liability companies in Louisiana; and

WHEREAS, the laws of certain other states governing limited liability companies specifically provide for what is known as a "series" limited liability company; and

WHEREAS, such laws in other states authorize a limited liability company to establish one or more designated "series" of members, managers, or limited liability company interests or assets; and

WHEREAS, such laws further provide that a designated "series" may have a separate business purpose or investment objective, and separate rights, powers, or duties with respect to specified property or obligations of the limited liability company or profits and losses associated with the property or obligations; and

WHEREAS, proponents of authorizing "series" limited liability companies maintain that such company is a business entity model offering the potential for enhanced asset, liability, and tax protection, reduction of administrative costs, and treatment under state law as a single entity; and

WHEREAS, state and federal law continues to evolve regarding the legal treatment of "series" limited liability companies; and

WHEREAS, the potential utility and legal treatment of "series" limited liability companies in Louisiana should be studied by the Louisiana State Law Institute and the Louisiana Tax Institute, and any recommendations for authorization or legal treatment presented in the form and content of proposed substantive legislation.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby urge and request that the Louisiana State Law Institute and the Louisiana Tax Institute study the feasibility of authorizing "series" limited liability companies in Louisiana.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the director of the Louisiana State Law Institute and the board of the Louisiana Tax Institute, and that the Louisiana State Law Institute and the Louisiana Tax Institute report their findings and recommendations to the legislature on or before January 31, 2020.

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PRESIDENT OF THE SENATE