

HCS HB 162 -- LIMITED LIABILITY COMPANIES

SPONSOR: Veit

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Judiciary by a vote of 11 to 0.

The following is a summary of the House Committee Substitute for HB 162.

This bill specifies that a real estate broker may pay compensation directly to a business entity owned by a licensee that has been formed for the purpose of receiving compensation earned by the licensee. The bill specifies requirements for such a business entity.

The bill also establishes requirements for every limited liability company (LLC) organized or registered in this state, specifically related to the information statement that must be filed with the Secretary of State by each LLC. The bill allows for fees to file information statements, and the fees vary depending on whether the statements are filed in person or online. Currently, the Secretary of State charges and collects \$100 for filing original articles of organization and \$45 for filing original articles of organization online. This bill reduces those amounts to \$95 and \$35, respectively. The bill also allows for a \$10 fee to amend and reinstate articles of organization online or to file articles of termination or a notice of winding up online. The bill establishes provisions for when there is power to administratively cancel articles of organization for an LLC or the registration of a foreign LLC, as well as recourse for a foreign LLC that had its registration canceled.

The bill allows the court to decree dissolution of a limited liability company if the court determines:

- (1) Dissolution is reasonably necessary for the protection of the rights or interests of the complaining members;
- (2) The business of the limited liability company has been abandoned;
- (3) The management of the limited liability company is deadlocked or subject to internal dissension; or
- (4) Those in control of the limited liability company have been found guilty of, or have knowingly countenanced, persistent and pervasive fraud, mismanagement, or abuse of authority.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that this would cut down on attorneys' fees. This changes the process to be more like an S Corporation by making the process less arduous.

Testifying for the bill were Representative Veit; and Arnie Dienoff.

OPPOSERS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.