

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 326
99TH GENERAL ASSEMBLY

1495H.03C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 347.015, 347.020, 347.048, 347.740, 351.127, 355.023, 356.233, 359.653, 400-9.528, and 417.018, RSMo, and to enact in lieu thereof eleven new sections relating to business organizations.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 347.015, 347.020, 347.048, 347.740, 351.127, 355.023, 356.233, 2 359.653, 400-9.528, and 417.018, RSMo, are repealed and eleven new sections enacted in lieu 3 thereof, to be known as sections 347.015, 347.020, 347.023, 347.048, 347.740, 351.127, 4 355.023, 356.233, 359.653, 400-9.528, and 417.018, to read as follows:

347.015. As used in sections 347.010 to 347.187, the following terms mean:

- 2 (1) "Articles of organization", the articles referred to in section 347.039, filed with the 3 secretary for the purpose of forming a limited liability company, as the same may be amended 4 or restated from time to time as provided in sections 347.010 to 347.187;
- 5 (2) "Authorized person", manager, or member, if management of the limited liability 6 company is vested in the members;
- 7 (3) "Bankruptcy", the entry of an order for relief by the court in a proceeding under the 8 United States Bankruptcy Code, Title 11, U.S.C., as amended, or its equivalent under a state 9 insolvency act or a similar law of other jurisdictions;
- 10 (4) "Business" includes every trade, occupation or profession;
- 11 (5) "Contribution", cash, other property, the use of property, services rendered, a 12 promissory note or other binding obligation to contribute cash or property or perform services 13 or any other valuable consideration transferred by a person to the limited liability company as 14 a prerequisite for membership in the limited liability company and any subsequent transfer to the 15 limited liability company by a person in his capacity as a member;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 16 (6) "Court" includes every court and judge having jurisdiction in the case;
- 17 (7) "Domestic limited liability company" or "limited liability company", a limited
18 liability company organized and existing under sections 347.010 to 347.187;
- 19 (8) "Event of withdrawal", an event that causes a person to cease to be a member as
20 provided in section 347.123;
- 21 (9) "Foreign limited liability company", a limited liability company formed under the
22 laws of any jurisdiction other than the state of Missouri;
- 23 (10) **"Low-profit limited liability company" or "L3C", a limited liability company**
24 **that satisfies the requirements of section 347.023 and does not have as its primary purpose**
25 **the production of income or the appreciation of property;**
- 26 (11) "Manager", with respect to a limited liability company whose articles of
27 organization state that management of the limited liability company is vested in one or more
28 managers, the person or persons designated, appointed or elected as such in the manner provided
29 in subsection 2 of section 347.079;
- 30 ~~[(11)]~~ (12) "Member", any person that signs in person or by an attorney in fact, or
31 otherwise is a party to the operating agreement at the time the limited liability company is formed
32 and is identified as a member in that operating agreement and any person who is subsequently
33 admitted as a member in a limited liability company in accordance with sections 347.010 to
34 347.187 and the operating agreement, until such time as an event of withdrawal occurs with
35 respect to such person;
- 36 ~~[(12)]~~ (13) "Member's interest", a member's share of the profits and losses of a limited
37 liability company and the right to receive distributions of limited liability company assets;
- 38 ~~[(13)]~~ (14) "Operating agreement", any valid agreement or agreements, written or oral,
39 among all members, or written declaration by the sole member concerning the conduct of the
40 business and affairs of the limited liability company and the relative rights, duties and obligations
41 of the members and managers, if any;
- 42 ~~[(14)]~~ (15) "Organizer", any of the signers of the articles of organization;
- 43 ~~[(15)]~~ (16) "Person" includes individuals, partnerships, domestic or foreign limited
44 partnerships, domestic or foreign limited liability companies, domestic or foreign corporations,
45 trusts, business trusts, employee stock ownership trusts, real estate investment trusts, estates,
46 associations, and other business or not-for-profit entities;
- 47 ~~[(16)]~~ (17) "Real property" includes land, any interest, leasehold or estate in land and
48 any improvements thereon;
- 49 ~~[(17)]~~ (18) "Secretary", the secretary of state for the state of Missouri and its delegates
50 responsible for the administration of sections 347.010 to 347.187;

51 ~~[(18)]~~ **(19)** "Surviving entity", the surviving or resulting person pursuant to a merger or
52 consolidation in which one or more domestic limited liability companies are parties.

 347.020. The name of each limited liability company as set forth in its articles of
2 organization:

3 (1) Shall contain the words "limited company" or "limited liability company" or the
4 abbreviation "LC", "LLC", "L.C.", or "L.L.C." **or, if organized as a low-profit limited liability**
5 **company, shall contain the abbreviation "L3C"**, and shall be the name under which the
6 limited liability company transacts business in this state unless the limited liability company
7 registers another name under which it transacts business as provided under chapter 417 or
8 conspicuously discloses its name as set forth in its articles of organization;

9 (2) May not contain the word "corporation", "incorporated", "limited partnership",
10 "limited liability partnership", "limited liability limited partnership", or "Ltd." or any
11 abbreviation of one of such words or any word or phrase which indicates or implies that it is
12 organized for any purpose not stated in its articles of organization or that it is a governmental
13 agency; and

14 (3) ~~[Must]~~ **Shall** be distinguishable upon the records of the secretary from the name of
15 any corporation, limited liability company, limited partnership, limited liability partnership, or
16 limited liability limited partnership which is licensed, organized, reserved, or registered under
17 the laws of this state as a domestic or foreign entity, unless:

18 (a) Such other holder of a reserved or registered name consents to such use in writing
19 and files appropriate documentation to the secretary to change its name to a name that is
20 distinguishable upon the records of the secretary from the name of the applying limited liability
21 company; or

22 (b) A certified copy of a final decree of a court of competent jurisdiction establishing the
23 prior right of the applicant to the use of such name in this state is filed with the secretary.

347.023. 1. A low-profit limited liability company shall at all times significantly
2 **further the accomplishment of one or more charitable or educational purposes within the**
3 **meaning of 26 U.S.C. 170(c)(2)(B) and would not have been formed but for the relationship**
4 **to the accomplishment of such charitable or educational purposes.**

5 **2. A limited liability company which intends to qualify as a low-profit limited**
6 **liability company pursuant to the provisions of this section shall so indicate in its articles**
7 **of organization and further state that:**

8 (1) **No significant purpose of the company is the production of income or the**
9 **appreciation of property, provided that the fact that a low-profit limited liability company**
10 **produces significant income or capital appreciation shall not, in the absence of other**

11 **factors, be conclusive evidence of a significant purpose involving the production of income**
12 **or the appreciation of property; and**

13 **(2) No purpose of the low-profit limited liability company is to accomplish one or**
14 **more political or legislative purposes within the meaning of 26 U.S.C. 170(c)(2)(D), or its**
15 **successor.**

16 **3. A low-profit limited liability company that no longer satisfies the requirements**
17 **of this section continues to exist as a limited liability company and shall promptly amend**
18 **its articles of organization so that its name and purpose no longer identify it as a low-profit**
19 **limited liability company or L3C.**

347.048. 1. **(1)** Any limited liability company that owns and rents or leases real
2 property, or owns unoccupied real property, located within any home rule city with a population
3 of more than four hundred thousand inhabitants which is located in more than one county, shall
4 file with that city's clerk an affidavit listing the name and **street** address of at least one **natural**
5 person who has management control and responsibility for the real property owned and leased
6 or rented by the limited liability company, or owned by the limited liability company and
7 unoccupied.

8 **(2) Within thirty days following the cessation of management control and**
9 **responsibility of any natural person named in an affidavit described under this section, the**
10 **limited liability company shall file a successor affidavit listing the name and street address**
11 **of a natural person successor.**

12 **2. No limited liability company shall be charged a fee for filing an affidavit or**
13 **successor affidavit required under this section.**

14 **3. If a limited liability company required under this section to file an affidavit or**
15 **a successor affidavit fails or refuses to file such completed affidavit with the appropriate**
16 **clerk, any person who is adversely affected by such failure or refusal or the home rule city**
17 **may petition the circuit court in the county where the property is located to direct the**
18 **execution and filing of such document.**

347.740. The secretary of state may collect an additional fee of five dollars on each and
2 every fee required in this chapter. All fees collected as provided in this section shall be deposited
3 in the state treasury and credited to the secretary of state's technology trust fund account. The
4 provisions of this section shall expire on December 31, ~~2017~~ **2025**.

351.127. The secretary of state may collect an additional fee of five dollars on each and
2 every fee required in this chapter, provided that the secretary of state may collect an additional
3 fee of ten dollars on each corporate registration report fee filed under section 351.122. All fees
4 collected as provided in this section shall be deposited in the state treasury and credited to the

5 secretary of state's technology trust fund account. The provisions of this section shall expire on
6 December 31, [~~2017~~] **2025**.

355.023. The secretary of state may collect an additional fee of five dollars on each and
2 every fee required in this chapter. All fees collected as provided in this section shall be deposited
3 in the state treasury and credited to the secretary of state's technology trust fund account. The
4 provisions of this section shall expire on December 31, [~~2017~~] **2025**.

356.233. The secretary of state may collect an additional fee of five dollars on each and
2 every fee required in this chapter. All fees collected as provided in this section shall be deposited
3 in the state treasury and credited to the secretary of state's technology trust fund account. The
4 provisions of this section shall expire on December 31, [~~2017~~] **2025**.

359.653. The secretary of state may collect an additional fee of five dollars on each and
2 every fee required in this chapter. All fees collected as provided in this section shall be deposited
3 in the state treasury and credited to the secretary of state's technology trust fund account. The
4 provisions of this section shall expire on December 31, [~~2017~~] **2025**.

400.9-528. The secretary of state may collect an additional fee of five dollars on each
2 and every fee paid to the secretary of state as required in chapter 400.9. All fees collected as
3 provided in this section shall be deposited in the state treasury and credited to the secretary of
4 state's technology trust fund account. The provisions of this section shall expire on December
5 31, [~~2017~~] **2025**.

417.018. The secretary of state may collect an additional fee of five dollars on each and
2 every fee required in this chapter. All fees collected as provided in this section shall be deposited
3 in the state treasury and credited to the secretary of state's technology trust fund account. The
4 provisions of this section shall expire on December 31, [~~2017~~] **2025**.

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