

HB 2223 -- LIMITED LIABILITY COMPANIES

SPONSOR: Veit

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Judiciary by a vote of 16 to 0. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 10 to 0.

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

- (1) It is not reasonably practicable to carry on the business in conformity with the operating agreement;
- (2) Dissolution is reasonably necessary for the protection of the rights or interests of the complaining members;
- (3) The business of the limited liability company has been abandoned;
- (4) The management of the limited liability company is deadlocked or subject to internal dissension; or
- (5) 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.

PROPONENTS: Supporters say that, currently, LLCs do not have a way out of the LLC when members are deadlocked like corporations and partnerships do under Missouri law. This simply provides the members of an LLC a way to petition to have the LLC dissolved under specific circumstances.

Testifying for the bill were Representative Veit and Dale C. Doerhoff.

OPPONENTS: There was no opposition voiced to the committee.