



General Assembly

February Session, 2012

Raised Bill No. 403

LCO No. 2100

02100_____CE_

Referred to Committee on Commerce

Introduced by:
(CE)

AN ACT CONCERNING LOW-PROFIT LIMITED LIABILITY COMPANIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 34-101 of the 2012 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2012*):

4 As used in sections 34-100 to 34-242, inclusive, unless the context
5 otherwise requires:

6 (1) "Address" means a location as described by the full street
7 number, if any, street, city or town, state or county and not a mailing
8 address such as a post office box.

9 (2) "Articles of organization" means articles filed under section 34-
10 121, and those articles as amended or restated.

11 (3) "Corporation" means a corporation formed under the laws of this
12 state or a foreign corporation.

13 (4) "Court" includes every court having jurisdiction in the case.

14 (5) "Deliver" or "delivery" means any method of delivery used in
15 conventional commercial practice including delivery by hand, mail,
16 commercial delivery and electronic transmission.

17 (6) "Document" includes anything delivered to the office of the
18 Secretary of the State for filing under sections 34-100 to 34-242,
19 inclusive.

20 (7) "Electronic transmission" or "electronically transmitted" means
21 any process of communication not directly involving the physical
22 transfer of paper that is suitable for the retention, retrieval and
23 reproduction of information by the recipient.

24 (8) "Event of dissociation" means an event that causes a person to
25 cease to be a member, as provided in section 34-180.

26 (9) "Foreign corporation" means a corporation formed under the
27 laws of any state other than this state or under the laws of any foreign
28 country.

29 (10) "Foreign limited liability company" means an entity that is: (A)
30 Organized under the laws of a state other than the laws of this state or
31 under the laws of any foreign country; (B) organized under a statute
32 pursuant to which an entity denominated as a limited liability
33 company may be formed that affords to each of its members limited
34 liability with respect to the liabilities of the entity; and (C) is not
35 required to be registered or organized under any statute of this state
36 other than sections 34-100 to 34-242, inclusive.

37 (11) "Foreign limited partnership" means a limited partnership
38 formed under the laws of any state other than this state or under the
39 laws of any foreign country.

40 (12) "Limited liability company" or "domestic limited liability
41 company" means an organization having one or more members that is
42 formed under sections 34-100 to 34-242, inclusive.

43 (13) "Limited liability company membership interest" or "interest" or
44 "interest in the limited liability company" means a member's share of
45 the profits and losses of the limited liability company and a member's
46 right to receive distributions of the limited liability company's assets,
47 unless otherwise provided in the operating agreement.

48 (14) "Limited partnership" means a limited partnership formed
49 under the laws of this state or a foreign limited partnership.

50 (15) "Low-profit limited liability company" means a for-profit
51 limited liability company that, in its articles of organization, is (A)
52 formed for one or more charitable or educational purposes, as defined
53 in Section 170(c)(2)(B) of the Internal Revenue Code of 1986, or any
54 subsequent corresponding internal revenue code of the United States,
55 as amended from time to time, (B) not operated primarily to produce
56 income or appreciate property, and (C) not operated to accomplish one
57 or more political or legislative purpose, as defined in Section
58 170(c)(2)(D) of the Internal Revenue Code of 1986, or any subsequent
59 corresponding internal revenue code of the United States, as amended
60 from time to time.

61 ~~[(15)]~~ (16) "Manager" or "managers" means, with respect to a limited
62 liability company that has set forth in its articles of organization that it
63 is to be managed by managers, the person or persons designated in
64 accordance with section 34-140.

65 ~~[(16)]~~ (17) "Member" or "members" means a person or persons who
66 have been admitted to membership in a limited liability company as
67 provided in section 34-179 and who have not disassociated from the
68 limited liability company as provided in section 34-180.

69 ~~[(17)]~~ (18) "Operating agreement" means any agreement, written or
70 oral, as to the conduct of the business and affairs of a limited liability
71 company, which is binding upon all of the members.

72 ~~[(18)]~~ (19) "Organizational documents" means the basic document or

73 documents that create, or determine the internal governance of, an
74 other entity.

75 [(19)] (20) "Organizer" or "organizers" means any member or
76 members or any other person or persons who files or file the articles of
77 organization as provided in section 34-120.

78 [(20)] (21) "Other entity" means any association or legal entity, other
79 than a domestic or foreign limited liability company, organized to
80 conduct business, including, but not limited to, a corporation, general
81 partnership, limited liability partnership, limited partnership, joint
82 venture, joint stock company, business trust, statutory trust and real
83 estate investment trust.

84 [(21)] (22) "Party to a consolidation" means any domestic or foreign
85 limited liability company or other entity that will consolidate under a
86 plan of consolidation.

87 [(22)] (23) "Party to a merger" means any domestic or foreign limited
88 liability company or other entity that will merge under a plan of
89 merger.

90 [(23)] (24) "Person" means an individual, a general partnership, a
91 limited partnership, a domestic or foreign limited liability company, a
92 trust, an estate, an association, a corporation or any other legal or
93 commercial entity.

94 [(24)] (25) "Plan of merger" or "plan of consolidation" means a plan
95 entered into pursuant to section 34-195.

96 [(25)] (26) "Professional service" means any type of service to the
97 public that requires that members of a profession rendering such
98 service obtain a license or other legal authorization as a condition
99 precedent to the rendition thereof, limited to the professional services
100 rendered by dentists, natureopaths, chiropractors, physicians and
101 surgeons, doctors of dentistry, physical therapists, occupational
102 therapists, podiatrists, optometrists, nurses, nurse-midwives,

103 veterinarians, pharmacists, architects, professional engineers, or jointly
104 by architects and professional engineers, landscape architects, real
105 estate brokers, insurance producers, certified public accountants and
106 public accountants, land surveyors, psychologists, attorneys-at-law,
107 licensed marital and family therapists, licensed professional
108 counselors, licensed or certified alcohol and drug counselors and
109 licensed clinical social workers.

110 [(26)] (27) "Sign" or "signature" includes any manual, facsimile,
111 conformed or electronic signature.

112 [(27)] (28) "State" means a state, territory or possession of the United
113 States, the District of Columbia or the Commonwealth of Puerto Rico.

114 [(28)] (29) "Survivor" means, in a merger or consolidation, the
115 limited liability company or other entity into which one or more other
116 limited liability companies or other entities are merged or
117 consolidated.

118 Sec. 2. Subsection (a) of section 34-102 of the general statutes is
119 repealed and the following is substituted in lieu thereof (*Effective July*
120 *1, 2012*):

121 (a) The name of each limited liability company as set forth in its
122 articles of organization [must] shall contain the words "Limited
123 Liability Company" or the abbreviations "L.L.C." or "LLC". The name
124 of each low-profit limited liability company as set forth in its articles of
125 organization shall contain the words "Low-profit Limited Liability
126 Company" or the abbreviation "L3C". The word "Limited" may be
127 abbreviated as "Ltd." and the word "Company" may be abbreviated as
128 "Co."

129 Sec. 3. Section 34-121 of the general statutes is repealed and the
130 following is substituted in lieu thereof (*Effective July 1, 2012*):

131 The articles of organization of a limited liability company formed
132 under sections 34-100 to 34-242, inclusive, shall set forth: (1) A name

133 for the limited liability company that satisfies the requirements of
134 section 34-102, as amended by this act; (2) if management of the limited
135 liability company is vested in a manager or managers, a statement to
136 that effect; (3) the nature of the business to be transacted or the
137 purposes to be promoted or carried out, except that it shall be
138 sufficient to state, either alone or with other business or purposes, that
139 the purpose of the limited liability company is to engage in any lawful
140 act or activity for which limited liability companies may be formed
141 under sections 34-100 to 34-242, inclusive, and by such statement all
142 lawful acts and activities shall be within the purposes of the limited
143 liability company, except for express limitations, if any; (4) the
144 principal office address of the limited liability company; (5) an
145 appointment of a statutory agent for service of process as required by
146 section 34-104; [and] (6) whether the limited liability company is a low-
147 profit limited liability company, as defined in section 34-101, as
148 amended by this act; and (7) any other matter the organizer or
149 organizers determine to include.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2012</i>	34-101
Sec. 2	<i>July 1, 2012</i>	34-102(a)
Sec. 3	<i>July 1, 2012</i>	34-121

Statement of Purpose:

To allow for the organization of low-profit limited liability companies.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]