



General Assembly

February Session, 2012

**Substitute Bill No. 403**

\*       SB00403CE      032712      \*

**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2 statutes is repealed and the following is substituted in lieu thereof  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 limited liability  
51 company that, in its articles of organization, is (A) formed for one or  
52 more charitable or educational purposes, as defined in Section  
53 170(c)(2)(B) of the Internal Revenue Code of 1986, or any subsequent  
54 corresponding internal revenue code of the United States, as amended  
55 from time to time, (B) not operated primarily to produce income or  
56 appreciate property, and (C) not operated to accomplish any political  
57 or legislative purpose, as defined in Section 170(c)(2)(D) of said  
58 Internal Revenue Code.

59 [(15)] (16) "Manager" or "managers" means, with respect to a limited  
60 liability company that has set forth in its articles of organization that it  
61 is to be managed by managers, the person or persons designated in  
62 accordance with section 34-140.

63 [(16)] (17) "Member" or "members" means a person or persons who  
64 have been admitted to membership in a limited liability company as  
65 provided in section 34-179 and who have not disassociated from the  
66 limited liability company as provided in section 34-180.

67 [(17)] (18) "Operating agreement" means any agreement, written or  
68 oral, as to the conduct of the business and affairs of a limited liability  
69 company, which is binding upon all of the members.

70 [(18)] (19) "Organizational documents" means the basic document or  
71 documents that create, or determine the internal governance of, an  
72 other entity.

73 [(19)] (20) "Organizer" or "organizers" means any member or  
74 members or any other person or persons who files or file the articles of  
75 organization as provided in section 34-120.

76 [(20)] (21) "Other entity" means any association or legal entity, other  
77 than a domestic or foreign limited liability company, organized to

78 conduct business, including, but not limited to, a corporation, general  
79 partnership, limited liability partnership, limited partnership, joint  
80 venture, joint stock company, business trust, statutory trust and real  
81 estate investment trust.

82 [(21)] (22) "Party to a consolidation" means any domestic or foreign  
83 limited liability company or other entity that will consolidate under a  
84 plan of consolidation.

85 [(22)] (23) "Party to a merger" means any domestic or foreign limited  
86 liability company or other entity that will merge under a plan of  
87 merger.

88 [(23)] (24) "Person" means an individual, a general partnership, a  
89 limited partnership, a domestic or foreign limited liability company, a  
90 trust, an estate, an association, a corporation or any other legal or  
91 commercial entity.

92 [(24)] (25) "Plan of merger" or "plan of consolidation" means a plan  
93 entered into pursuant to section 34-195.

94 [(25)] (26) "Professional service" means any type of service to the  
95 public that requires that members of a profession rendering such  
96 service obtain a license or other legal authorization as a condition  
97 precedent to the rendition thereof, limited to the professional services  
98 rendered by dentists, natureopaths, chiropractors, physicians and  
99 surgeons, doctors of dentistry, physical therapists, occupational  
100 therapists, podiatrists, optometrists, nurses, nurse-midwives,  
101 veterinarians, pharmacists, architects, professional engineers, or jointly  
102 by architects and professional engineers, landscape architects, real  
103 estate brokers, insurance producers, certified public accountants and  
104 public accountants, land surveyors, psychologists, attorneys-at-law,  
105 licensed marital and family therapists, licensed professional  
106 counselors, licensed or certified alcohol and drug counselors and  
107 licensed clinical social workers.

108 [(26)] (27) "Sign" or "signature" includes any manual, facsimile,

109 conformed or electronic signature.

110 [(27)] (28) "State" means a state, territory or possession of the United  
111 States, the District of Columbia or the Commonwealth of Puerto Rico.

112 [(28)] (29) "Survivor" means, in a merger or consolidation, the  
113 limited liability company or other entity into which one or more other  
114 limited liability companies or other entities are merged or  
115 consolidated.

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

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

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

129 The articles of organization of a limited liability company formed  
130 under sections 34-100 to 34-242, inclusive, shall set forth: (1) A name  
131 for the limited liability company that satisfies the requirements of  
132 section 34-102, as amended by this act; (2) if management of the limited  
133 liability company is vested in a manager or managers, a statement to  
134 that effect; (3) the nature of the business to be transacted or the  
135 purposes to be promoted or carried out, except that it shall be  
136 sufficient to state, either alone or with other business or purposes, that  
137 the purpose of the limited liability company is to engage in any lawful  
138 act or activity for which limited liability companies may be formed  
139 under sections 34-100 to 34-242, inclusive, and by such statement all

140 lawful acts and activities shall be within the purposes of the limited  
141 liability company, except for express limitations, if any; (4) the  
142 principal office address of the limited liability company; (5) an  
143 appointment of a statutory agent for service of process as required by  
144 section 34-104; [and] (6) whether the limited liability company is a low-  
145 profit limited liability company, as defined in section 34-101, as  
146 amended by this act; and (7) any other matter the organizer or  
147 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 Legislative Commissioners:**

In the definition of "low-profit limited liability company" in section 1, the phrase "for profit" was deleted for conformity with the existing definition of "limited liability company" and the second reference to the Internal Revenue Code was shortened for clarity.

**CE**            *Joint Favorable Subst.-LCO*