HCS SB 310 -- BUSINESS ORGANIZATIONS

SPONSOR: Caskey (Dempsey)

COMMITTEE ACTION: Voted "do pass" by the Committee on Job Creation and Economic Development by a vote of 18 to 1.

This substitute:

(1) Replaces the phrase "constituent estate" with "constituent entity" and modifies one subsection so that it only applies to limited partnerships;

(2) Removes the liability of a partner of a limited liability partnership from the actions of any person under the partner's direct supervision and control;

(3) Provides an avenue for a domestic general partnership to merge or consolidate into one or more general partnerships, domestic or foreign limited partnerships, limited liability companies, trusts, business trusts, corporations, real estate investment trusts and other associations or business entities. The substitute also establishes a procedure for the approval of the merger or consolidation. If the merger or consolidation is of one or more domestic partnerships into a surviving partnership, the substitute requires that certain documents be filed with the Secretary of State;

(4) Establishes a procedure for domestic limited partnership regarding the approval of a merger or consolidation; and

(5) Allows a corporation to sell or lease its property and assets to another company it owns without the approval of the shareholders unless the articles of incorporation expressly require approval.

FISCAL NOTE: Not available at time of printing.

PROPONENTS: Supporters say that the bill only makes minor changes to the law governing mergers and partnerships. The bill will primarily affect law partnerships.

Testifying for the bill were Senator Caskey; and Bryan Cave, LLP.

OPPONENTS: There was no opposition voiced to the committee.

Alice Hurley, Legislative Analyst