

HB 1983 -- BUSINESS ORGANIZATIONS

SPONSOR: Pratt

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Judiciary by a vote of 11 to 0.

This bill allows Missouri corporations to convert to an other entity by adoption of a resolution by its board of directors approving the conversion and by approval of all shareholders supporting the adoption of the resolution. The bill specifies that "other entity" is a limited liability company, statutory trust, business trust or association, real estate investment trust, common-law trust, or any other unincorporated business including a partnership or a foreign corporation. The corporation must file with the Office of the Secretary of State a certificate of conversion certifying:

- (1) The name of the corporation;
- (2) The date of the filing of its original articles of incorporation;
- (3) The name and jurisdiction of the entity to which the corporation is being converted;
- (4) The approval of the conversion; and
- (5) The corporation's assent to service of process in Missouri and the address at which the company may be served.

Any other entity is allowed to convert to a corporation by approval of the conversion in accordance with its internal procedure and policy and by filing with the Office of the Secretary of State articles of incorporation and a certificate of conversion stating:

- (1) The date which the other entity was first created;
- (2) The jurisdiction where the other entity was first created;
- (3) The name of the other entity immediately preceding the conversion; and
- (4) The name of the corporation as specified in its articles of incorporation.

Any conversion will not be deemed a dissolution of the prior entity, but rather will constitute a continuation of the existence of the converting business entity.

FISCAL NOTE: Estimated Income to General Revenue Fund of \$0 in FY 2009, Unknown in FY 2010, and Unknown in FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the bill revises the statutes to make corporate conversions by Missouri companies more efficient. Companies will be able to convert their corporate form by adoption of a resolution, approval by shareholders, and registration with the Secretary of State.

Testifying for the bill was Representative Pratt.

OPPOSERS: There was no opposition voiced to the committee.