

HCS HB 2508 -- LIMITED LIABILITY COMPANIES

SPONSOR: Brown

COMMITTEE ACTION: Voted "Do Pass with HCS by Consent" by the Standing Committee on Economic Development by a vote of 12 to 0. Voted "Do Pass-Consent" by the Standing Committee on Consent and Procedure by a vote of 7 to 0.

The following is a summary of the House Committee Substitute for HB 2508.

The bill allows for any person to apply to the Secretary of State (SoS) for a certificate of good standing for a domestic limited liability company (LLC) or a foreign LLC. The requirements to receive a certificate of good standing from the SoS are outlined in the bill. A certificate of good standing issued by the SoS must be prima facie evidence that the domestic or foreign limited liability company exists and is authorized to transact business in this State.

Current law allows a LLC to establish one or more designated series with separate rights, powers, and liabilities. Each series can hold assets and incur debts that are enforceable only against the assets of that series.

Further, the current law allows an operating agreement to establish one or more designated series of members, managers, or interests, each of which may have separate rights, powers, duties, business purposes, investment objectives, and liabilities distinct from the LLC or other series. Debts, liabilities, and obligations incurred by a series are enforceable only against the assets of that series if the records of the series are maintained separately and the articles of organization contain notice of such limitation.

This bill requires each series to be individually profiled and searchable on the SoS's business entity database and authorizes a series to obtain a separate certificate of good standing.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that this bill simply codifies how the Missouri SoS has been operating for the past decade. This

bill will benefit LLCs and Missouri businesses. Posting the LLC or business's certificate of good standing on the SOS website provides transparency.

Testifying in person for the bill were Representative Brown; Missouri Chamber of Commerce; Anthony Liolios, Lockton Companies; and Polsinelli.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.