

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Senate Bill 663 Senator Baker)

Judicial Proceedings

Economic Matters

Limited Liability Companies - Membership and Activities

This bill allows a person to be admitted as a member of a Limited Liability Company (LLC) without being obligated to make a contribution to or acquiring an interest in the LLC. The bill also allows an LLC to continue to exist, under specified conditions, after it no longer has any members.

Fiscal Summary

State Effect: None. The bill would not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Current Law: A member of an LLC is defined as a person with an interest in the LLC with the rights and obligations specified by law. An LLC is dissolved and shall commence the winding up of its affairs at the time the LLC has had no members for a period of 90 days, except as otherwise provided in the operating agreement.

Small Business Effect: The bill grants more flexibility to LLCs and allows them greater ability to gain partners and continue operating.

Additional Information

Prior Introductions: A similar bill, HB 1200, was introduced in 2000. It received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

Information Source(s): Department of Assessments and Taxation, Department of Legislative Services

Fiscal Note History: First Reader – February 11, 2001
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