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The Maryland House of Delegates

ANNAPOLIS, MARYLAND 21401

February 19, 2020

Testimony in Support of House Bill 983 – Corporations and Associations – Limited Liability Companies and Partnerships – Series – Conversion

Good afternoon Mr. Chairman and members of the committee. Thank you for the opportunity to speak to you on behalf of **House Bill 983 – Corporations and Associations – Limited Liability Companies and Partnerships – Series – Conversion**.

The Maryland State Bar Association (MSBA) Committee on Unincorporated Associations, provided the recommendations expressed in House Bill 983. Key provisions include:

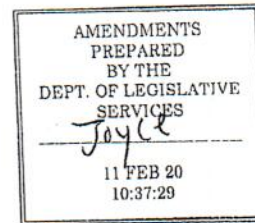
- Changing the process of dissolving a Limited Liability Corporation (LLC). Current law does not provide an authority to settle the affairs of an LLC that has no living or competent members and is also without an alternative arrangement for the settling of those affairs. The bill provides that in the event of the death of the last member, or a ruling of incompetency of the last member, the personal representative or guardian of that member must be admitted as a new member unless the personal representative or guardian renounces the admission in writing or designates a willing new member. The bill also states that an operating agreement may provide that the last remaining member's guardian must agree in writing to continue the LLC and to be admitted as a member or appoint a designee. The personal representative, guardian, or other successor may settle the LLC's affairs.

- Altering the registration for a foreign LLC that is a series company.
- Repealing redundant provisions.
- Defining certain terms.

I am offering a clarifying amendment that was drafted by MSBA in consultation with the Department of Assessments and Taxation. I respectfully request a favorable report for House Bill 983.



HB0983/463521/1



BY: Delegate Dumais
(To be offered in the Economic Matters Committee)

AMENDMENT TO HOUSE BILL 983
(First Reading File Bill)

On page 9, strike beginning with "AND" in line 5 down through "MARYLAND" in line 7.