

MAINE STATE LEGISLATURE

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L.D. 1940

Date: 2/15/8

(Filing No. H-685)

JUDICIARY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1374, L.D. 1940, Bill, "An Act To Assist Distressed Businesses Organized as Limited Liability Companies"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting the following:

Sec. 1. 31 MRSA §751, sub-§26, as amended by PL 2007, c. 231, §31, is further amended to read:

26. Late filing penalty. For failing to deliver an annual report by its due date, in addition to the annual report filing fee, a fee of \$50; ~~and~~

Sec. 2. 31 MRSA §751, sub-§27, as enacted by PL 2007, c. 231, §32, is amended to read:

27. Certificate of revival after dissolution. Certificate of revival after dissolution for a domestic limited liability company, as provided in section 608-F, §150;

Sec. 3. 31 MRSA §751, sub-§28 is enacted to read:

28. Application for excuse. For filing an application for excuse under section 757, subsection 4, a fee of \$40; and

Sec. 4. 31 MRSA §751, sub-§29 is enacted to read:

29. Certificate of resumption. For filing a certificate of resumption under section 757, subsection 5, a fee of \$100.

Sec. 5. 31 MRSA §757, sub-§4 is enacted to read:

4. Certificate of excuse. The Secretary of State, upon application by a domestic limited liability company and satisfactory proof that it has ceased to transact business and that it is not indebted to this State for failure to file an annual report and to pay any fees or penalties accrued, shall file a certificate of the fact and shall give a duplicate certificate to the limited liability company, after which the limited liability company is excused from filing annual reports with the Secretary of State, as long as the limited liability company

COMMITTEE AMENDMENT

1 in fact transacts no business. The name of a limited liability company remains in the
2 Secretary of State's records of entity names and is protected for a period of 5 years
3 following excuse.

4 **Sec. 6. 31 MRSA §757, sub-§5** is enacted to read:

5 **5. Resume transaction of business.** The managers or, if no managers, members of
6 a domestic limited liability company that has been excused from filing annual reports
7 pursuant to subsection 4 may vote to resume transacting business at a meeting duly called
8 and held for that purpose. A certificate executed and filed as provided in section 627
9 setting forth that a meeting was held, the date and location of the meeting and that a
10 majority of the managers or, if no managers, members voted to resume transacting
11 business authorizes that domestic limited liability company to transact business. After
12 that certificate is filed, the domestic limited liability company is required to file annual
13 reports beginning with the next reporting deadline following resumption.'

14 **SUMMARY**

15 This amendment limits the ability of limited liability companies to temporarily
16 withdraw from transacting business and avoid filing with the State during the dormant
17 period to those limited liability companies organized in Maine; the benefit is not available
18 to foreign limited liability companies. This is consistent with similar provisions in the
19 business corporation laws.

20 This amendment requires a domestic limited liability company to go through
21 appropriate procedures and file a certificate of resumption with the Secretary of State
22 before it may resume business activities. This is consistent with the business corporation
23 laws.

24 This amendment requires a domestic limited liability company to pay the same fees
25 for filing certificates of excuse and resumption of business certificates as are imposed on
26 business corporations.

27 **FISCAL NOTE REQUIRED**
28 **(See attached)**



Approved: 01/28/08 *MAC*

123rd MAINE LEGISLATURE

LD 1940

LR 3136(02)

An Act To Assist Distressed Businesses Organized as Limited Liability Companies

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Judiciary

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund
Minor revenue increase - General Fund

Fiscal Detail and Notes

The bill as amended would require a modification to the Secretary of State's corporate database to accommodate this type of filing. Additional costs associated with this modification can be absorbed within the Secretary of State's existing budgeted resources. The bill also adds filing fees which are expected to result in minor increases in revenue.