

Original sponsor: Colletta

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Referred: Rules

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 354

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to limited liability companies."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 \* Section 1. AS 10 is amended by adding a new chapter to read:

9 CHAPTER 50. LIMITED LIABILITY COMPANY ACT.

10 Sec. 10.50.010. DECLARATION OF PURPOSE. Limited liability com-  
11 panies may be organized under this chapter for any lawful purpose,  
12 except for the purpose of banking or insurance.

13 Sec. 10.50.020. POWERS. Each limited liability company organized  
14 and existing under this chapter may:

- 15 (1) sue and be sued, complain and defend, in its name;  
16 (2) purchase, take, receive, lease or otherwise acquire, own,  
17 hold, improve, use and otherwise deal in and with, real or personal  
18 property, or an interest in it, wherever situated;  
19 (3) sell, convey, mortgage, pledge, lease, exchange, transfer  
20 and otherwise dispose of all or any part of its property and assets;  
21 (4) lend money to and otherwise assist its members;  
22 (5) purchase, take, receive, subscribe for or otherwise  
23 acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge or  
24 otherwise dispose of, and otherwise use and deal in and with, shares or  
25 other interests in or obligations of, other limited liability companies,  
26 domestic or foreign corporations, associations, general or limited  
27 partnerships or individuals, or direct or indirect obligations of the  
28 United States or of any government, state, territory, governmental  
29 district or municipality or of any instrumentality of it;

1 (6) make contracts and guarantees and incur liabilities,  
2 borrow money at such rates of interest as the limited liability company  
3 may determine, issue its notes, bonds and other obligations, and secure  
4 any of its obligations by mortgage or pledge of all or any part of its  
5 property, franchises and income;

6 (7) lend money for its proper purposes, invest and reinvest  
7 its funds, and take and hold real property and personal property for the  
8 payment of funds so loaned or invested;

9 (8) conduct its business, carry on its operations, and have  
10 and exercise the powers granted by this chapter in any state, territory,  
11 district or possession of the United States, or in any foreign country;

12 (9) elect or appoint managers and agents of the limited  
13 liability company, and define their duties and fix their compensation;

14 (10) make and alter the operating agreement, not inconsistent  
15 with its articles of organization or with the laws of this state, for  
16 the administration and regulation of the affairs of the limited lia-  
17 bility company;

18 (11) indemnify a member or manager or former member or manager  
19 of the limited liability company against expenses actually and reason-  
20 ably incurred by him or it in connection with the defense of an action,  
21 suit or proceeding, civil or criminal, in which he or it is made a party  
22 by reason of being or having been such member or manager, except in  
23 relation to matters as to which he or it shall be adjudged in the  
24 action, suit or proceeding to be liable for negligence or misconduct in  
25 the performance of duty; and to make any other indemnification that is  
26 authorized by the articles of organization or by an article of the  
27 operating agreement or resolution adopted by the members after notice;

28 (12) cease its activities and surrender its certificate of  
29 existence;

1 (13) have and exercise all powers necessary or convenient to  
2 effect any or all of the purposes for which the limited liability  
3 company is organized;

4 (14) become a member of a general partnership, limited partner-  
5 ship, joint venture or similar association, or any other limited liabil-  
6 ity company.

7 Sec. 10.50.030. LIMITED LIABILITY COMPANY NAME. (a) The word  
8 "limited" or as abbreviated "Ltd." shall be the last word of the name of  
9 every limited liability company formed under the provisions of this  
10 chapter and, in addition, the limited liability company name may not

11 (1) contain a word or phrase which indicates or implies that  
12 it is organized for a purpose other than one or more of the purposes  
13 contained in its articles of organization;

14 (2) be the same as, or deceptively similar to, the name of a  
15 limited liability company or corporation existing under the laws of this  
16 state or a foreign corporation authorized to transact business in this  
17 state, or a name the exclusive right to which is, at the time, reserved  
18 in the manner provided under the laws of this state.

19 (b) Omission of the word "limited" in the use of the name of the  
20 limited liability company shall render any person who participates in  
21 the omission, or knowingly acquiesces in it, liable for indebtedness,  
22 damage or liability occasioned by the omission.

23 (c) The identification "a limited liability company" shall appear  
24 after the name of the limited liability company on all correspondence,  
25 stationery, checks, invoices and any and all documents and papers  
26 executed by the limited liability company.

27 Sec. 10.50.040. FORMATION. Two or more persons may form a limited  
28 liability company by signing, verifying and delivering in duplicate to  
29 the commissioner articles of organization for such limited liability

1 company. If one or more of the persons is an individual, he shall be at  
2 least 19 years of age.

3 Sec. 10.50.050. ARTICLES OF ORGANIZATION. (a) The articles of  
4 organization shall set out

5 (1) the name of the limited liability company;

6 (2) the period of its duration, which may not exceed 30 years  
7 from the date of filing with the commissioner;

8 (3) the purpose for which the limited liability company is  
9 organized;

10 (4) the address of its initial registered office in the state  
11 and the name and address of its initial registered agent in the state;

12 (5) the total amount of cash and a description and agreed  
13 value of property other than cash contributed;

14 (6) the total additional contributions, if any, agreed to be  
15 made by all members and the times at which or events upon the happening  
16 of which they shall be made;

17 (7) the right, if given, of the members to admit additional  
18 members, and the terms and conditions of the admission;

19 (8) the right, if given, of the remaining members of the  
20 limited liability company to continue the business on the death, retire-  
21 ment, resignation, expulsion, bankruptcy or dissolution of a member or  
22 occurrence of any other event which terminates the continued membership  
23 of a member in the limited liability company;

24 (9) if the limited liability company is to be managed by a  
25 manager or managers, the articles of organization shall so state and  
26 shall set out the names and addresses of such manager or managers who  
27 are to serve as managers until the first annual meeting of members or  
28 until their successors are elected and qualify; if the management of a  
29 limited liability company is reserved to the members, the names and

1 addresses of the members shall be set out in the articles of organiza-  
2 tion;

3 (10) any other provision, not inconsistent with law, which the  
4 members elect to set out in the articles of organization for the regu-  
5 lation of the internal affairs of the limited liability company, includ-  
6 ing any provisions which under this chapter are required or permitted to  
7 be set out in the operating agreement of the limited liability company.

8 (b) It shall not be necessary to set out in the articles of  
9 organization any of the powers enumerated in this chapter.

10 Sec. 10.50.060. FILING OF ARTICLES OF ORGANIZATION. (a) Dupli-  
11 cate originals of the articles of organization shall be delivered to the  
12 commissioner. If the commissioner finds that the articles of organiza-  
13 tion conforms to law, he shall, when all fees have been paid, as in this  
14 chapter prescribed

15 (1) endorse on each of the duplicate originals the word  
16 "Filed" and the month, day and year of the filing thereof;

17 (2) file one of the duplicate originals in his office;

18 (3) issue a certificate of existence to which he shall affix  
19 the other duplicate original;

20 (b) The certificate of existence, together with a duplicate origi-  
21 nal of the articles of organization affixed to it by the commissioner,  
22 shall be returned to the registered office of the limited liability  
23 company.

24 Sec. 10.50.070. EFFECT OF ISSUANCE OF CERTIFICATE OF EXISTENCE.

25 (a) Upon the issuance of the certificate of existence, the limited  
26 liability company shall be considered organized, and such certificate of  
27 existence shall be conclusive evidence that all conditions precedent  
28 required to be performed by the members have been complied with and that  
29 the limited liability company has been legally organized under this

1 chapter, except as against this state in a proceeding to cancel or  
2 revoke the certificate of existence or for involuntary dissolution of  
3 the limited liability company.

4 (b) A limited liability company shall not transact business or  
5 incur indebtedness, except that which is incidental to its organization  
6 or to obtaining subscriptions for or payment of contributions, until the  
7 commissioner has issued a certificate of existence.

8 Sec. 10.50.080. CONTRIBUTIONS TO CAPITAL. The contributions to  
9 capital by a member to the limited liability company may consist of cash  
10 or other property, but not services.

11 Sec. 10.50.090. MANAGEMENT OF LIMITED LIABILITY COMPANY. Manage-  
12 ment of the limited liability company shall be vested in its members in  
13 proportion to their contribution to the capital of the limited liability  
14 company, as adjusted from time to time to properly reflect any addi-  
15 tional contributions or withdrawals by the members. However, if pro-  
16 vision is made for it in the articles of organization, management of the  
17 limited liability company may be vested in a manager or managers who  
18 shall be elected by a majority in interest of the members in the manner  
19 prescribed by the operating agreement of the limited liability company.  
20 If the articles of organization provide for the management of the  
21 limited liability company by a manager or managers, they shall be  
22 elected annually by the members in a manner provided in the operating  
23 agreement. The manager or managers shall also hold the office and have  
24 the responsibilities accorded to them by the members and set out in the  
25 operating agreement of the limited liability company.

26 Sec. 10.50.100. CONTRACTING DEBTS. Except as otherwise provided  
27 in this chapter, no debt shall be contracted or liability incurred by or  
28 on behalf of a limited liability company, except by one or more of its  
29 managers if management of the limited liability company has been vested

1 by the members in a manager or managers, or if management of the limited  
2 liability company is retained by the members, then by any member.

3 Sec. 10.50.110. LIMITED LIABILITY COMPANY PROPERTY. Real and  
4 personal property owned or purchased by a limited liability company  
5 shall be held and owned, and conveyance made, in the limited liability  
6 company name, or in the name of any member or manager. Instruments and  
7 documents providing for the acquisition, mortgage or disposition of  
8 property of the limited liability company shall be valid and binding  
9 upon the limited liability company if executed by one or more managers  
10 of a limited liability company having a manager or managers or one or  
11 more members of a limited liability company in which management has been  
12 retained by the members.

13 Sec. 10.50.120. ACTIONS BY AND AGAINST LIMITED LIABILITY COMPANY;  
14 SERVICE OF PROCESS. (a) A limited liability company shall sue and be  
15 sued, complain and defend, in its limited liability company name, and  
16 when an action is brought against a limited liability company, service  
17 may be made upon a manager of a limited liability company managed by a  
18 manager or managers or upon a member of a limited liability company in  
19 which management has been retained by the members or upon the registered  
20 agent.

21 (b) When a limited liability company fails to appoint or maintain  
22 a registered agent in the state, or when its registered agent cannot  
23 with reasonable diligence be found at the registered office, the com-  
24 missioner is an agent of the limited liability company upon whom the  
25 process, notice, or demand may be served. Service is made upon the  
26 commissioner as agent by leaving with him, or with a clerk having charge  
27 of the limited liability company department of his office, duplicate  
28 copies of the process, notice or demand. When the process, notice or  
29 demand is served on the commissioner, he shall immediately forward a

1 copy of it by registered mail to the limited liability company at its  
2 registered office. Service on the commissioner is returnable in not  
3 less than 30 days.

4 Sec. 10.50.130. LIABILITY OF MEMBERS AND MANAGERS. Neither the  
5 members of a limited liability company nor the managers of a limited  
6 liability company managed by a manager or managers are liable under a  
7 judgment, decree or order of a court, or in any other manner, for a  
8 debt, obligation or liability of the limited liability company.

9 Sec. 10.50.140. DIVISION OF PROFITS; IMPAIRMENT OF CAPITAL. The  
10 limited liability company may, from time to time, divide the profits of  
11 its business and distribute the same to the members of the limited  
12 liability company upon the basis stipulated in the operating agreement,  
13 provided that after distribution is made the assets of the limited  
14 liability company must be in excess of all liabilities of the limited  
15 liability company except liabilities to members on account of their  
16 contributions.

17 Sec. 10.50.150. WITHDRAWAL OR REDUCTION OF MEMBERS' CONTRIBUTIONS  
18 TO CAPITAL. (a) A member shall not receive out of limited liability  
19 company property any part of his or its contribution to capital until

20 (1) all liabilities of the limited liability company, except  
21 liabilities to members on account of their contributions to capital,  
22 have been paid or there remains property of the limited liability  
23 company sufficient to pay them;

24 (2) the consent of all members is had, unless the return of  
25 the contribution to capital may be rightfully demanded as provided in  
26 this chapter;

27 (3) the certificate of existence is cancelled or the articles  
28 of organization so amended as to set out the withdrawal or reduction;

29 (b) Subject to the provisions of (a) of this section, a member may

1 rightfully demand the return of his or its contribution

2 (1) on the dissolution of the limited liability company, or

3 (2) after the member has given all other members of the  
4 limited liability company six months prior notice in writing, if no time  
5 is specified in the articles of organization for the dissolution of the  
6 limited liability company.

7 (c) In the absence of a statement in the articles of organization  
8 to the contrary or the consent of all members of the limited liability  
9 company, a member, irrespective of the nature of his or its contribu-  
10 tion, has only the right to demand and receive cash in return for his or  
11 its contribution to capital.

12 (d) A member of a limited liability company may have the limited  
13 liability company dissolved and its affairs wound up when

14 (1) the member rightfully but unsuccessfully has demanded the  
15 return of his or its contribution, or

16 (2) the other liabilities of the limited liability company  
17 have not been paid, or the limited liability company property is in-  
18 sufficient for their payment and the member would otherwise be entitled  
19 to the return of his or its contribution.

20 Sec. 10.50.160. LIABILITY OF MEMBER TO LIMITED LIABILITY COMPANY.

21 (a) A member is liable to the limited liability company

22 (1) for the difference between his or its contributions to  
23 capital as actually made and his or its contributions to capital as  
24 stated in the articles of organization as having been made, and

25 (2) for any unpaid contribution to capital which he or it  
26 agreed to make in the future at the time and on the conditions stated in  
27 the articles of organization.

28 (b) A member holds as trustee for the limited liability company

29 (1) specific property stated in the articles of organization

1 as contributed by such member, but which was not contributed or which  
2 has been wrongfully returned, and

3 (2) money or other property wrongfully paid or conveyed to  
4 such member on account of his or its contribution.

5 (c) The liabilities of a member as set out in this section can be  
6 waived or compromised only by the consent of all members; but a waiver  
7 or compromise shall not affect the right of a creditor of the limited  
8 liability company who extended credit or whose claim arose after the  
9 filing and before a cancellation of the certificate of existence or  
10 amendment of the articles of organization, to enforce the liabilities.

11 (d) When a contributor has rightfully received the return in whole  
12 or in part of the capital of his or its contribution, the contributor is  
13 nevertheless liable to the limited liability company for any sum, not in  
14 excess of the return with interest, necessary to discharge its liability  
15 to all creditors of the limited liability company who extended credit or  
16 whose claims arose before the return.

17 Sec. 10.50.170. INTEREST IN LIMITED LIABILITY COMPANY; TRANSFER-  
18 ABILITY OF INTEREST. The interest of each member in a limited liability  
19 company constitutes the personal estate of the member, and may be  
20 transferred or assigned as provided in the operating agreement; however,  
21 if all of the other members of the limited liability company other than  
22 the member proposing to dispose of his or its interest do not approve of  
23 the proposed transfer or assignment by unanimous written consent, the  
24 transferee of the member's interest shall have no right to participate  
25 in the management of the business and affairs of the limited liability  
26 company, or to become a member, but shall only be entitled to receive  
27 the share of profits or other compensation by way of income, and the  
28 return of contributions, to which that member would otherwise be en-  
29 titled.

1           Sec. 10.50.180. DISSOLUTION. (a) A limited liability company  
2 organized under this chapter shall be dissolved upon the occurrence of  
3 any of the following events:

4           (1) when the period fixed for the duration of the limited  
5 liability company shall expire;

6           (2) by the unanimous written agreement of all members; or

7           (3) upon the death, retirement, resignation, expulsion, bank-  
8 ruptcy, dissolution of a member or occurrence of any other event which  
9 terminates the continued membership of a member in the limited liability  
10 company, unless the business of the limited liability company is recon-  
11 stituted by the consent of all the remaining members under a right to do  
12 so stated in the articles of organization of the limited liability  
13 company.

14           (b) As soon as possible, and no later than 90 days following the  
15 occurrence of any of the events specified in (a)(2) or (3) of this  
16 section effecting the dissolution of the limited liability company, the  
17 limited liability company shall execute a statement of intent to dis-  
18 solve in such form as shall be prescribed by the commissioner, which  
19 statement shall be executed in duplicate by the limited liability com-  
20 pany and filed in the office of the commissioner. Upon the filing by  
21 the commissioner of a statement of intent to dissolve, the limited  
22 liability company shall cease to carry on its business, except insofar  
23 as may be necessary for the winding up of its business, but its separate  
24 existence shall continue until a certificate of dissolution has been  
25 issued by the commissioner or until a decree dissolving the limited  
26 liability company has been entered by a court of competent jurisdiction.

27           Sec. 10.50.190. DISSOLUTION BY THE COMMISSIONER. The commissioner  
28 has the power to involuntarily dissolve a company formed under the  
29 provisions of this chapter for

1 (1) failure to continually maintain a registered agent or  
2 office;

3 (2) failure to notify the commissioner within 30 days of a  
4 change in registered agent or office;

5 (3) delinquency of more than six months in paying annual  
6 taxes;

7 (4) failure to file articles of dissolution within one year  
8 or such longer period that may be granted upon application, but in no  
9 event more than two years, after filing statement of intent to dissolve.

10 Sec. 10.50.200. EXECUTION OF ARTICLES OF DISSOLUTION. If the  
11 company has been dissolved by the occurrence of an event set out in sec.  
12 180(a)(2) or (3) of this chapter, when all the debts, liabilities and  
13 obligations of the company have been paid and discharged, or adequate  
14 provision has been made for payment, and all the remaining property and  
15 assets of the company have been distributed to its members, articles of  
16 dissolution shall be executed in duplicate by the company by its manager  
17 or by a member if management is reserved to the members, and verified by  
18 a person signing the articles. The articles of dissolution shall set  
19 out

20 (1) the name of the company;

21 (2) that the commissioner has filed a statement of intent to  
22 dissolve the company, and the date on which the statement was filed;

23 (3) that all debts, obligations and liabilities of the  
24 company have been paid and discharged or that adequate provision has  
25 been made for payment;

26 (4) that the remaining property and assets of the company  
27 have been distributed among its members in accordance with their respec-  
28 tive rights and interests;

29 (5) that there are no suits pending against the company, or

1 that adequate provision has been made for the satisfaction of a judg-  
2 ment, order or decree which may be entered against the company in a  
3 pending suit.

4 Sec. 10.50.210. FILING OF ARTICLES OF DISSOLUTION. (a) Duplicate  
5 originals of the articles of dissolution shall be delivered to the com-  
6 missioner. If the commissioner finds that the articles of dissolution  
7 conform to law, he shall, when all fees and taxes prescribed in this  
8 chapter have been paid,

9 (1) endorse on each duplicate original the word "filed" and  
10 the date of filing;

11 (2) file one duplicate original in his office;

12 (3) issue a certificate of dissolution and affix the other  
13 duplicate original to it.

14 (b) The certificate of dissolution, together with the duplicate  
15 original of the articles of dissolution affixed shall be returned to the  
16 representative of the dissolved company.

17 Sec. 10.50.220. EFFECT OF CERTIFICATE OF DISSOLUTION. Upon the  
18 issuance of the certificate of dissolution, the existence of the company  
19 ceases, except for the purpose of suits, other proceedings, and appro-  
20 priate action by members or managers as provided in this chapter.

21 Sec. 10.50.230. DISTRIBUTION OF ASSETS UPON DISSOLUTION. (a) In  
22 settling accounts after dissolution, the liabilities of the limited  
23 liability company shall be entitled to payment in the following order:

24 (1) those to creditors, in the order of priority as provided  
25 by law, except those to members of the limited liability company on  
26 account of their contributions;

27 (2) those to members of the limited liability company in  
28 respect of their share of the profits and other compensation by way of  
29 income on their contributions; and

1 (3) those to members of the limited liability company in  
2 respect of their contributions to capital.

3 (b) Subject to any statement in the operating agreement, members  
4 share in the limited liability company assets in respect to their claims  
5 for capital, and in respect to their claims for profits or for compensa-  
6 tion by way of income on their contributions, respectively, in propor-  
7 tion to the respective amounts of the claims.

8 Sec. 10.50.240. CANCELLATION OF CERTIFICATE OF EXISTENCE AND  
9 AMENDMENT OF ARTICLES OF ORGANIZATION. (a) The certificate of exis-  
10 tence shall be cancelled by the commissioner when the limited liability  
11 company is dissolved.

12 (b) The articles of organization shall be amended when

13 (1) there is a change in the name of the limited liability  
14 company or in the amount or the character of the contributions to  
15 capital;

16 (2) there is a change in the character of the business of the  
17 limited liability company;

18 (3) there is a false or erroneous statement in the articles  
19 of organization;

20 (4) there is a change in the time as stated in the articles  
21 of organization for the dissolution of the limited liability company;

22 (5) a time is fixed for the dissolution of the limited  
23 liability company if no time is specified in the articles of organiza-  
24 tion; or

25 (6) the members desire to make a change in any other state-  
26 ment in the articles of organization in order that it shall accurately  
27 represent the agreement between them.

28 (c) The form for evidencing an amendment to the articles of  
29 organization of a limited liability company shall be promulgated by the

1 commissioner and shall contain terms and provisions, consistent with  
2 this chapter, which the commissioner determines. Duplicate originals of  
3 the amendment shall be forwarded to the commissioner for filing, accom-  
4 panied by the requisite filing fee.

5 Sec. 10.50.250. PARTIES TO ACTIONS. A member of a limited liabil-  
6 ity company is not a proper party to proceedings by or against a limited  
7 liability company, except when the object is to enforce a member's right  
8 against or liability to the limited liability company.

9 Sec. 10.50.260. WAIVER OF NOTICE. When, under the provisions of  
10 this chapter or under the provisions of the articles of organization or  
11 operating agreement of a limited liability company, notice is required  
12 to be given to a member or to a manager of a limited liability company  
13 having a manager or managers, a waiver in writing signed by the person  
14 or persons entitled to the notice, whether before or after the time  
15 stated in it, is equivalent to the giving of notice.

16 Sec. 10.50.270. FEES FOR FILING DOCUMENTS AND ISSUING CERTIFICATES.  
17 The commissioner shall charge and collect for

18 (1) filing the original articles of organization, if the  
19 capital of the limited liability company is:

<u>Capital</u>	<u>Filing Fee</u>
20 Not in excess of \$100,000	21 \$ 100
22 In excess of \$100,000 but not	
23 in excess of \$250,000	24 \$ 250
24 In excess of \$250,000 but not	
25 in excess of \$500,000	26 \$ 500
26 In excess of \$500,000 but not	
27 in excess of \$1,000,000	28 \$ 750
28 In excess of \$1,000,000	29 \$1,000;

(2) for amending the articles of organization, a filing fee

1 of \$25, together with the appropriate fee set out in (1) of this section  
2 if the amendment is to increase the amount of capital;

3 (3) for filing statement of intent to dissolve, \$25;

4 (4) an annual tax of \$100, due and payable January 2 of each  
5 year; this tax is delinquent if not paid by February 1 and an addition  
6 to the tax shall then be due of \$50;

7 (5) for filing change of registered office or agent, \$10.

8 Sec. 10.50.280. ANNUAL REPORT. Each company formed under the  
9 provisions of this chapter shall file an annual report within the time  
10 prescribed by this chapter.

11 Sec. 10.50.290. CONTENTS OF ANNUAL REPORT. The annual report  
12 shall set out

13 (1) the name of the company;

14 (2) the address of the registered office of the company in  
15 the state, and the name of its registered agent in the state at that  
16 address;

17 (3) a brief statement of the character of the business in  
18 which the company is engaged in the state;

19 (4) the names and addresses of the managers of the company if  
20 management of the company is in a manager or managers, or if management  
21 is reserved to the members, the names and addresses of the members;

22 (5) a statement of the total capital contributed to the  
23 company;

24 (6) a statement of whether this amount of capital contributed  
25 has changed since the last annual report.

26 Sec. 10.50.300. FILING OF ANNUAL REPORT. (a) The annual report  
27 of a company shall be delivered to the commissioner between January 2  
28 and February 1 of each year. However, the first annual report of a  
29 company shall be filed between January 2 and February 1 of the year

1 succeeding the calendar year in which its certificate of existence was  
2 issued by the commissioner.

3 (b) Proof to the satisfaction of the commissioner that before  
4 February 1 the report was deposited in the United States mail in a  
5 sealed envelope, properly addressed, with postage prepaid, is compliance  
6 with (a) of this section.

7 (c) If the commissioner finds that the report conforms to the  
8 requirements of this chapter, he shall file it. If he finds that it  
9 does not conform to the requirements of this chapter, he shall promptly  
10 return it to the company for necessary corrections. If the report is  
11 corrected to conform to the requirements of this chapter and returned to  
12 the commissioner in sufficient time to be filed before March 1 of the  
13 year in which it is due, the penalties for failure to file the report  
14 within the time provided do not apply.

15 (d) Each company organized under this chapter that fails or re-  
16 fuses to file its annual report within the time prescribed is subject to  
17 a penalty of \$100.

18 Sec. 10.50.310. UNAUTHORIZED ASSUMPTION OF POWERS. All persons  
19 who assume to act as a limited liability company without authority to do  
20 so shall be jointly and severally liable for all debts and liabilities  
21 incurred or arising as a result of that action.

22 Sec. 10.50.320. REGISTERED AGENT. A limited liability company is  
23 required at all times to have a registered agent whose residence is in  
24 the state. The commissioner shall be notified upon any change in the  
25 name or address of the registered agent.

26 Sec. 10.50.330. CHANGE OF REGISTERED OFFICE OR AGENT. (a) A  
27 limited liability company may change its registered office, agent, or  
28 both, by filing with the commissioner a verified statement signed by a  
29 member or a manager if management of the company is by a manager, setting

1 out

2 (1) the name of the company;

3 (2) the address of its registered office;

4 (3) the address of its new registered office if the regis-  
5 tered office is to be changed;

6 (4) the name of its registered agent;

7 (5) the name of its new registered agent if its registered  
8 agent is to be changed.

9 (b) If the commissioner finds that the verified statement complies  
10 with this chapter, he shall file it in his office. The change becomes  
11 effective when the statement is filed.

12 Sec. 10.50.340. APPLICATION TO FOREIGN AND INTERSTATE COMMERCE.  
13 The provisions of this chapter shall apply to commerce with foreign  
14 nations and among the several states only as permitted by law.

15 Sec. 10.50.350. APPLICABILITY OF THIS CHAPTER. This chapter takes  
16 precedence in the event of a conflict with the provisions of the Alaska  
17 Business Corporation Act or other laws. This chapter does not affect a  
18 right accrued or established, or any liability or penalty incurred,  
19 prior to the effective date of this Act.

20 Sec. 10.50.360. DEFINITIONS. In this chapter, unless the context  
21 otherwise requires,

22 (1) "bankrupt" means bankrupt under the Federal Bankruptcy  
23 Act;

24 (2) "commissioner" means the commissioner of commerce and  
25 economic development;

26 (3) "court" includes every court and judge having jurisdic-  
27 tion in the case;

28 (4) "limited liability company" means a limited liability  
29 company organized and existing under this chapter;

1           (5) "person" includes individuals, general partnerships,  
2 limited partnerships, limited liability companies, corporations, trusts,  
3 business trusts, real estate investment trusts, estates and other  
4 associations;

5           (6) "real property" includes land, any interest, leasehold or  
6 estate in land and any improvements on it.

7           Sec. 10.50.370. SHORT TITLE. This Act shall be known and may be  
8 cited as the Alaska Limited Liability Company Act.

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