

Original sponsor: Colletta

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Referred: Rules

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 354 (Judiciary)

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 40 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 (11) the name and address of each member who is a non-
9 resident alien or corporation whose place of incorporation is outside
10 the United States, and the amount or value of that members contri-
11 butions.

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

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

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

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

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

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

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

29 (a) Upon the issuance of the certificate of existence, the limited

1 liability company shall be considered organized, and such certificate of
2 existence shall be conclusive evidence that all conditions precedent
3 required to be performed by the members have been complied with and that
4 the limited liability company has been legally organized under this
5 chapter, except as against this state in a proceeding to cancel or
6 revoke the certificate of existence or for involuntary dissolution of
7 the limited liability company.

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

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

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

1 Sec. 10.50.100. CONTRACTING DEBTS. Except as otherwise provided
2 in this chapter, no debt shall be contracted or liability incurred by or
3 on behalf of a limited liability company, except by one or more of its
4 managers if management of the limited liability company has been vested
5 by the members in a manager or managers, or if management of the limited
6 liability company is retained by the members, then by any member.

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

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

25 (b) When a limited liability company fails to appoint or maintain
26 a registered agent in the state, or when its registered agent cannot
27 with reasonable diligence be found at the registered office, the com-
28 missioner is an agent of the limited liability company upon whom the
29 process, notice, or demand may be served. Service is made upon the

1 commissioner as agent by leaving with him, or with a clerk having charge
2 of the limited liability company department of his office, duplicate
3 copies of the process, notice or demand. When the process, notice or
4 demand is served on the commissioner, he shall immediately forward a
5 copy of it by registered mail to the limited liability company at its
6 registered office. Service on the commissioner is returnable in not
7 less than 30 days.

8 (c) In those instances in which the validity of the limited lia-
9 bility company is brought into question because of under capitalization,
10 use of the limited liability company to perpetrate a fraud on creditors
11 of the company or use of the limited company to violate public policy,
12 the protection of the limited liability company may be disregarded and
13 personal liability imposed on the contributing members of the company,
14 to the same extent and in the same manner as liability would be imposed
15 on the members if they had been shareholders in a business corporation
16 organized under ch. 5 of this title.

17 Sec. 10.50.130. LIABILITY OF MEMBERS AND MANAGERS. Neither the
18 members of a limited liability company nor the managers of a limited
19 liability company managed by a manager or managers are liable under a
20 judgment, decree or order of a court, or in any other manner, for a
21 debt, obligation or liability of the limited liability company.

22 Sec. 10.50.140. DIVISION OF PROFITS; IMPAIRMENT OF CAPITAL. The
23 limited liability company may, from time to time, divide the profits of
24 its business and distribute the same to the members of the limited
25 liability company upon the basis stipulated in the operating agreement,
26 provided that after distribution is made the assets of the limited
27 liability company must be in excess of all liabilities of the limited
28 liability company except liabilities to members on account of their
29 contributions.

1 Sec. 10.50.150. WITHDRAWAL OR REDUCTION OF MEMBERS' CONTRIBUTIONS
2 TO CAPITAL. (a) A member shall not receive out of limited liability

3 company property any part of his or its contribution to capital until

4 (1) all liabilities of the limited liability company, except
5 liabilities to members on account of their contributions to capital,
6 have been paid or there remains property of the limited liability
7 company sufficient to pay them;

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

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

13 (b) Subject to the provisions of (a) of this section, a member may
14 rightfully demand the return of his or its contribution

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

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

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

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

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

29 (2) the other liabilities of the limited liability company

1 have not been paid, or the limited liability company property is in-
2 sufficient for their payment and the member would otherwise be entitled
3 to the return of his or its contribution.

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

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

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

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

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

13 (1) specific property stated in the articles of organization
14 as contributed by such member, but which was not contributed or which
15 has been wrongfully returned, and

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

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

24 (d) When a contributor has rightfully received the return in whole
25 or in part of the capital of his or its contribution, the contributor is
26 nevertheless liable to the limited liability company for any sum, not in
27 excess of the return with interest, necessary to discharge its liability
28 to all creditors of the limited liability company who extended credit or
29 whose claims arose before the return.

1 Sec. 10.50.170. INTEREST IN LIMITED LIABILITY COMPANY; TRANSFER-
2 ABILITY OF INTEREST. The interest of each member in a limited liability
3 company constitutes the personal estate of the member, and may be
4 transferred or assigned as provided in the operating agreement; however,
5 if all of the other members of the limited liability company other than
6 the member proposing to dispose of his or its interest do not approve of
7 the proposed transfer or assignment by unanimous written consent, the
8 transferee of the member's interest shall have no right to participate
9 in the management of the business and affairs of the limited liability
10 company, or to become a member, but shall only be entitled to receive
11 the share of profits or other compensation by way of income, and the
12 return of contributions, to which that member would otherwise be en-
13 titled.

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

17 (1) when the period fixed for the duration of the limited
18 liability company shall expire;
19 (2) by the unanimous written agreement of all members; or
20 (3) upon the death, retirement, resignation, expulsion, bank-
21 ruptcy, dissolution of a member or occurrence of any other event which
22 terminates the continued membership of a member in the limited liability
23 company, unless the business of the limited liability company is recon-
24 stituted by the consent of all the remaining members under a right to do
25 so stated in the articles of organization of the limited liability
26 company.

27 (b) As soon as possible, and no later than 90 days following the
28 occurrence of any of the events specified in (a)(2) or (3) of this
29 section effecting the dissolution of the limited liability company, the

1 limited liability company shall execute a statement of intent to dis-
2 solve in such form as shall be prescribed by the commissioner, which
3 statement shall be executed in duplicate by the limited liability com-
4 pany and filed in the office of the commissioner. Upon the filing by
5 the commissioner of a statement of intent to dissolve, the limited
6 liability company shall cease to carry on its business, except insofar
7 as may be necessary for the winding up of its business, but its separate
8 existence shall continue until a certificate of dissolution has been
9 issued by the commissioner or until a decree dissolving the limited
10 liability company has been entered by a court of competent jurisdiction.

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

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

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

18 (3) delinquency of more than six months in paying fees,
19 taxes or penalties prescribed by this chapter;

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

23 (5) failure to file its annual report within the time re-
24 quired by this chapter.

25 Sec. 10.50.200. EXECUTION OF ARTICLES OF DISSOLUTION. If the
26 company has been dissolved by the occurrence of an event set out in sec.
27 180(a)(2) or (3) of this chapter, when all the debts, liabilities and
28 obligations of the company have been paid and discharged, or adequate
29 provision has been made for payment, and all the remaining property and

1 assets of the company have been distributed to its members, articles of
2 dissolution shall be executed in duplicate by the company by its manager
3 or by a member if management is reserved to the members, and verified by
4 a person signing the articles. The articles of dissolution shall set
5 out

6 (1) the name of the company;

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

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

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

15 (5) that there are no suits pending against the company, or
16 that adequate provision has been made for the satisfaction of a judg-
17 ment, order or decree which may be entered against the company in a
18 pending suit.

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

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

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

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

29 (b) The certificate of dissolution, together with the duplicate

1 original of the articles of dissolution affixed shall be returned to the
2 representative of the dissolved company.

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

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

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

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

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

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

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

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

28 (1) there is a change in the name of the limited liability
29 company or in the amount or the character of the contributions to

1 capital;

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

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

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

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

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

14 (c) The form for evidencing an amendment to the articles of
15 organization of a limited liability company shall be promulgated by the
16 commissioner and shall contain terms and provisions, consistent with
17 this chapter, which the commissioner determines. Duplicate originals of
18 the amendment shall be forwarded to the commissioner for filing, accom-
19 panied by the requisite filing fee.

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

24 Sec. 10.50.260. WAIVER OF NOTICE. When, under the provisions of
25 this chapter or under the provisions of the articles of organization or
26 operating agreement of a limited liability company, notice is required
27 to be given to a member or to a manager of a limited liability company
28 having a manager or managers, a waiver in writing signed by the person
29 or persons entitled to the notice, whether before or after the time

1 stated in it, is equivalent to the giving of notice.

2 Sec. 10.50.270. FEES FOR FILING DOCUMENTS AND ISSUING CERTIFICATES.

3 The commissioner shall charge and collect for

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

6 Capital	Filing Fee
7 Not in excess of \$100,000	\$ 100
8 In excess of \$100,000 but not	
9 in excess of \$250,000	\$ 250
10 In excess of \$250,000 but not	
11 in excess of \$500,000	\$ 500
12 In excess of \$500,000 but not	
13 in excess of \$1,000,000	\$ 750
14 In excess of \$1,000,000	\$1,000;

15 (2) for amending the articles of organization, a filing fee
16 of \$25, together with the appropriate fee set out in (1) of this section
17 if the amendment is to increase the amount of capital;

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

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

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

23 Sec. 10.50.280. ANNUAL REPORT. Each company formed under the
24 provisions of this chapter shall file an annual report within the time
25 prescribed by this chapter.

26 Sec. 10.50.290. CONTENTS OF ANNUAL REPORT. The annual report
27 shall set out

28 (1) the name of the company;

29 (2) the address of the registered office of the company in

1 the state, and the name of its registered agent in the state at that
2 address;

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

5 (4) the names and addresses of the managers of the company if
6 management of the company is in a manager or managers, or if management
7 is reserved to the members, the names and addresses of the members;

8 (5) a statement of the total capital contributed to the
9 company;

10 (6) a statement of whether this amount of capital contributed
11 has changed since the last annual report;

12 (7) the name and address of each member who is a non-
13 resident alien or corporation whose place of incorporation is outside
14 the United States, and the amount or value of that member's contributions

15 Sec. 10.50.300. FILING OF ANNUAL REPORT. (a) The annual report
16 of a company shall be delivered to the commissioner between January 2
17 and February 1 of each year. However, the first annual report of a
18 company shall be filed between January 2 and February 1 of the year
19 succeeding the calendar year in which its certificate of existence was
20 issued by the commissioner.

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

25 (c) If the commissioner finds that the report conforms to the
26 requirements of this chapter, he shall file it. If he finds that it
27 does not conform to the requirements of this chapter, he shall promptly
28 return it to the company for necessary corrections. If the report is
29 corrected to conform to the requirements of this chapter and returned to

1 the commissioner in sufficient time to be filed before March 1 of the
2 year in which it is due, the penalties for failure to file the report
3 within the time provided do not apply.

4 (d) Each company organized under this chapter that fails or re-
5 fuses to file its annual report within the time prescribed is subject to
6 a penalty of \$100 for each year or part thereof the company is delinquent
7 in filing.

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

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

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

21 (1) the name of the company;

22 (2) the address of its registered office;

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

25 (4) the name of its registered agent;

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

28 (b) If the commissioner finds that the verified statement complies
29 with this chapter, he shall file it in his office. The change becomes

1 effective when the statement is filed.

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

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

10 Sec. 10.50.360. DEFINITIONS. In this chapter, unless the context
11 otherwise requires,

12 (1) "bankrupt" means bankrupt under the Federal Bankruptcy
13 Act;

14 (2) "commissioner" means the commissioner of commerce and
15 economic development;

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

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

20 (5) "person" includes individuals, general partnerships,
21 limited partnerships, limited liability companies, corporations, trusts,
22 business trusts, real estate investment trusts, estates and other
23 associations;

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

26 Sec. 10.50.370. ANNUAL REPORT TO LEGISLATURE. (a) The Department
27 of Revenue shall report the following information to the legislature on
28 an annual basis:

29 (1) the number of limited liability companies formed in the

1 preceding calendar year;

2 (2) the number of businesses previously incorporated under
3 chs. 5, 10 and 45 of this title that became limited liability companies
4 during the preceding year and the amount of income tax lost to the state
5 through that conversion;

6 (3) the number of foreign businesses forming limited lia-
7 bilities in Alaska and the estimated tax revenue loss to the state
8 occasioned by the foreign businesses becoming limited liability com-
9 panies instead of corporations;

10 (4) a statement of the amount of all administrative costs,
11 and income generated by fees; and

12 (5) any additional information considered relevant by the
13 Department of Revenue.

14 (b) The report shall be submitted to the presiding officers of the
15 legislature not later than ten days following the convening of the
16 annual regular session of the legislature.

17 Sec. 10.50.380. SHORT TITLE. This Act shall be known and may be
18 cited as the Alaska Limited Liability Company Act.
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