

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB649</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Echols</b>
<b>Date:</b>	<b>4/17/2024</b>
<b>Impact:</b>	<b>No Impact</b>

**Research Analysis**

The engrossed version of SB 649 authorizes a limited liability company (LLC) to form a registered series and allows a registered series to grant a security interest in its interests and assets. A registered series must file each series with the Secretary of State and comply with other requirements for shielding to qualify as a registered organization. An LLC registered series can be dissolved independently, can merge with another registered series of the same entity, can be revived if it loses good standing, and can convert into a protected series of the same entity. A protected series can also convert to a registered series.

The measure also authorizes an LLC to split into multiple LLCs and allocate its assets and liabilities among those LLCs. The terms of the division must be set in a plan of division including any terms under which interests in the dividing company will be canceled or converted into interests in another entity or the right to receive cash as well as how the assets and liabilities of the dividing company will be allocated in the division. The dividing company will file a certificate of division and articles of organization for each LLC formed in the division with the Secretary of State.

Prepared By: Autumn Mathews

**Fiscal Analysis**

In its current form, SB649 modifies the capabilities of a limited liability company (LLC).

The measure authorizes an LLC to form a registered series, allows a registered series to grant a security interest in its interests and assets, allows a registered series to be dissolved independently and to merge with another registered series of the same entity. The measure also allows a registered series to be revived if it loses good standing and to convert into a protected series of the same entity. A protected series may also convert to a registered series.

Engrossed SB649 also authorizes an LLC to split into multiple LLCs and allocate its assets and liabilities among those LLCs.

A registered series or a dividing company must file with the Secretary of State.

This measure is not expected to directly impact state revenue.

Prepared By: Zach Penrod, House Fiscal Staff

**Other Considerations**

None.

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