

FACT SHEET

HB 4500

Omnibus Bill for Business Organization Acts

Synopsis:

This bill contains technical amendments and new statutes to fix and correct problems within the following Business Organization Acts, to wit: The Limited Liability Company Act (LLCA) the Uniform Partnership Act (UPA), The Uniform Limited Partnership Act (ULPA), the General Not For Profit Corporation Act (NFP), The Limited Workers Cooperative Association Act (LWCA), the Entity Omnibus Act (EOA); and the Uniform Commercial Code (UCC).

AMENDS:

LWCA

805 ILCS 317/35
805 ILCS 317/36
805 ILCS 317/61
805 ILCS 317/63

LLCA

805 ILCS 180/1-35

UPA

805 ILCS 206/108
805 ILCS 206/1002

UCC

810 ILCS 5/9-525

EOA

805 ILCS 415/111

NFP

805 ILCS/105/115.10

ULPA

805 ILCS 215/1206

ADDS:

UPA

805 ILCS 206/110
805 ILCS 206/111
805 ILCS 206/1006

ULPA

805 ILCS 215/120
805 ILCS 215/121
805 ILCS 215/813

NFP

805 ILCS 105/114.13

This proposal amends the Business Organization Acts to make consistent and to clarify certain provisions. Specifically, the proposed legislation does the following:

- Amends LWCA Sections 35, 36, 61 and 63 to replace the term “director” with “manager and managing member”, to make the language consistent with the LLCA language used in the LWCA.
- Amends UPA Sec. 108 to set fees for the use of “assumed names” for limited liability partnerships, as provided in UPA Sec. 1002 below.
- Amends UPA Sec. 1002 and adds Sec. 1006 to provide for the use of “assumed names” by limited liability partnerships while transacting business in this State.
- Adds UPA Sections 110 and 111 to provide for Interrogatories and to limit the use of information obtained from said interrogatories. The usage of interrogatories will then be consistent with the other Business Organization Acts.
- Adds ULPA Sec. 813 to allow for the reinstatement of a limited partnership (LP) formed prior to 2005 that had a termination date. LP’s that expire on their termination date currently must go to court to reinstate.
- Amends ULPA Sec. 1206 to allow for the reinstatement of expired LP’s.
- Adds ULPA Sections 120 and 121 to provide for Interrogatories and to limit the use of information obtained from said interrogatories. The usage of interrogatories will then be consistent with the other Business Organization Acts.
- Adds NFP Sec. 114.13 to allow for the use of an interim report of changes within domestic or foreign not for profit corporations.
- Amends NFP Sec. 115.10 to set a \$10 fee for filing report of interim changes in Sec. 114.13.
- Amends LLCA Sec. 1-35 to provide that an LLC’s registered agent and office at time of dissolution shall remain as registered agent and office for a period of 5 years post-dissolution, unless agent resigns or LLC reports a valid change thereof. **House Floor Amendment No. 1 changed the period of 5 years to the period of 3 years post-dissolution of an LLC.**
- Amends UCC Sec. 9-525 to set a \$5 fee for filing a UCC Termination amendment and where said fee is deposited.
- Amends EOA Sec. 111 to prohibit not-for-profit corporations, subject to the NFP act, from converting into for-profit business entities.

Rationale/Reason for Changes

In the course of fulfilling its ministerial responsibilities, the Department of Business Services (the “Department”) notes deficiencies and inconsistencies in the various Business Organization Acts, to wit: the General Not For Profit Corporation Act, the Limited Liability Company Act, the Uniform Limited Partnership Act, etc. These amendments, changes and additions would make consistent the terms and fees of these Acts to similar provisions in the other Business Organization Acts, clarify confusing statutory provisions and streamline administrative procedures.

Effect on Other SOS Departments

There is no known effect on other SOS Departments.

Legislative History

This is the Department of Business Services’ annual fix-it bill. There is no prior legislative history.

Fiscal Implications

The fiscal implications of this bill are relatively minor. The \$10 fee for the NFP Interim Report and \$5 fee for the UCC termination report are minimal. The fees for LLP assumed names are the exact same as charged in the LLCA.

Effective Date

The desired effective date for this proposal is July 1, 2021 or upon becoming law.

Proponents/Opponents

No opponents are known.

Committee Representatives and contact persons:

Terrence J. McConville, Senior Attorney	312-814-2201
Nafees Rahman, Director	312-793-3988
Derek White, Deputy Director	217-524-2575