

2011 HOUSE JUDICIARY

HCR 3011

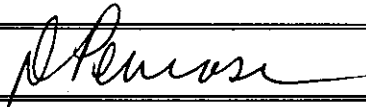
2011 HOUSE STANDING COMMITTEE MINUTES

House Judiciary Committee
Prairie Room, State Capitol

HCR 3011
February 1, 2011
13755

Conference Committee

Committee Clerk Signature



Minutes:

Chairman DeKrey: We will open the hearing on HCR 3011.

Rep. Larry Klemin: Sponsor, support. HCR 3011 was drafted to continue a study that we've been doing in the Interim Judiciary Committee on a revised Uniform Limited Liability Company Act. During the last interim we looked at this Act and did not complete our study of the Act and consequently we'd like to continue that during the next Interim and that's all this bill does, is to ask us to continue that Study.

Chairman DeKrey: Thank you. Further testimony in support of HCR 3011.

Al Jaeger, Secretary of State: Support (see attached 1). We're grateful that it was laid over because we did have concerns in the last biennium with it. Some of those concerns may still exist in the upcoming biennium so the fact that it's a study because depending on how things shake out, we will be prepared for the next legislative session. I did pass out statistics. There are a lot more on here than limited liability companies, but I just wanted to point out that in the 1993 session was the first time that the limited liability company act was authorized. We've tweaked the law every session since then, but I do want to point out the number of limited liability companies that we have. The main concern that we have, in our office, is that whatever uniform law comes along doesn't jeopardize the thousands of limited liability companies that we have and so that's where the study comes in. It's going to be handy so we can make sure that they aren't impacted. Because you can see that we have quite a few. Clara just informed me that right now, in terms of registrations of LLCs are outpacing corporations about 2 to 1 in our office as far as new applications coming in. It's definitely a vehicle or business structure that the business community sees as a vital option for them. We support the study and we'll assist in that process, in whatever way we can.

Chairman DeKrey: Thank you. Further testimony in support of HCR 3011. Testimony in opposition. We will close the hearing.

Chairman DeKrey: What are the committee's wishes in regard to HCR 3011.

Rep. Delmore: I move a Do Pass to be placed on the Consent calendar.

Rep. Koppelman: Second the motion.

14 YES 0 NO 0 ABSENT DO PASS, PLACE ON CONSENT CALENDAR
CARRIER: Rep. Klemin

Date: 2/1/11
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3071

House JUDICIARY Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Delmore Seconded By Rep. Koppelman

Representatives	Yes	No	Representatives	Yes	No
Ch. DeKrey	✓		Rep. Delmore	✓	
Rep. Klemin	✓		Rep. Guggisberg	✓	
Rep. Beadle	✓		Rep. Hogan	✓	
Rep. Boehning	✓		Rep. Onstad	✓	
Rep. Brabandt	✓				
Rep. Kingsbury	✓				
Rep. Koppelman	✓				
Rep. Kretschmar	✓				
Rep. Maragos	✓				
Rep. Steiner	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Klemin

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HCR 3011: Judiciary Committee (Rep. DeKrey, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3011 was placed on the Tenth order on the calendar.

2011 SENATE JUDICIARY

HCR 3011

2011 SENATE STANDING COMMITTEE MINUTES

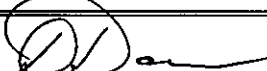
Senate Judiciary Committee
Fort Lincoln Room, State Capitol

HCR3011

3/28/11

Job #

Conference Committee

Committee Clerk Signature 

Explanation or reason for introduction of bill/resolution:

To continue its study of the feasibility and desirability of adopting the Revised Uniform Limited Liability Company Act

Minutes:

Senator Nething - Chairman

Representative Klemin – Introduces the study resolution and says the interim committee didn't complete their work and need to continue.

Senator Olafson – Asks if this is a required study, and what a limited liability company is.

Rep. Klemin – Said they don't want to miss out on doing the study. He then describes a LLC, Limited Liability Company, and other forms of partnerships for the benefit of students in the room.

Senator Sitte – Asks him about concerns that have arisen in other states.

Rep. Klemin – Says other states are waiting to act just like we are to see what states next to them are doing.

Senator Nething – Asked if they were influence because the president of the commission was a Minnesota lawyer.

Rep. Klemin – Said he doesn't think so.

Senator Nelson – Asks why we need a resolution to continue the study.

Rep. Klemin - Replies the NDULC has to report to an interim committee on its plans and the status of various uniform acts that were under consideration.

Al Jaeger – Secretary of State – Explains why it is a continuing study and has lingering concerns. He said the national committee is working on some amendments. Minnesota has not done anything with this yet. He said they have no problem with the study continuing. He says we have 15,000 limited liability companies and the number is exceeding corporations.

Opposition – 0

Close 3011

Senator Olafson moves a do pass
Senator Lyson seconded

Roll call vote – 6 yes, 0 no

Senator Nelson will carry

Date: 3/28/11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3011

Senate Judiciary Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Olafson Seconded By Senator Lyson

Senators	Yes	No	Senators	Yes	No
Dave Nething - Chairman	X		Carolyn Nelson	X	
Curtis Olafson - V. Chairman	X				
Stanley Lyson	X				
Margaret Sitte	X				
Ronald Sorvaag	X				

Total (Yes) 6 No 0

Absent _____

Floor Assignment Senator Nelson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HCR 3011: Judiciary Committee (Sen. Nething, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3011 was placed on the
Fourteenth order on the calendar.

2011 TESTIMONY

HCR 3011

Business Registrations on Record with the Secretary of State as of January 28, 2011

Business Corporations	12,972	
Publicly Traded Corporation – Chapter 10-35, North Dakota Century Code	1	
Limited Liability Companies	9,205	✓
Cooperatives/Electric Cooperatives/Mutual Aid Corporations/Grazing Assn	300	
Farm Corporations	758	
Farm Limited Liability Companies	175	✓
Professional Corporations	949	
Professional Limited Liability Companies	134	✓
Foreign Business Corporations	13,980	
Foreign Professional Corporations	149	
Foreign Limited Liability Companies	4,949	✓
Foreign Professional Limited Liability Companies	32	✓
Foreign Cooperatives	74	
Limited Partnerships – Domestic	1,850	
Limited Partnerships – Foreign	490	
Limited Liability Partnerships – Domestic	2,632	
Limited Liability Partnerships – Foreign	79	
Limited Liability Limited Partnerships – Domestic	722	
Limited Liability Limited Partnerships – Foreign	17	
Nonprofit Corporations – Domestic	6,094	
Nonprofit Corporations – Foreign	2,262	
Nonprofit Corporations – Church	1,365	
Nonprofit Certified Development Corporations	8	
Nonprofit Limited Liability Companies	8	✓
Total	59,205	