

*Substituted by H.F. 2370  
3/26/96 (p. 1040)*

*3/5/96 W. + means  
3/14/96 De Pass*

WITHDRAWN

FILED MAR 4 1996

SENATE FILE **2429**

BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 2153)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to limited liability companies and corporations,  
2 including the period within which a limited liability company  
3 subject to dissolution may be continued, use of trade names by  
4 corporations and limited liability companies, and providing an  
5 exemption from the real estate transfer tax for certain  
6 transfers involving limited liability companies.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

8  
9  
10

**SENATE FILE 2429**

**S-5430**

- 1 Amend Senate File 2429 as follows:
- 2 1. By striking page 1, line 22, through page 2,
- 3 line 3.
- 4 2. Title page, by striking lines 3 and 4 and
- 5 inserting the following: "subject to dissolution may
- 6 be continued, and providing an".

By O. GENE MADDOX

**S-5430 FILED MARCH 20, 1996**

*Adopted 3/26/96 (p. 1040)*

20  
21  
22  
23

S.F. 2429

WVARCHTIV

1 Section 1. Section 428A.2, subsection 14, Code Supplement  
2 1995, is amended to read as follows:

3 14. The making or delivering of instruments of transfer  
4 resulting from a corporate merger, consolidation, or  
5 reorganization or a merger, consolidation, or reorganization  
6 of a limited liability company under the laws of the United  
7 States or any state thereof, where such instrument states such  
8 fact on the face thereof.

9 Sec. 2. Section 490A.1301, subsection 3, Code Supplement  
10 1995, is amended to read as follows:

11 3. Unless otherwise provided in the articles of  
12 organization or an operating agreement, upon the death,  
13 insanity, retirement, resignation, withdrawal, expulsion,  
14 bankruptcy, or dissolution of a member or occurrence of any  
15 other event that terminates the continued membership of a  
16 member in the limited liability company, unless the business  
17 of the limited liability company is continued by the consent  
18 of the members in the manner stated in the articles of  
19 organization or an operating agreement or if not so stated, by  
20 the unanimous consent of the remaining members within ninety  
21 days of the occurrence of the event.

22 Sec. 3. Section 547.1, Code 1995, is amended to read as  
23 follows:

24 547.1 USE OF TRADE NAME -- VERIFIED STATEMENT REQUIRED.

25 A person or copartnership shall not engage in or conduct a  
26 business under a trade name, or an assumed name of a character  
27 other than the true surname of each person owning or having an  
28 interest in the business, unless the person first records with  
29 the county recorder of the county in which the business is to  
30 be conducted a verified statement showing the name, post  
31 office address, and residence address of each person owning or  
32 having an interest in the business, and the address where the  
33 business is to be conducted. However, this provision does not  
34 apply to any corporation or limited liability company  
35 incorporated or organized in this state or any foreign

1 corporation or foreign limited liability company authorized to  
2 do business in this state or doing business pursuant to an  
3 exemption in chapter 490 or 490A.

4 EXPLANATION

5 This bill provides that transfers of real estate in  
6 connection with a merger, consolidation, or reorganization of  
7 a limited liability company are exempt from the real estate  
8 transfer tax.

9 The bill also provides that the approval of the remaining  
10 members of a limited liability company to continue the company  
11 after the occurrence of an event requiring dissolution of the  
12 company must occur within 90 days of the event. A dissolution  
13 event includes the loss of a member due to death, retirement,  
14 or expulsion.

15 In addition, the bill provides that corporations and  
16 limited liability companies operating under trade names are  
17 exempt from the requirement that the trade names be registered  
18 with the county recorder in each county in which business is  
19 to be conducted by the corporation or limited liability  
20 company.

21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

Maddox  
Giannetto  
Vilsack  
Auerhauer  
Redfern

SSB-2153  
Judiciary

Succeeded By  
SENATE FILE SF/HF 2429  
BY (PROPOSED COMMITTEE ON  
JUDICIARY BILL BY  
CHAIRPERSON GIANNETTO)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to limited liability companies and corporations,  
2 including the period within which a limited liability company  
3 subject to dissolution may be continued, use of trade names by  
4 corporations and limited liability companies, and providing an  
5 exemption from the real estate transfer tax for certain  
6 transfers involving limited liability companies.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Section 1. Section 428A.2, subsection 14, Code Supplement  
2 1995, is amended to read as follows:

3 14. The making or delivering of instruments of transfer  
4 resulting from a corporate merger, consolidation, or  
5 reorganization or a merger, consolidation, or reorganization  
6 of a limited liability company under the laws of the United  
7 States or any state thereof, where such instrument states such  
8 fact on the face thereof.

9 Sec. 2. Section 490A.1301, subsection 3, Code Supplement  
10 1995, is amended to read as follows:

11 3. Unless otherwise provided in the articles of  
12 organization or an operating agreement, upon the death,  
13 insanity, retirement, resignation, withdrawal, expulsion,  
14 bankruptcy, or dissolution of a member or occurrence of any  
15 other event that terminates the continued membership of a  
16 member in the limited liability company, unless the business  
17 of the limited liability company is continued by the consent  
18 of the members in the manner stated in the articles of  
19 organization or an operating agreement or if not so stated, by  
20 the unanimous consent of the remaining members within ninety  
21 days of the occurrence of the event.

22 Sec. 3. Section 547.1, Code 1995, is amended to read as  
23 follows:

24 547.1 USE OF TRADE NAME -- VERIFIED STATEMENT REQUIRED.

25 A person or copartnership shall not engage in or conduct a  
26 business under a trade name, or an assumed name of a character  
27 other than the true surname of each person owning or having an  
28 interest in the business, unless the person first records with  
29 the county recorder of the county in which the business is to  
30 be conducted a verified statement showing the name, post  
31 office address, and residence address of each person owning or  
32 having an interest in the business, and the address where the  
33 business is to be conducted. However, this provision does not  
34 apply to any corporation or limited liability company  
35 incorporated or organized in this state or any foreign

1 corporation or foreign limited liability company authorized to  
2 do business in this state or doing business pursuant to an  
3 exemption in chapter 490 or 490A.

4 EXPLANATION

5 This bill provides that transfers of real estate in  
6 connection with a merger, consolidation, or reorganization of  
7 a limited liability company are exempt from the real estate  
8 transfer tax.

9 The bill also provides that the approval of the remaining  
10 members of a limited liability company to continue the company  
11 after the occurrence of an event requiring dissolution of the  
12 company must occur within 90 days of the event. A dissolution  
13 event includes the loss of a member due to death, retirement,  
14 or expulsion.

15 In addition, the bill provides that corporations and  
16 limited liability companies operating under trade names are  
17 exempt from the requirement that the trade names be registered  
18 with the county recorder in each county in which business is  
19 to be conducted by the corporation or limited liability  
20 company.

21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35