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**HOUSE BILL NO. 1957**

Offered January 14, 2009

Prefiled January 13, 2009

*A BILL to amend and reenact § 13.1-1002 of the Code of Virginia, relating to principal offices of limited liability companies.*

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Patron—Mathieson

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Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:****1. That § 13.1-1002 of the Code of Virginia is amended and reenacted as follows:**

§ 13.1-1002. Definitions.

As used in this chapter:

"Articles of organization" means all documents constituting, at any particular time, the articles of organization of a limited liability company. It includes the original articles of organization, the original certificate of organization issued by the Commission, and all amendments to the articles of organization. When the articles of organization have been restated pursuant to any articles of amendment, it includes only the restated articles of organization and any subsequent amendments to the restated articles of organization, but does not include the articles of amendment accompanying the restated articles of organization.

"Bankruptcy" means, with respect to any person, being the subject of an order for relief under Title 11 of the United States Code.

"Commission" means the State Corporation Commission of Virginia.

"Contribution" means any cash, property or services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a member contributes to a limited liability company in his capacity as a member.

"Distribution" means a direct or indirect transfer of money or other property, or incurrence of indebtedness by a limited liability company, to or for the benefit of its members in respect of their interests.

"Domestic business trust" has the same meaning as specified in § 13.1-1201.

"Domestic corporation" has the same meaning as specified in § 13.1-603.

"Domestic limited partnership" has the same meaning as specified in § 50-73.1.

"Domestic partnership" means an association of two or more persons to carry on as co-owners a business for profit formed under § 50-73.88, or predecessor law of the Commonwealth, and includes, for all purposes of the laws of the Commonwealth, a registered limited liability partnership.

"Electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process. Any term used in this definition that is defined in § 59.1-480 of the Uniform Electronic Transactions Act shall have the meaning set forth in such section.

"Foreign business trust" has the same meaning as specified in § 13.1-1201.

"Foreign corporation" has the same meaning as specified in § 13.1-603.

"Foreign limited liability company" means an entity, excluding a foreign business trust, that is an unincorporated association organized under laws other than the laws of this Commonwealth, and that affords to each of its members, pursuant to the laws under which it is organized, limited liability with respect to the liabilities of the entity.

"Foreign limited partnership" has the same meaning as specified in § 50-73.1.

"Foreign partnership" means an association of two or more persons to carry on as co-owners a business for profit formed under the laws of any state or jurisdiction other than the Commonwealth, and includes, for all purposes of the laws of the Commonwealth, a foreign registered limited liability partnership.

"Foreign registered limited liability partnership" has the same meanings as specified in §§ 50-2 and 50-73.79.

"Limited liability company" or "domestic limited liability company" means an entity that is an unincorporated association that is organized and existing under this chapter, or that has become a domestic limited liability company of the Commonwealth pursuant to § 13.1-1010.3, even though also being a non-United States entity organized under laws other than the laws of the Commonwealth, or that has become a domestic limited liability company of the Commonwealth pursuant to § 56-1, even though

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59 also being a limited liability company organized under laws other than the laws of the Commonwealth,  
60 or that has become a domestic limited liability company of the Commonwealth pursuant to  
61 § 13.1-1010.1, Article 12.2 (§ 13.1-722.8 et seq.) of Chapter 9 of this title, or, effective on and after  
62 November 1, 2006, Article 14 (§ 13.1-1074 et seq.) of Chapter 12 of this title. A limited liability  
63 company's status for federal tax purposes shall not affect its status as a distinct entity organized and  
64 existing under this chapter.

65 "Manager" or "managers" means a person or persons designated by the members of a limited liability  
66 company to manage the limited liability company as provided in the articles of organization or an  
67 operating agreement.

68 "Manager-managed limited liability company" means a limited liability company that is managed by  
69 a manager or managers as provided for in its articles of organization or an operating agreement.

70 "Member" means a person that has been admitted to membership in a limited liability company as  
71 provided in § 13.1-1038.1 and that has not ceased to be a member.

72 "Member-managed limited liability company" means a limited liability company that is not a  
73 manager-managed limited liability company.

74 "Membership interest" or "interest" means a member's share of the profits and the losses of the  
75 limited liability company and the right to receive distributions of the limited liability company's assets.

76 "Non-United States entity" means a foreign limited liability company (other than one formed under  
77 the laws of a state), or a corporation, business trust or association, real estate investment trust,  
78 common-law trust, or any other unincorporated business, including a partnership, formed, incorporated,  
79 organized, created or that otherwise came into being under the laws of any foreign country or other  
80 foreign jurisdiction (other than any state).

81 "Operating agreement" means an agreement of the members as to the affairs of a limited liability  
82 company and the conduct of its business, or a writing or agreement of a limited liability company with  
83 one member that satisfies the requirements of subdivision A 2 of § 13.1-1023.

84 "Person" has the same meaning as specified in § 13.1-603.

85 "Principal office" means the office, in or out of the Commonwealth, where the principal executive  
86 offices of a domestic or foreign limited liability company are located. *The designation of the principal*  
87 *office in a document, in such form as the Commission may prescribe for notification of a change of*  
88 *principal office, that is submitted with the limited liability company's most recent payment of annual*  
89 *registration fees pursuant to § 13.1-1061 shall be conclusive for purposes of this chapter.*

90 "State," when referring to a part of the United States, includes a state, commonwealth and the  
91 District of Columbia, and their agencies and governmental subdivisions; and a territory or insular  
92 possession, and their agencies and governmental subdivisions, of the United States.

93 "United States" includes a district, authority, bureau, commission, department and any other agency  
94 of the United States.