

ENROLLMENT(S)



(5)

COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

D.C. LAW 11- 38

" Limited Liability Company Amendment Act of 1995".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P.L. 93-198 "the Act", the Council of the District of Columbia adopted Bill No. 11-75 on first and second readings, May 2, 1995 and June 6, 1995, respectively. Following the signature of the Mayor on June 19, 1995, pursuant to Section 404(e) of "the Act", and was assigned Act No. 11-71 and published in the June 30, 1995, edition of the D.C. Register (Vol. 42 page 3269) and transmitted to Congress on June 22, 1995 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 11-38 effective September 8, 1995.



DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

June	22,23,26,27,28,29,30
July	10,11,12,13,14,17,18,19,20,21,24,25,26,27,28,31
Aug.	1,2,3,4
Sept.	5,6,7

AN ACT

D.C. ACT 11-71

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JUNE 19, 1995

To amend the Limited Liability Company Act of 1994 to establish an exemption to the requirement for payment of the recordation and transfer taxes for a new deed which acknowledges the vesting by operation of law of title to real property in a limited liability company formed from a general or limited partnership pursuant to the Limited Liability Company Act of 1994.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Limited Liability Company Amendment Act of 1995".

Sec. 2. The Limited Liability Company Act of 1994, effective July 23, 1994 (D.C. Law 10-138; 41 DCR 3010), is amended as follows:

(a) A new section 2a is added to read as follows:

New Section
29-1301.1

"Sec. 2a. Purposes.

"Every limited liability company formed under this act has the purpose of engaging in any lawful business, except as otherwise provided by the laws of the District, unless a more limited purpose is set forth in the articles of organization."

(b) Section 5(a) is amended by adding the phrases "or LLC" and "or PLLC" after the phrases "L.L.C." and "P.L.L.C" respectively.

Section
29-1304
Section
29-1306

(c) Section 7(a)(3) is amended by striking the phrase "section 11" and inserting the phrase "section 10" in its place.

(d) Section 14 is amended by adding a new subsection (k) to read as follows:

Section
29-1313

"(k)(1) Except as provided in paragraph (3) of this subsection, the recordation tax imposed by section 303 of the District of Columbia Real Estate Deed Recordation Tax Act, approved March 2, 1962 (76 Stat.12; D.C. Code § 45-923), or the transfer tax imposed by section 403 of the District of Columbia Revenue Act of 1980, effective September 13, 1980 (D.C. Law 3-92; D.C. Code § 47-903), shall not be imposed, in connection with the conversion of a partnership to a limited liability company, upon the following:

Note, Section
45-923
Note, Section
47-903

"(A) The filing of the articles of organization of the limited liability

company converting the partnership to a limited liability company;

"(B) The recordation of a deed reflecting that the limited liability company has become the legal title holder; or

"(C) The transfer of title or other interest in real property from the partnership to the limited liability company.

"(2) The exemptions enumerated in paragraph (1) of this subsection shall be effective regardless of whether the deed or transfer to the limited liability company is from nominees or trustees for the predecessor partnership or from the predecessor partnership itself.

"(3) The exemptions enumerated in paragraph (1) of this subsection shall only be applicable if:

"(A) The members of the limited liability company are identical to the partners of the converting general or limited partnership;

"(B) Each member's allocation of the profits and losses of the limited liability company is identical to his or her allocation of the profits and losses of the converting general or limited partnership; and

"(C) There is no change in the members of the limited liability company or in the allocation to any member in the profits and losses of the limited liability company during the 12-month period following the effective date of the conversion, other than by reason of the death of a member or the involuntary dissolution of the limited liability company."

(e) Section 16 is amended by striking the phrase "through 48" and inserting the phrase "through 47" in its place.

Section
29-1315

(f) Section 33(b)(2) is amended by striking the phrase "sections 37 and 38" and inserting the phrase "sections 36 and 37" in its place.

Section
29-1332

(g) Section 37 is amended as follows:

Section
29-1336

(1) Subsection (b) is amended by striking the phrase "section 38," and inserting the phrase "section 38 and unless otherwise provided in the articles of organization or an operating agreement," in its place.

(2) Subsection (c)(2)(B) is amended by striking the phrase "majority in interest".

(h) Section 42 is amended as follows:

Section
29-1341

"(1) Subsection (c) is amended by striking the phrase "subsection (b)(2)" and inserting the phrase "subsection (b)" in its place.

"(2) Subsections (g) and (h) are amended by striking the phrase "subsection (e)(2)" and inserting the phrase "subsection (f)(2)" in its place.

(i) Section 56 is amended by striking the phrase "abbreviations "L.L.C."" and inserting the phrase "abbreviation "L.L.C." or "LLC"" in its place.

Section
29-1355

(j) Section 64(a)(2)(F) is amended by striking the phrase "section 58" and inserting the phrase "section 57" in its place."

Section
29-1363

Sec. 3. The provisions of section 2 shall apply as of July 23, 1994.

Note, Section
29-1301.1

Sec. 4. Conforming amendments.

(a) Section 72b of the District of Columbia Business Corporation Act, approved June 8, 1954 (68 Stat. 179; D.C. Code § 29-372.1), is amended as follows:

Section
29-372.1

(1) Subsection (e) is amended by striking the phrases "section 67" and "section 68" and inserting the phrases "section 68" and "section 69" respectively in their places.

(2) Subsection (g) is amended by striking the phrase "section 69" wherever it appears and inserting the phrase "section 70" in its place."

(b) Section 302 of the District of Columbia Real Estate Deed Recordation Tax Act, approved March 2, 1962 (76 Stat. 11; D.C. Code § 45-922), is amended by adding a new paragraph (21) to read as follows:

Section
45-922

"(21)(A) A deed to property transferred pursuant to section 14 of the Limited Liability Company Act of 1994, effective July 23, 1994 (D.C. Law 10-138; to be codified at D.C. Code § 29-1313).

Note, Section
29-1313

"(B) In order for limited liability companies to receive the exemption provided in subparagraph (A) of this paragraph, the Recorder of Deeds shall be notified, within 30 days, of any change to the members or interests in profits and losses during the 12-month period following the effective date of the conversion so that the applicable recordation tax can be imposed.

"(C) Violation of the provisions of subparagraph (B) of this paragraph shall be punishable pursuant to section 320."

(c) Section 402 of the District of Columbia Revenue Act of 1980, effective September 13, 1980 (D.C. Law 3-92; D.C. Code § 47-902), is amended by adding a new paragraph (16) to read as follows:

Section
47-902

"(16)(A) A transfer of property to a limited liability company in accordance with section 14 of the Limited Liability Company Act of 1994, effective July 23, 1994 (D.C. Law 10-138; to be codified at D.C. Code § 29-1313).

Note, Section
29-1313

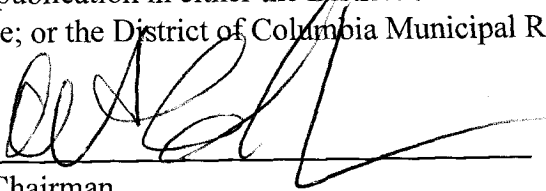
"(B) In order for limited liability companies to receive the exemption provided in subparagraph (A) of this paragraph, the Director of the Department of Finance and Revenue shall be notified, within 30 days, of any change to the members or interests in profits and losses during the 12-month period following the effective date of the conversion so that the applicable transfer tax can be imposed.

"(C) Violation of the provisions of subparagraph (B) of this paragraph shall be punishable pursuant to section 418."

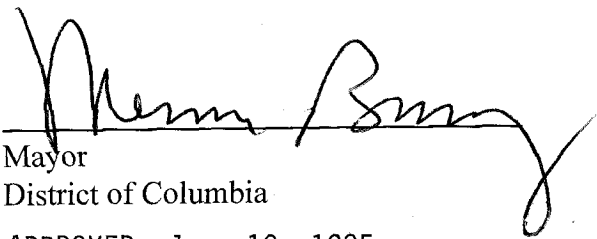
Sec. 5. Effective date.

This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of a veto by the Mayor, action by the council to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and

Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in either the District of Columbia Register, the District of Columbia Statutes-at-Large; or the District of Columbia Municipal Regulations.



Chairman
Council of the District of Columbia



Mayor
District of Columbia

APPROVED: June 19, 1995



COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD ELEVEN

RECORD OF OFFICIAL COUNCIL VOTE

Docket No. B11-75

ITEM ON CONSENT CALENDAR

ACTION & DATE Adopted First Reading, 05-02-95

VOICE VOTE Approved

RECORDED VOTE ON REQUEST all present

ABSENT _____

ROLL CALL VOTE - Result _____

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason									
Cropp					Patterson									
Evans					Ray									

X - Indicates Vote AB - Absent NV - Present not Voting

CERTIFICATION RECORD

Regis Jen
Secretary to the Council

June 9, 1995
Date

ITEM ON CONSENT CALENDAR

ACTION & DATE Adopted Final Reading, 06-06-95

VOICE VOTE Approved

RECORDED VOTE ON REQUEST Brazil and Thomas

ABSENT _____

ROLL CALL VOTE - Result _____

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X-indicates no AB-Absent NV-Present not voting

CERTIFICATION RECORD

Regis Jen
Secretary to the Council

June 9, 1995
Date

ITEM ON CONSENT CALENDAR

ACTION & DATE _____

VOICE VOTE _____

RECORDED VOTE ON REQUEST _____

ABSENT _____

ROLL CALL VOTE - Result _____

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X - Indicates Vote AB - Absent NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date