



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-4202/3
ARG:amn

2021 SENATE BILL 566

September 15, 2021 - Introduced by Senators WIMBERGER and L. TAYLOR, cosponsored by Representatives TUSLER, BROOKS, CABRAL-GUEVARA, DITTRICH, GOYKE, HEBL, KNODL, MACCO, ROZAR and SKOWRONSKI. Referred to Committee on Veterans and Military Affairs and Constitution and Federalism.

1 **AN ACT to repeal** 178.0105 (3) (b), 178.1123 (3) (b), 178.1133 (3) (b), 178.1143 (3)
2 (b), 178.1153 (3) (b), 178.1161 (2) (a), 180.0122 (1) (z), 180.0125 (4) (b), 180.0401
3 (2) (a) 5., 6., 7. and 8., 180.0502 (1) (c), 180.0502 (2), 180.1101 (3) (a), 180.1103
4 (title), 180.1103 (6), 180.1105 (1) (h), 180.1161 (5) (a), (b) and (c), 180.1506 (2)
5 (a) 5., 6., 7. and 8., 180.1508 (1) (a) and (b), 180.1508 (1) (f), 181.0120, 181.0121
6 (1) (a) 4., 181.0122, 181.0124, 181.0125, 181.0126, 181.0128 (1) (title), 181.0128
7 (2) (title), 181.0128 (3) (title), 181.0128 (4), 181.0128 (5) (title), 181.0128 (6)
8 (title), 181.0141 (5), 181.0401 (2) (a) 6., 7. and 8., 181.0402 (1) (title), 181.0402
9 (2) (title), 181.0501 (1) (title), 181.0501 (2) (title), 181.0501 (3) (title), 181.0502
10 (2), 181.0502 (3) (title), 181.0503 (1) (title), 181.0503 (1) (d) and (e), 181.0503
11 (2), 181.0503 (3) (title), 181.0504 (1) (title), 181.0504 (2) (title), 181.0504 (3)
12 (title), 181.1101 (1) (title), 181.1101 (2), 181.1101 (3), 181.1104, 181.1105,
13 181.1106, 181.1107, 181.1161 (1) (b), 181.1161 (2) (b), 181.1161 (3) (e), (f) and
14 (g), 181.1161 (4), (5) and (6), 181.1420 (5), 181.1506 (2) (a) 6., 7. and 8., 181.1507

SENATE BILL 566

1 (1) (title), 181.1507 (2) (title), 181.1507 (3) (title), 181.1509 (1) (title), 181.1509
2 (1) (d) and (e), 181.1509 (2), 181.1509 (3) (title), 181.1510 (1) (title), 181.1510
3 (2) (title), 181.1510 (3) (title), 181.1510 (4) (title), 181.1533, 181.1622 (1),
4 181.1622 (2) (title), 181.1622 (3) (title), 181.1622 (4) (title), 181.1622 (5) and
5 612.22 (2) (a), (b), (c) and (d); **to renumber** 178.0104, 178.0806 (7), 180.0122 (1)
6 (a) to (ym), 180.1100 (1), 180.1103 (4) (intro.) and (a), 180.1103 (5) (title) and (a),
7 181.0128 (3), 181.0128 (6), 181.1100 (1), 181.1103 (5), 181.1103 (6), 181.1161 (3)
8 (c), 181.1622 (title) and 613.13 (3); **to renumber and amend** 180.0122 (1)
9 (intro.), 180.0122 (1) (yr), 180.0124 (1), 180.0125 (2) (b), 180.0501, 180.0502 (3),
10 180.1101 (2), 180.1102 (2), 180.1102 (3), 180.1102 (4), 180.1103 (1), 180.1103 (2),
11 180.1103 (3), 180.1103 (4) (b), 180.1103 (5) (b), 180.1105 (1) (i), 180.1106 (1) (am)
12 1., 180.1106 (1) (e), 180.1161 (5) (intro.), 180.1507, 180.1508 (2), 180.1531 (2) (c)
13 2., 181.0123, 181.0128 (title), 181.0128 (1), 181.0128 (2), 181.0128 (5), 181.0501
14 (intro.), 181.0501 (1), 181.0501 (2), 181.0501 (3), 181.0502 (3), 181.1103 (1),
15 181.1103 (2), 181.1103 (3), 181.1103 (4), 181.1161 (1) (a), 181.1161 (2) (a),
16 181.1161 (3) (intro.), (a) and (b), 181.1161 (3) (d), 181.1507 (intro.), 181.1507 (1),
17 181.1507 (2), 181.1507 (3), 181.1622 (2), 181.1622 (3), 181.1622 (4) and 612.22
18 (2) (intro.); **to consolidate, renumber and amend** 178.1161 (2) (intro.) and
19 (b), 180.0125 (4) (intro.) and (a) and 180.1101 (3) (intro.) and (b); **to amend**
20 11.0101 (9), 13.69 (1), 44.03 (3), 71.80 (21), 71.80 (21m), 71.80 (22), 71.80 (22m),
21 73.03 (58), 77.25 (6m), 77.25 (6q), 77.25 (6t), 77.61 (15), 97.605 (4) (a) 1., 97.67
22 (2) (c) (intro.), 108.025 (1) (b), 139.34 (9), 157.62 (1) (b) and (2) (b) 1., 2. and 7.,
23 165.68 (5) (f) 1., 178.0102 (11), 178.0102 (14), 178.0105 (3) (a), 178.0105 (3) (d),
24 178.0105 (3) (f), 178.0105 (3) (h) (intro.), 178.0105 (3) (n), 178.0105 (4) (c)
25 (intro.), 178.0110 (2) (b), 178.0120 (1), 178.0121 (title), 178.0121 (2) (a),

SENATE BILL 566

1 178.0121 (2) (b) 1., 178.0121 (2) (b) 2., 178.0121 (2) (b) 3., 178.0121 (2) (b) 4.,
2 178.0121 (2) (c), 178.0301 (1), 178.0303 (1) (b) 2., 178.0303 (1) (b) 3., 178.0303
3 (2) (b), 178.0303 (2) (c), 178.0303 (2m) (a) 2., 178.0303 (2m) (a) 3., 178.0401 (3),
4 178.0401 (5), 178.0402 (2) (a), 178.0405 (3), 178.0409 (3), 178.0601 (4) (c) 2.,
5 178.0701 (5), 178.0701 (7) (d), 178.0701 (9), 178.0804 (1) (intro.), 178.0806 (3)
6 (a), 178.0807 (2) (c), 178.0807 (3) (b) 1. and 2., 178.0807 (4), 178.0808 (title),
7 178.0808 (1), 178.0808 (2) (a), 178.0809 (1), 178.0901 (3) (c), 178.0902 (1),
8 178.0902 (2), 178.0902 (5), 178.09032 (5), 178.0905 (2), 178.0908 (2), 178.0911
9 (1) (intro.), 178.0911 (1) (b), 178.0911 (1) (c), 178.0912 (1), 178.0913 (1) (b),
10 178.1003 (5), 178.1004 (intro.), 178.1004 (1), 178.1004 (4), 178.1006 (1),
11 178.1006 (2), 178.1009 (1) (c), 178.1009 (1) (f), 178.10101 (1) (d), 178.10102 (1),
12 178.10102 (2) (b), 178.1011 (1) (c), 178.1101 (16) (b), 178.1101 (16) (h), 178.1101
13 (18) (b), 178.1101 (18) (i), 178.1102 (2), 178.1123 (2), 178.1124 (1) (d) 2., 178.1124
14 (1) (f), 178.1125 (1) (f), 178.1125 (2) (a), 178.1125 (2) (b), 178.1133 (1), 178.1133
15 (2), 178.1134 (1) (d), 178.1134 (1) (f), 178.1135 (1) (a), 178.1135 (5) (a), 178.1135
16 (5) (b), 178.1141 (1), 178.1142 (1) (f), 178.1143 (1), 178.1143 (2), 178.1144 (1) (a),
17 178.1144 (1) (d), 178.1144 (1) (f), 178.1145 (1) (f), 178.1145 (2), 178.1153 (2),
18 178.1154 (1) (d), 178.1154 (1) (f), 178.1155 (1) (e), 178.1155 (1) (f), 178.1161 (1)
19 (intro.), 180.0103 (5), 180.0103 (8), 180.0103 (9), 180.0103 (11m), 180.0120 (1)
20 (intro.), 180.0120 (1) (g), 180.0120 (3) (a) (intro.), 180.0121 (1) (a) 4., 180.0122
21 (4), 180.0122 (5), 180.0123 (title), 180.0123 (1) (a) (intro.), 180.0125 (1),
22 180.0125 (4) (c), 180.0128 (2) (b) 5., 180.0141 (5) (a) (intro.), 180.0202 (1) (h),
23 180.0401 (2) (a) 2., 180.0401 (2) (a) 9., 180.0401 (3) (a), 180.0401 (4) (intro.), (a)
24 and (b), 180.0402, 180.0403 (title), 180.0403 (1) (a), 180.0403 (1) (c), 180.0502
25 (1) (intro.), 180.0503 (1) (intro.), (a), (b), (c) and (d), 180.0504 (2) (intro.), (a) and

SENATE BILL 566

1 (c), 180.0504 (3), 180.0624, subchapter XI (title) of chapter 180 [precedes
2 180.1100], 180.1100 (2) and (3), 180.1101 (title), 180.1101 (1), 180.1102 (title),
3 180.1102 (1), 180.1104 (1), 180.1104 (2) (intro.) and (b), 180.1104 (3), 180.1104
4 (4), 180.11045 (1) (a), 180.1105 (title), 180.1105 (1) (intro.), 180.1105 (1) (am),
5 180.1105 (1) (bm), 180.1105 (1) (cm), 180.1105 (1) (dm), 180.1105 (1) (e),
6 180.1105 (1) (f), 180.1105 (1) (g), 180.1105 (2), 180.1106 (title), 180.1106 (1)
7 (intro.), 180.1106 (1) (a), 180.1106 (1) (am) 2., 180.1106 (1) (b), 180.1106 (1) (c),
8 180.1106 (1) (d), 180.1106 (1) (f), 180.1106 (2), 180.1106 (3), 180.1130 (2) (a),
9 180.1130 (3) (a) (intro.), 180.1130 (3) (a) 2., 180.1140 (4) (a) (intro.), 180.1140 (4)
10 (a) 2., 180.1140 (4) (e) 3., 180.1150 (3) (e), 180.1150 (4) (f), 180.1161 (1), 180.1161
11 (2), 180.1161 (3) (intro.), (a), (b), (d) and (e), 180.1161 (4) (intro.) and (a) 1.,
12 180.1161 (4) (b), (c) and (d), 180.1161 (6), 180.1301 (2), 180.1302 (1) (a) 1.,
13 180.1302 (1) (a) 3. c., 180.1302 (1) (a) 3. d., 180.1302 (1) (b), 180.1330 (2),
14 180.1407 (1) (intro.) and (b), 180.1421 (1), 180.1421 (2), 180.1421 (2m) (a),
15 180.1422 (3), 180.1423 (2), 180.1503 (1) (e), 180.1506 (2) (a) 2., 180.1506 (2) (a)
16 9., 180.1506 (2) (b), 180.1506 (3) (a), 180.1506 (4) (intro.), (a) and (b), 180.1508
17 (1) (intro.), 180.1508 (1) (d), 180.1509 (1) (intro.), (a), (b), (c) and (d), 180.1510
18 (4) (a) (intro.), 180.1520 (2) (c), 180.1530 (1) (a), (d), (e) and (f), 180.1531 (1),
19 180.1531 (2) (a), 180.1531 (2) (b), 180.1531 (2) (c) 1. (intro.), 180.1531 (2m) (a),
20 180.1532 (1), 180.1622 (1) (intro.), (b), (c) and (d), 180.1622 (2), 180.1706 (1),
21 180.1706 (2) (intro.), 180.1707 (1), 180.1708 (5), 180.1805 (5), 180.1813 (title),
22 180.1813 (1), 181.0103 (5), 181.0103 (12), 181.0103 (13), 181.0103 (19),
23 181.0121 (1) (a) 3., 181.0121 (1) (b), 181.0141 (4), subchapter II (title) of chapter
24 181 [precedes 181.0201], 181.0202 (1) (d), 181.0203 (1), 181.0401 (1) (a) 1.,
25 181.0401 (2) (a) 3., 181.0401 (2) (a) 9., 181.0401 (3) (a), 181.0401 (4) (intro.), (a)

SENATE BILL 566

1 and (b), 181.0402 (title), 181.0402 (1), 181.0402 (2), 181.0403 (title), 181.0403
2 (1) (a), 181.0403 (1) (c), 181.0501 (title), 181.0502 (title), 181.0503 (1) (intro.),
3 (a) and (b), 181.0503 (1) (c), 181.0503 (3) (intro.), 181.0504 (title), 181.0504 (1),
4 181.0504 (2) (intro.), (a) and (c), 181.0504 (3), 181.0670 (2) (d), 181.0705 (2),
5 181.0705 (3) (b), 181.0809 (2) (c), subchapter XI (title) of chapter 181 [precedes
6 181.1100], 181.1100 (2), 181.1100 (3), 181.1101 (1), 181.1161 (title), 181.1421
7 (1), 181.1421 (4), 181.1422 (3), 181.1423 (2), 181.1503 (1) (e), 181.1506 (2) (a) 3.,
8 181.1506 (2) (a) 9., 181.1506 (3) (a), 181.1506 (4) (intro.), (a) and (b), 181.1509
9 (1) (intro.), (a) and (b), 181.1509 (1) (c), 181.1509 (3) (intro.), 181.1510 (title),
10 181.1510 (1), 181.1510 (4) (a) (intro.), 1. and 3., 181.1510 (4) (b), 181.1520 (2)
11 (c), 181.1601 (5) (g), 182.01 (3) (intro.), 185.045, 190.01 (2), 196.205 (1) (c),
12 196.485 (1) (dv), 196.485 (1) (fe), 196.485 (3m) (c) (intro.), 204.104 (2), 221.0701,
13 234.03 (28), 340.01 (6u), 440.92 (6) (b) 1., 611.72 (1) and (2), 611.73 (1) (a), 613.13
14 (2) (intro.), 613.13 (3) (title), 613.13 (4), 766.51 (10), 766.70 (4) (c), 799.06 (2),
15 800.035 (1) and 857.015; **to repeal and recreate** 178.0120 (2) (a), 178.0120 (2)
16 (b), chapter 179, 180.0141 (title), (1), (2) and (3), 180.0141 (5) (a) 4., 180.0401
17 (2) (a) 1., 180.0403 (1) (b), 180.0502 (1) (a), 180.0502 (1) (b), 180.0504 (1),
18 180.0504 (4), 180.1161 (3) (f) and (g), 180.1161 (4) (a) 2., 180.1506 (2) (a) 1.,
19 181.0401 (2) (a) 1., 181.0403 (1) (b), 181.0502 (1), 181.0504 (4), 181.1101 (title),
20 181.1103 (title), 181.1506 (2) (a) 1., 181.1508, 181.1510 (5) and chapter 183; and
21 **to create** 44.03 (3m), 178.0103 (6) (d), 178.0104 (2m) and (3m), 178.0105 (3)
22 (np), 178.0401 (11m), 178.09032 (6), 178.1124 (1) (g), 178.1125 (3), 178.1132 (1)
23 (f), 178.1135 (6), 178.1144 (1) (g), 178.1145 (3), 178.1154 (1) (g), 178.1161 (3), (4)
24 and (5), 180.0103 (3m), 180.0103 (7d), 180.0103 (8r), 180.0103 (9m) and (9r),
25 180.0103 (11g) and (11i), 180.0103 (12g), 180.0103 (12r), 180.0103 (13m),

SENATE BILL 566

1 180.0103 (16m), 180.0103 (17g), 180.0105, 180.0112, 180.0120 (3) (am),
2 180.0120 (5) and (6), 180.0122 (1g), 180.0124 (1) (c), 180.0124 (2) (d), 180.0125
3 (2) (b) 1. to 19., 180.0125 (4) (am), 180.0141 (6) and (7), 180.0143, 180.0144,
4 180.0145, 180.0401 (1) (a) 3., 180.0401 (3m), 180.0501 (2m) and (3m), 180.0502
5 (1m) and (1r), 180.0502 (3) (a), (b) and (c), 180.0502 (5), 180.0503 (4) and (5),
6 180.0504 (3m), 180.0704 (7), 180.0821 (4), 180.1100 (1c) and (1e), 180.1100 (1j),
7 (1m), (1o), (1q), (1s), (1u) and (1w), 180.1100 (4) to (14), 180.11001, 180.11002,
8 180.11003, 180.11004, 180.1101 (2m), 180.11012 (title), 180.11012 (1) (d), (e)
9 and (f), 180.1102 (1m), 180.1102 (2m), 180.11021 (title), 180.11021 (1) (d) and
10 (e), 180.11031, 180.11032 (title), 180.1105 (1) (em) and (er), 180.1105 (1g),
11 180.1106 (1) (am) 1g., 180.1106 (1) (e) 2., 180.1106 (1) (g), 180.1106 (1m),
12 180.1161 (3m), 180.1161 (4) (f), (g) and (h), 180.1161 (5) (am) 1., 2., 3., 4., 5. and
13 6., (bm) and (cm), 180.1161 (7), 180.1161 (8), 180.1171, 180.1172, 180.1173,
14 180.1174, 180.1175, 180.1421 (5), 180.1422 (4), 180.1506 (3m), 180.1507 (2m)
15 and (3m), 180.1508 (1) (e), 180.1508 (1g), 180.1508 (1m) and (1r), 180.1508 (2)
16 (a), (b) and (c), 180.1508 (4), 180.1509 (4) and (5), 180.1531 (2) (c) 1m., 180.1531
17 (2) (c) 2. (intro.) and b., 180.1622 (6), 181.0103 (10g), 181.0103 (12g), 181.0103
18 (13g) and (13m), 181.0103 (14g) and (14m), 181.0103 (18m), 181.0103 (20m) and
19 (20r), 181.0103 (21m), 181.0103 (23m), 181.0103 (24m), 181.0105, 181.0107,
20 181.0162, 181.0163, 181.0208, 181.0210, 181.0211, 181.0212, 181.0214 (1),
21 181.0214 (5), 181.0401 (1) (a) 3., 181.0401 (3m), 181.0403 (1) (e), 181.0501 (3m)
22 and (4m), 181.0502 (1m) and (1r), 181.0502 (3) (a), (b) and (c), 181.0502 (5),
23 181.0503 (1) (bm), 181.0503 (4), (5) and (6), 181.0504 (3m), 181.0505, 181.0506,
24 181.0507, 181.0704 (5), 181.0821 (4), 181.1100 (1c), (1e), (1j), (1m), (1o), (1q),
25 (1s), (1u) and (1w), 181.1100 (4) to (14), 181.11001, 181.11002, 181.11003,

SENATE BILL 566

1 181.11004, 181.1101 (2m), 181.1102, 181.1103 (1m) (title), 181.1103 (1m) (a),
2 181.1103 (2m), (3m) and (4m), 181.11045, 181.11055, 181.1131, 181.1132,
3 181.1133, 181.1134, 181.1135, 181.1162 (title), 181.1162 (1) (e) and (f), 181.1162
4 (2), 181.1163, 181.1164, 181.1165, 181.1171, 181.1172, 181.1173, 181.1174,
5 181.1175, 181.1180, 181.1421 (7), 181.1422 (4), 181.1506 (3m), 181.1507 (3m)
6 and (4m), 181.1509 (1) (bm), 181.1509 (4), (5) and (6), 181.1510 (4m), 613.13 (3)
7 (a) and 613.51 (3m) of the statutes; **relating to:** adopting revisions to the state's
8 uniform limited partnership law and the state's limited liability company law;
9 making modifications to the state's uniform partnership law; procedures
10 applicable to business corporations and nonstock corporations; certificates of
11 authority of service insurance corporations; providing an exemption from
12 emergency rule procedures; granting rule-making authority; and providing a
13 penalty.

Analysis by the Legislative Reference Bureau

This bill adopts, with modifications, the most recent versions of the Uniform Limited Partnership Act and Uniform Limited Liability Company Act. The bill also makes changes to the state's partnership law and to the law governing business corporations and nonstock corporations.

LIMITED PARTNERSHIPS***Background***

In 1916, the National Conference of Commissioners on Uniform State Laws, now called the Uniform Law Commission (ULC), promulgated the Uniform Limited Partnership Act. In 1976, the ULC adopted a Revised Uniform Limited Partnership Act and, in 1985, adopted amendments to this act. The revised act was again revised in 2001. In 2013, the ULC amended the Revised Uniform Limited Partnership Act (2001).

This state has, by statute, recognized limited partnerships since the 1850s. This state first adopted the Uniform Limited Partnership Act in 1919. In 1983 Wisconsin Act 173, this state adopted, with modifications, the Revised Uniform Limited Partnership Act (1976). In 1989 Wisconsin Act 232, this state adopted, with modifications, the 1985 amendments to the Revised Uniform Limited Partnership

SENATE BILL 566

Act (1976). Current law, therefore, reflects the Revised Uniform Limited Partnership Act (1976), as amended in 1985, subject to various modifications.

This bill repeals and recreates Wisconsin's limited partnership law to adopt the Revised Uniform Limited Partnership Act (2001), as last amended in 2013 (RULPA), subject to certain modifications. Many provisions of RULPA and current law are similar, including the following: A limited partnership is a legal entity separate from its partners, and the filing of a certificate of limited partnership is required to form a limited partnership. A limited partnership is distinguished from a general partnership by the presence of limited partners. A limited partnership must have at least one general partner and at least one limited partner. The limited partnership generally is managed by general partners, and limited partners primarily provide capital for the limited partnership. A partnership agreement usually provides rules of governance for the limited partnership, and, in many instances, statutory provisions are default rules that govern the limited partnership only in the absence of applicable terms in the partnership agreement. However, in some instances, the terms of the partnership agreement may not vary from statutory requirements. Unless stated otherwise in the partnership agreement, a limited partnership interest (a partner's right to receive distributions from the limited partnership) is transferable, but the recipient of the transfer (transferee) generally is entitled to receive only partnership distributions and does not gain the voting and other rights of a partner. Yet there are significant changes to current law made by RULPA, as adopted under this bill, which are discussed below.

Formation and partnership agreement

Current law defines "limited partnership" as a partnership formed under applicable state law by two or more persons and having one or more general partners and one or more limited partners. To form a limited partnership, a certificate of limited partnership, containing certain information, must be filed with the Department of Financial Institutions. The limited partnership is formed upon the filing of the certificate of limited partnership or, if a later date is specified in the certificate of limited partnership, on that later date.

Under this bill, a certificate of limited partnership containing specified information must still be filed with DFI to form a limited partnership. However, the limited partnership is not formed until the certificate of limited partnership is filed and becomes effective *and* the limited partnership, which must have at least two partners, has at least one general partner and at least one limited partner. The bill also eliminates as required information in the certificate of limited partnership a statement of duration of the limited partnership (when the limited partnership must dissolve). Instead, the bill specifies that a limited partnership has perpetual duration, although this may be modified by the partnership agreement.

The bill clarifies that a person may be both a general partner and a limited partner and that the rights, powers, duties, and obligations of such a person are determined by the capacity in which the person acts.

The bill includes provisions related to permissible names for a limited partnership. The bill eliminates a provision of current law that, with exceptions, prohibits a limited partner's name from appearing in the limited partnership's name.

SENATE BILL 566

The bill also changes the standard for permissible limited partnership names. Under current law, a limited partnership's name may not be the same as or "deceptively similar" to the names of certain other businesses. Under the bill, a limited partnership's name must be "distinguishable" from the names of certain other businesses.

Current law defines "partnership agreement" as any valid agreement of the partners (limited partners and general partners) as to the affairs of a limited partnership and the conduct of its business. Certain provisions of current law relating to rights and duties of and restrictions on a partner in a limited partnership apply only if there is no contrary provision in the partnership agreement.

This bill provides more specific guidance, in comparison with current law, as to when the provisions of a partnership agreement override contrary statutory provisions and when they do not. Under the bill, "partnership agreement" means the agreement, whether oral, implied, written, or recorded in a tangible or electronic medium, of all the general and limited partners of a limited partnership concerning: 1) relations among the partners and between the partners and the limited partnership; 2) the activities and affairs of the limited partnership and the conduct of those activities and affairs; 3) the means and conditions for amending the partnership agreement; and 4) mergers and other reorganizations involving the limited partnership. As to these matters, statutory provisions govern only in the absence of an applicable provision in the partnership agreement. However, the bill also imposes restrictions on the terms of a partnership agreement. Among these restrictions, a partnership agreement may not vary from certain statutory provisions relating to the following: the power of a person to dissociate as a general partner, except with respect to a limited liability limited partnership (LLLP) (discussed further below); the grounds for expulsion of a general partner by judicial order because of certain conduct by the general partner; the causes of dissolution; requirements for winding up the limited partnership's activities and affairs; requirements for DFI filings or for a limited partnership's registered agent; lawsuits by and against partners and the limited partnership; records and information required to be kept by the limited partnership and a partner's right of access to the records and information; a partner's fiduciary and other duties (discussed further below); and the applicable law governing a limited partnership's internal affairs and the liability of its partners. The partnership agreement also governs the obligations of the limited partnership and its partners to a person dissociated as a partner (discussed further below) and to a transferee of a partner's interest, but an amendment to the partnership agreement after a person has dissociated as a partner cannot impose a new obligation on the person.

Partner liability and limited liability limited partnerships

Under current law, a general partner of a limited partnership has the same liabilities as a partner in a partnership without limited partners (general partnership). In general, all partners in a general partnership are jointly and severally liable for all debts, obligations, and other liabilities of the general partnership. In contrast, a limited partner is generally not liable for the obligations of the limited partnership. However, there are exceptions if the limited partner is

SENATE BILL 566

also a general partner or if the limited partner participates in the control of the business and a person who transacts business with the limited partnership reasonably believes that the limited partner is a general partner.

Under this bill, general partners are, with exceptions, liable jointly and severally for all debts, obligations, and other liabilities of the limited partnership. The bill also eliminates the “control” exception under current law to a limited partner’s exemption from liability. Under the bill, a limited partner is not personally liable for a debt, obligation, or other liability of the limited partnership solely by reason of being or acting as a limited partner, even if the limited partner participates in the management and control of the limited partnership.

Under current law, a general partnership may form as or become a limited liability partnership (LLP), and a partner in an LLP is not personally liable for any debt, obligation, or liability of the LLP, except that under some circumstances the partner may be liable for the partner’s own actions or the actions of a person under the partner’s supervision and control.

This bill allows a limited partnership to form as or become an LLLP by including a statement to this effect in the certificate of limited partnership. If a limited partnership is an LLLP, a general partner is not personally liable for a debt, obligation, or other liability of the LLLP solely by reason of being or acting as a general partner. Instead, a debt, obligation, or other liability incurred by the LLLP is solely that of the LLLP.

Fiduciary and other duties of partners

Under current law, except as provided in the partnership agreement, a general partner of a limited partnership generally has the rights and powers, and is subject to the restrictions, of a partner in a general partnership. In general, a partner in a general partnership owes to the partnership and to the other partners duties of loyalty and care and must discharge the partner’s duties and obligations consistently with the contractual obligation of good faith and fair dealing. Except as provided in the partnership agreement, a general partner or limited partner may lend money to and transact other business with the limited partnership.

This bill more directly specifies a general partner’s duties to the limited partnership and to other partners and also specifies the extent to which these statutory duties may be overridden by the partnership agreement. The bill also specifies a limited partner’s duties. Under the bill, unless the duty is permissibly modified in the partnership agreement (as discussed below), a general partner owes to the limited partnership, and to the other general and limited partners, duties of loyalty and care, as described below. A general partner must also discharge its duties and obligations, whether statutory or arising under the partnership agreement, and exercise its rights, consistently with the contractual obligation of good faith and fair dealing. However, a general partner does not violate a duty or obligation solely because the general partner’s conduct furthers the general partner’s own interest.

Under the bill, a general partner owes a fiduciary duty of loyalty that includes the duty 1) to account to the limited partnership and hold as trustee for it any property, profit, or benefit derived by the general partner in the conduct or winding up of the partnership’s activities and affairs, from use of the partnership’s property,

SENATE BILL 566

or from the appropriation of a partnership opportunity; 2) to refrain from dealing with the partnership, in the conduct or winding up of the partnership's activities and affairs, adversely or on behalf of a person having an adverse interest; and 3) to refrain from competing with the partnership in the conduct of the partnership's activities and affairs. However, all the general and limited partners, or those disinterested partners with authority to act, may authorize or ratify, after disclosure of all material facts, a specific act or transaction by a general partner that otherwise would violate the duty of loyalty. Also, it is a defense to a claim of dealing adversely with the limited partnership (item 2 above) that the transaction was fair to the limited partnership.

Under the bill, a general partner also owes a duty of care, in the conduct or winding up of the limited partnership's activities and affairs, to refrain from 1) grossly negligent or reckless conduct; 2) willfully failing to deal fairly with the limited partnership or its partners when the partner has a material conflict of interest; 3) violating the criminal law; 4) engaging in a transaction in which the partner derives an improper personal profit; or 5) engaging in willful misconduct.

Under the bill, in contrast to general partners, limited partners have minimal duties to the limited partnership. A limited partner must exercise any rights under the statutes or the partnership agreement and discharge any duties under the partnership agreement consistently with the contractual obligation of good faith and fair dealing. A limited partner does not have any other duty to the limited partnership or to any other partner solely by reason of acting as a limited partner.

Under the bill, the partnership agreement of a limited partnership may not do any of the following: alter or eliminate, or restrict remedies for the breach of, the duty of loyalty or the duty of care owed by a general partner, except as described below; eliminate a general partner's or limited partner's contractual obligation of good faith and fair dealing, but may, if not manifestly unreasonable, prescribe standards by which performance of the obligation is measured or restrict remedies for breach of the obligation; or relieve a partner from liability for conduct that violates the duty of care (described above). However, the partnership agreement may specify the method by which an act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified after the disclosure of all material facts. If not manifestly unreasonable, the partnership agreement may also alter or eliminate, or restrict remedies with respect to, certain aspects of the duty of loyalty; identify specific types or categories of activities that do not violate the duty of loyalty or the contractual obligation of good faith and fair dealing; otherwise alter the duty of care; or alter or eliminate any other fiduciary duty. A court determines, as a matter of law, whether a term of a partnership agreement is manifestly unreasonable.

Under the bill, if a general partner acts in compliance with the general partner's fiduciary and other duties, the limited partnership must reimburse the general partner for any payment made by the general partner in the course of the general partner's activities on behalf of the partnership and must indemnify the general partner with respect to third-party claims. The limited partnership may also advance reasonable litigation expenses to the general partner. A general partner is also entitled to reimbursement from the limited partnership for advances

SENATE BILL 566

to the partnership beyond the amount of capital the general partner agreed to contribute, which advances are considered loans.

The bill also allows a limited partnership to file with DFI a statement of partnership authority. This statement may recognize or limit, for purposes of a third party dealing with the limited partnership, the authority of a person to act for or enter into transactions on behalf of the limited partnership. In this statement, the limited partnership may identify the authority, or limitations on the authority, of any person or position (which covers all persons holding that position). The statement of authority is effective for five years from its original date or its most recent amendment or renewal, and the statement affects only the power of a person to bind the limited partnership to persons that are not partners. All persons are deemed to know of a statement of authority recorded with the register of deeds that limits a person's authority to transfer real property on behalf of the limited partnership. The bill also allows any person named in a statement of authority to file with DFI a statement of denial of authority.

Operating requirements

Current law requires a limited partnership to maintain in this state a record office where specified limited partnership records are kept. This bill continues to require a limited partnership to maintain specified records and information and requires the limited partnership to maintain a registered office in this state. The bill also retains the current law requirement that the limited partnership maintain a registered agent for service of process in this state.

This bill requires limited partnerships to file with DFI annual reports containing specified information. This requirement also applies to registered foreign limited partnerships, which are limited partnerships governed by the law of another jurisdiction and authorized to do business in this state.

Under current law, a general partner or limited partner has the right to inspect and copy any of the partnership records required to be maintained by the limited partnership and also has certain rights to other information.

As under current law, this bill provides general partners and limited partners with certain rights to inspect and copy records maintained by the limited partnership, although the details of these rights in the bill differ from current law. The bill specifies records and information that the limited partnership must furnish to general partners and limited partners without demand, as well as information that the limited partnership must furnish to partners on demand. The duty to furnish information also applies to each general partner on whom a demand is made, not just to the limited partnership. The bill also specifies the rights to information of a person dissociated as a general partner or limited partner. The bill allows a limited partnership to impose reasonable restrictions and conditions on access to and use of information furnished by the partnership.

Dissociation of partners

Current law specifies the circumstances under which a general partner or limited partner may withdraw from a limited partnership. With a narrow exception, a limited partner may withdraw from a limited partnership only at the time or upon the occurrence of an event specified in the partnership agreement. In contrast, a

SENATE BILL 566

general partner may withdraw from a limited partnership at any time by giving notice to the other partners, but if the withdrawal violates the partnership agreement, the limited partnership may recover damages from the withdrawing general partner for breaching the partnership agreement. Current law also specifies events that, absent consent of all partners, cause a person to cease to be a general partner of the limited partnership, including that the general partner: 1) is removed as a general partner in accordance with the partnership agreement; 2) assigns all his or her partnership interest to another; 3) files for bankruptcy; or 4) dies or is adjudicated incompetent.

This bill adopts the term “dissociation” in connection with the voluntary or involuntary withdrawal of a general partner or limited partner from a limited partnership and modifies the bases under which a partner’s dissociation from the limited partnership occurs. Among other events causing dissociation, a general partner is dissociated when 1) the partner withdraws from the partnership or is expelled from the partnership; 2) an event occurs that, under the terms of the partnership agreement, results in the partner’s dissociation; 3) the partner becomes a debtor in bankruptcy, dies, has a guardian or conservator appointed, or is adjudged to be incapable of performing his or her duties under the partnership agreement; or 4) the partnership dissolves and completes winding up. A general partner has the power to dissociate from a limited partnership at any time, rightfully or wrongfully, by expressly withdrawing, but the dissociation is wrongful if it breaches the partnership agreement or if it occurs before the winding up of the limited partnership and the general partner withdraws by express will, is expelled by judicial order, files for bankruptcy, or dissolves or terminates. A general partner that wrongfully dissociates is liable to the limited partnership and the other partners for damages caused by the dissociation.

Under this bill, in contrast to a general partner, a limited partner does not have a right to dissociate before the winding up of the limited partnership. The bill specifies that, among the events causing dissociation, a limited partner is dissociated when 1) the partner withdraws from the partnership or is expelled from the partnership; 2) an event occurs that, under the terms of the partnership agreement, results in the partner’s dissociation; 3) the partner dies or, if an entity, its existence terminates; or 4) the partnership dissolves and completes winding up.

The bill provides more specific information, in comparison with current law, about the effects of a general partner’s or limited partner’s dissociation from a limited partnership. Among these effects, a dissociated general partner has no right to participate in the management and conduct of the partnership activities and affairs; a dissociated partner’s interest takes on the status of a transferee’s interest rather than a partner’s interest; and certain obligations terminate as to future events but may continue to apply to past events.

Under current law, a partner that withdraws from a limited partnership is entitled to receive, within a reasonable time after withdrawal, the fair value of the partner’s interest in the limited partnership as of the date of withdrawal, unless the partnership agreement provides otherwise.

SENATE BILL 566

Under this bill, unless the partnership agreement provides otherwise, a partner has no right to a distribution before the dissolution and winding up of the limited partnership, and any earlier distribution to a dissociated partner is discretionary with the limited partnership.

Dissolution and winding up

This bill modifies some of the grounds under which a limited partnership is dissolved and its activities and affairs must be wound up. Under current law, among the grounds for dissolution, a limited partnership may be voluntarily dissolved on the written consent of all general partners and limited partners.

Under the bill, a limited partnership may be voluntarily dissolved on the consent of all general partners and of limited partners owning a majority of the rights to receive distributions, whether as a general partner, limited partner, or both.

Under current law, if any general partner withdraws or otherwise ceases to be a general partner, the limited partnership is dissolved unless: 1) the partnership agreement allows the limited partnership to continue and there is at least one remaining general partner that continues the partnership's business; or 2) within 90 days, all partners agree to continue the business of the limited partnership and to appoint one or more additional general partners if necessary.

Under this bill, there is no presumptive dissolution of the limited partnership upon dissociation of a general partner. Instead, upon dissociation of a general partner, the limited partnership is dissolved only if: 1) the partnership has at least one remaining general partner and partners owning a majority interest consent, within 90 days, to dissolve the partnership; or 2) the partnership does not have any remaining general partner and 90 days pass without both of the following occurring: a majority (by interest) of limited partners consenting to continue the partnership; and, at least one general partner being admitted.

Under current law, a limited partnership must file a certificate of cancellation upon dissolution or at any other time that there are no limited partners.

The bill provides that a limited partnership is dissolved if: 1) 90 consecutive days pass after the dissociation of the partnership's last limited partner without the partnership admitting at least one limited partner; or 2) 90 consecutive days pass during which the limited partnership has only one partner or does not have both a general partner and a limited partner. The bill, which does not require a certificate of limited partnership to include a statement of duration, also eliminates the automatic dissolution under current law of a limited partnership upon expiration of its stated duration.

Under this bill, a dissolved limited partnership, in winding up its activities and affairs, may amend its certificate of limited partnership to state that the partnership is dissolved and may also file a statement of termination with DFI. With exceptions, a limited partnership that initiates dissolution may also rescind its dissolution and continue carrying on its activities and affairs as if dissolution had never been initiated.

The bill also provides DFI with authority to administratively dissolve a limited partnership. Under the bill, DFI may commence a proceeding to dissolve a limited partnership administratively if the limited partnership does not pay a required fee

SENATE BILL 566

or penalty or file an annual report within one year after the fee or penalty or report is due or is without a registered agent or registered office in this state for at least one year. The bill establishes a procedure for these proceedings and allows an administratively dissolved limited partnership to apply to DFI for reinstatement. The bill also provides a process for appeal and court review of DFI's denial of an application for reinstatement.

Mergers, conversions, and other business combinations

This bill makes significant changes with respect to mergers, conversions, and other business-combination transactions involving domestic or foreign limited partnerships. Under current law, one or more domestic limited partnerships may merge with or into one or more other domestic or foreign business entities (business corporations, nonprofit or nonstock corporations, limited liability companies, or limited partnerships) if the merger satisfies certain requirements. Current law also allows a domestic limited partnership to convert to another form of domestic or foreign business entity if the conversion satisfies certain requirements.

This bill significantly changes the requirements applicable to a merger or conversion involving a limited partnership and also allows a limited partnership to undertake transactions in the form of an interest exchange or domestication. In an interest exchange, a limited partnership acquires interests of another domestic or foreign business entity, or has its own interests acquired by another domestic or foreign business entity. In a domestication, an entity governed by the law of a foreign country (a non-U.S. entity) may domesticate as a domestic limited partnership under Wisconsin law while continuing to be subject to the foreign country's law and a domestic limited partnership may domesticate as a non-U.S. entity subject to a foreign country's law while continuing to be a domestic limited partnership. The bill allows mergers, conversions, interest exchanges, and domestications to involve a diverse array of business entities, including business corporations, nonprofit or nonstock corporations, limited liability companies, limited partnerships, LLPs, cooperative associations, and unincorporated associations. Certain requirements apply to these business-structure transactions, including approval of a plan of merger, conversion, interest exchange, or domestication and filing with DFI articles of merger, conversion, interest exchange, or domestication, although the terms of the partnership agreement generally govern mergers, conversions, interest exchanges, and domestications. When the merger, conversion, interest exchange, or domestication becomes effective, certain results occur automatically, as a matter of law, with respect to such matters as assets, obligations, continued existence, and organizational documents of the parties involved in the transaction. The bill also eliminates a provision of current law that requires a surviving foreign business entity in a merger to pay dissenting owners of merged domestic business entities for their interests, but creates new dissenter's rights for a partner in a business-structure transaction if the transaction materially increases the partner's obligation or liability or treats the partner's interest different from that of other partners.

SENATE BILL 566***Other changes***

Under current law, on application to the circuit court by a creditor that has obtained a judgment against a general partner or limited partner, the court may charge the partnership interest of the partner with payment of the unsatisfied amount of the judgment. To the extent charged, the judgment creditor has only the rights of an assignee of the partnership interest.

This bill expands on provisions of current law under which a creditor of a general partner or limited partner may seek from a court a charging order against the partner's interest in the limited partnership to satisfy the unpaid amount of the creditor's judgment. Under the bill, a charging order is available against the interest of either a partner or a transferee of a partner. A charging order constitutes a lien on the partner's or transferee's interest and requires the limited partnership to pay over to the creditor any distribution that otherwise would be paid to the partner or transferee. Under certain circumstances, the court may foreclose the lien and order the sale of the partner's or transferee's interest in the limited partnership. The purchaser of the interest at the foreclosure sale obtains only the interest and does not thereby become a partner or gain any right to participate in the activities and affairs of the limited partnership.

Under current law, a limited partner may bring an action on behalf of a limited partnership (derivative action) to recover a judgment in its favor if general partners with authority to do so have refused to bring the action or if an effort to cause those general partners to bring the action is not likely to succeed.

This bill continues to allow a limited partner to bring a derivative action and also allows a general partner to bring a derivative action. However, under the bill, the limited partnership may appoint a special litigation committee to investigate the claims in the derivative action and to determine whether pursuing the action is in the best interests of the limited partnership. The special litigation committee must be composed of disinterested and independent individuals, who may be partners. If the limited partnership appoints a special litigation committee, the court must, on motion of the committee, stay discovery for the time reasonably necessary to permit the committee to make its investigation, unless there is good cause shown for the court to deny the stay. After appropriate investigation, the special litigation committee may determine that it is in the best interests of the limited partnership for the proceeding to continue under the control of the plaintiff; for the proceeding to continue under the control of the committee; for the proceeding to be settled on terms approved by the committee; or for the proceeding to be dismissed. After making its determination, the special litigation committee must submit its determination to the court and, if the court determines that certain requirements are satisfied, the court must follow and enforce the committee's recommendation. If the court finds the applicable requirements are not satisfied, the court must dissolve the stay of discovery and allow the plaintiff to continue the action.

The bill provides a procedure and specifies grounds for DFI to terminate authority of a foreign limited partnership to do business in this state.

The bill includes many changes relating to procedures applicable to limited partnerships and foreign limited partnerships, including changes related to

SENATE BILL 566

registered agents, service of process, and permissible names. The bill also provides a procedure for DFI to issue a certificate of status for a limited partnership or foreign limited partnership.

This bill includes provisions specifying when a person is considered to have notice or knowledge of a fact. The bill also specifies when a person is considered to have given another person notice of a fact. The bill also allows DFI to provide written notice to a limited partnership or foreign limited partnership solely by e-mail to its registered agent.

The bill includes numerous other substantive and stylistic changes from current law. The bill also includes some modifications from, or additions to, the model language of RULPA. For example, the bill includes provisions relating to DFI fees that are not included in RULPA.

Phase-in

The changes in this bill apply to a limited partnership formed on or after January 1, 2023, and apply on January 1, 2023, to a limited partnership formed before that date unless 1) the limited partnership elects to be governed earlier by the new provisions of the bill, or 2) the limited partnership elects to be governed by the existing law applicable before enactment of the bill.

PARTNERSHIPS

In enacting 2015 Wisconsin Act 295, this state repealed and recreated Wisconsin's partnership law to adopt, with modifications, the Revised Uniform Partnership Act (RUPA), as last amended in 2013. This state's law was previously based on an earlier version of the Uniform Partnership Act. With a limited exception, a partnership formed on or after January 1, 2018, is subject to the new statutory provisions of RUPA.

This bill makes modifications to the state's partnership law as recreated in Act 295, including changes relating to 1) a partnership's governing law; 2) prohibited provisions in a partnership agreement; 3) DFI's fees for partnership-related filings; 4) consent to partnership action without a meeting of the partners; 5) a partner's duty of care in the conduct or winding up of the partnership business; 6) compensating a dissociated partner; 7) claims against a dissolved limited liability partnership; 8) business-structure transactions involving partnerships, including dissenter's rights for a partner; and 9) the method by which DFI may provide written notice to a partnership.

LIMITED LIABILITY COMPANIES

In 1992, the ULC began working on the Uniform Limited Liability Company Act, which was completed in 1994 and approved in 1996. Before the ULC had completed its work, many states had already passed limited liability company (LLC) legislation and the American Bar Association had created a prototype LLC Act. The ULC adopted a Revised Uniform Limited Liability Company Act in 2006, which was amended in 2013.

Wisconsin authorized the creation of LLCs prior to the ULC's first model act, by enacting 1993 Wisconsin Act 112, effective January 1, 1994. Since then, various modifications have been made to this state's LLC law.

SENATE BILL 566

This bill repeals and recreates Wisconsin's LLC law to adopt the Revised Uniform Limited Liability Company Act (2006), as last amended in 2013 (RULLCA), subject to certain modifications. Many provisions of RULLCA are similar to current law. Under both current law and RULLCA, an LLC is a distinct legal entity separate from its members and may be organized for any lawful purpose. An LLC may be managed by its members or by managers, and an operating agreement between the members may provide rules of governance for the LLC. In many instances, statutory provisions are merely default rules that govern an LLC only in the absence of applicable terms in an operating agreement, but in some instances the terms of an operating agreement may not vary from statutory requirements. Some of the significant changes to current law made by RULLCA, as adopted under this bill, are discussed below.

Formation and operating agreement

Under current law, an organizer files articles of organization with DFI to form an LLC. The articles of organization must contain specified information and may not contain any additional information.

This bill modifies the information required in articles of organization filed with DFI and allows additional information to be included in the articles of organization. The bill also specifies that an LLC has perpetual duration (although the duration may be modified by the operating agreement). The bill allows a person, in addition to various other permissible ways, to become a member of an LLC in any way provided for in the operating agreement. The bill includes various provisions regarding the formation of a one-member LLC (which is also permitted under current law).

Current law defines "operating agreement" to include only a written document and allows for the possibility that an LLC could be formed and operate without an operating agreement. Under current law, "operating agreement" means an agreement in writing, if any, among all of the members as to the conduct of the business of an LLC and its relationships with its members.

Under this bill, the operating agreement may be oral or written, express or implied, and an LLC cannot exist without an operating agreement. Under the bill, "operating agreement" means the agreement, whether or not referred to as an operating agreement and whether oral, implied, written, or recorded in a tangible or electronic medium, or in any combination of these, of all the members of an LLC, including a sole member, concerning 1) relations among the members as members and between the members and the LLC; 2) the rights and duties of managers; 3) the activities and affairs of the LLC and the conduct of those activities and affairs; 4) the means and conditions for amending the operating agreement; and 5) mergers, conversions, and other business combinations.

This bill provides more specific guidance, in comparison with current law, as to when the provisions of an operating agreement override contrary statutory provisions and when they do not. Under the bill, subject to certain exceptions, the operating agreement governs all matters described in items 1) to 5), above, but if the operating agreement does not provide for a matter described in items 1) to 5), above, statutory provisions govern the matter. The operating agreement also governs the

SENATE BILL 566

obligations of an LLC and its members to a person dissociated as a member or a person to whom a member's interest (right to receive distributions from the LLC) has been transferred. The bill includes a list of matters for which the operating agreement may not vary from statutory provisions, including matters related to a member's fiduciary and other duties, discussed below.

Authority of members

This bill generally eliminates the concept of "apparent authority" in connection with LLCs. Under current law, in a member-managed LLC, each member is an agent of the LLC and, subject to exceptions, the act of a member for apparently carrying on the business of the LLC binds the LLC. This principle does not apply in a manager-managed LLC, where the managers, not the members, are the agents of the LLC for purposes of carrying on its business.

Under this bill, a member is not an agent of an LLC solely by reason of being a member. An LLC may file with DFI a statement of authority identifying the authority of any position with the LLC (which covers all persons holding that position), identifying the authority of any specific person, or identifying limitations on the authority of any position or person. The statement of authority is effective for five years from its original date or its most recent amendment or renewal, and the statement affects only the power of a person to bind the LLC to persons that are not members. The bill allows any person named in a statement of authority to file with DFI a statement of denial of authority.

Fiduciary and other duties of members and managers

Under current law, unless otherwise provided in an operating agreement, a member or manager cannot act, or fail to act, in a manner that constitutes willful misconduct; a willful failure to deal fairly with the LLC or its members where the member or manager has a material conflict of interest; or, with exceptions, a violation of criminal law. Unless otherwise provided in an operating agreement, a member or manager cannot derive improper personal profit from a transaction. A member or manager must account to the LLC, and hold as trustee for it, any improper personal profit derived, without the consent of a majority of the disinterested members or managers, from a transaction connected with the LLC or from use by the member or manager of LLC property, including confidential or proprietary information.

Under this bill, unless the duty is permissibly modified in the LLC's operating agreement (as discussed below), a member of a member-managed LLC, or a manager of a manager-managed LLC, owes to the LLC, and to its members, fiduciary duties of loyalty and care, as described below. A member or manager must also discharge its duties and obligations, whether statutory or arising under the operating agreement, and exercise its rights, consistently with the contractual obligation of good faith and fair dealing. However, a member does not violate a duty or obligation solely because the member's conduct furthers the member's own interest.

Under the bill, a member of a member-managed LLC, or a manager of a manager-managed LLC, owes a duty of loyalty that includes the duty 1) to account to the LLC and hold as trustee for it any property, profit, or benefit derived by the member or manager in the conduct or winding up of the LLC's business, from use of the LLC's property, or from the appropriation of an LLC opportunity; 2) to refrain

SENATE BILL 566

from dealing with the LLC, in the conduct or winding up of the LLC's business, adversely or on behalf of a person having an adverse interest; and 3) to refrain from competing with the LLC in the conduct of the LLC's business. However, all the members of an LLC may authorize or ratify, after disclosure of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty. Also, it is a defense to a claim of dealing adversely with the LLC (item 2, above) that the transaction was fair to the LLC.

Under the bill, a member of a member-managed LLC, or a manager of a manager-managed LLC, also owes a duty of care, in the conduct or winding up of the LLC's business, to refrain from 1) willfully failing to deal fairly with the LLC or its members when the person has a material conflict of interest; 2) violating the criminal law; 3) engaging in a transaction in which the person derives an improper personal profit; or 4) engaging in willful misconduct.

Under the bill, the operating agreement may not alter or eliminate, or restrict the remedies for breach of, the duty of loyalty or the duty of care, except as described below; eliminate, or restrict remedies for the breach of, the contractual obligation of good faith and fair dealing, but a written operating agreement may prescribe standards, if not manifestly unreasonable, by which performance of the obligation is measured; or relieve a person from liability for conduct that violates the duty of care described in items 1) to 4) in the immediately preceding paragraph. However, the operating agreement may specify the method by which an act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified after the disclosure of all material facts. In a member-managed LLC, a written operating agreement may also eliminate or limit a member's fiduciary duty if it also relieves the member of a responsibility and imposes it on another member. A written operating agreement may also alter or eliminate, or restrict remedies with respect to, certain aspects of the duty of loyalty; identify specific types or categories of activities that do not violate the duty of loyalty or the contractual obligation of good faith and fair dealing; alter the duty of care, if it does not authorize the conduct described in items 1) to 4) in the immediately preceding paragraph; or alter or eliminate any other fiduciary duty.

Operating requirements

This bill makes changes to the information that must be contained in an LLC's annual report. Under current law, if a domestic LLC or registered foreign LLC is manager-managed, its annual report must contain the name and business address of each manager. The annual report of a registered foreign LLC must also contain the name and business address of each LLC member. A domestic LLC is one organized under this state's law, and a registered foreign LLC is one organized under the law of another state or jurisdiction and authorized to do business in this state.

Under this bill, the annual report of a domestic LLC or registered foreign LLC must include the name of at least one member if it is member-managed or the name of at least one manager if it is manager-managed.

This bill makes some changes with respect to the records that an LLC must keep at its office. As under current law, the bill provides members with certain rights to, on request, inspect and copy records maintained by the LLC, and requires the

SENATE BILL 566

LLC to provide records and information, although the details of these requirements in the bill differ from current law. Under the bill, managers have these rights in a manager-managed LLC. In addition, the bill requires an LLC, without request, to furnish each member in a member-managed LLC, or each manager in a manager-managed LLC, with any information concerning the LLC's activities, affairs, financial condition, and other circumstances that the LLC knows and is material to the proper exercise of the member's or manager's rights and duties, unless the member or manager already knows the information. In a manager-managed LLC, the LLC must, without request, provide members with all known, material information before the member is required to vote on or give or withhold consent to a matter. In addition to the LLC's duty, each member in a member-managed LLC, or each manager in a manager-managed LLC, has a duty to furnish information known by the member or manager. The bill also contains provisions relating to the rights to information after a person dissociates as a member. The bill allows an LLC to impose reasonable restrictions and conditions on access to and use of information furnished by the LLC.

Current law includes provisions relating to when notice to, or knowledge of, a member or manager is imputed to an LLC.

This bill eliminates these provisions and creates new provisions as to when a person is considered to have notice or knowledge of a fact. The bill also specifies when a person is considered to have given another person notice of a fact.

The bill also allows DFI to provide written notice to an LLC solely by e-mail to its registered agent.

Dissociation of members

As under current law, this bill specifies circumstances under which a member of an LLC dissociates from the LLC, including voluntary dissociation. Under the bill, a person may dissociate as a member at any time, rightfully or wrongfully, by withdrawing as a member by express will. A person's dissociation as a member is wrongful if, among other things, the dissociation is in violation of a written operating agreement. The bill provides more specific information, in comparison with current law, about the effects of a member's dissociation from an LLC. Among these effects, a person dissociated as a member has no right to participate in the management and conduct of the LLC's business and the person's right to distributions takes on the status of the right of a transferee. Upon dissociation, certain obligations of the person terminate as to future events but continue to apply to past events.

Under current law, if a member withdraws from an LLC and the withdrawal occurs as a result of the member's wrongful conduct, the LLC may recover from the withdrawing member damages as a result of the wrongful conduct.

Under this bill, a member that wrongfully dissociates from an LLC is liable for damages caused by the dissociation and the liability is to both the LLC and to any other member if the other member shows that its injury is not solely the result of injury suffered by the LLC.

Under current law, a member who dissociates from an LLC has a right to a distribution in complete redemption of the fair value of the member's interest at the time of dissociation, unless the operating agreement provides otherwise.

SENATE BILL 566

Under this bill, unless the operating agreement provides otherwise, a distribution to a person who dissociates as a member of an LLC is discretionary with the LLC, and the person has no right to a distribution. The bill also specifies that an LLC's obligations to a person dissociated as a member are governed by the operating agreement, but an amendment to the operating agreement after the person has dissociated as a member cannot impose a new obligation on the person.

This bill expands on provisions of current law under which a creditor of an LLC's member may seek from a court a charging order against the member's interest in the LLC to satisfy the unpaid amount of the creditor's judgment. Under the bill, a charging order is available against the interest (right to receive distributions) of either a member or a person to whom the member's interest has been transferred (transferee). A charging order constitutes a lien on the member's or transferee's interest and requires the LLC to pay over to the creditor any distribution that otherwise would be paid to the member or transferee. Under certain circumstances, the court may foreclose the lien and order the sale of the member's or transferee's interest in the LLC. The purchaser of the interest at the foreclosure sale obtains only the interest and does not thereby become a member or gain any right to participate in the business of the LLC. The bill includes specific provisions applicable when a court orders foreclosure of a charging order lien against a single-member LLC.

Dissolution and winding up

This bill modifies some of the grounds under which an LLC is dissolved and its activities and affairs must be wound up, and replaces the term "articles of dissolution" in current law with the term "statement of dissolution." As new grounds for dissolution under the bill, dissolution occurs upon the passage of 90 consecutive days during which the LLC has no members. The bill eliminates as a ground for judicial dissolution of an LLC that the LLC is not acting in conformity with its operating agreement. The bill also eliminates a "grandfather" provision relating to dissolution of an LLC organized before October 1, 2002.

Under current law, DFI may administratively dissolve an LLC that does not file its annual report within one year after it is due. Under this bill, DFI may administratively dissolve an LLC if the LLC does not pay any required fee or penalty within one year after it is due; does not file its annual report within one year after it is due; is without a registered agent in this state for at least one year; does not notify DFI within one year of changes to its registered agent or registered office; or commits certain crimes involving human trafficking.

Mergers, conversions, and other business combinations

This bill makes significant changes with respect to mergers, conversions, and other business combinations involving domestic or foreign LLCs. Under current law, one or more domestic or foreign LLCs may merge with or into one or more other domestic or foreign business entities (business corporations, nonprofit or nonstock corporations, LLCs, or limited partnerships) if the merger satisfies certain requirements. Current law also allows a domestic LLC to convert to another form of domestic or foreign business entity if the conversion satisfies certain requirements.

SENATE BILL 566

This bill significantly changes the requirements applicable to a merger or conversion involving an LLC and also allows an LLC to undertake transactions in the form of an interest exchange or domestication. In an interest exchange, a domestic LLC acquires interests of another domestic or foreign business entity, or has its own interests acquired by another domestic or foreign business entity. In a domestication, an entity governed by the law of a foreign country (a non-U.S. entity) may domesticate as a domestic LLC under Wisconsin law while continuing to be subject to the foreign country's law and a domestic LLC may domesticate as a non-U.S. entity subject to a foreign country's law while continuing to be a domestic LLC. Under the bill, a merger, conversion, interest exchange, or domestication is not limited to transactions involving business entities that are business corporations, nonprofit or nonstock corporations, LLCs, or limited partnerships; the bill allows these transactions to include other entities such as limited liability partnerships, cooperative associations, and unincorporated associations. Certain requirements apply to organizational transactions under the bill, including approval of a plan of merger, conversion, interest exchange, or domestication and filing with DFI articles of merger, conversion, interest exchange, or domestication, although the terms of the operating agreement generally govern mergers, conversions, interest exchanges, and domestications. When the merger, conversion, interest exchange, or domestication becomes effective, certain results occur automatically, as a matter of law, with respect to such matters as assets, obligations, continued existence, and organizational documents of the parties involved in the transaction. With respect to a merger, the bill also eliminates a provision of current law that gives a dissenting member of the LLC who does not vote in favor of the merger the right, upon dissociation from the LLC, to receive fair value for the member's LLC interest, unless the operating agreement provides otherwise.

Other changes

Under the bill, a member of an LLC may bring a derivative action against the LLC to enforce a right of the LLC if certain conditions are satisfied. The LLC may appoint a special litigation committee to investigate the claims in the derivative action and to determine whether pursuing the action is in the best interests of the LLC. The special litigation committee must be composed of disinterested and independent individuals, who may be members. If the LLC appoints a special litigation committee, the court must, on motion of the committee, stay discovery for the time reasonably necessary to permit the committee to make its investigation, unless there is good cause shown for the court to deny the stay. After appropriate investigation, the special litigation committee may determine that it is in the best interests of the LLC for the proceeding to continue under the control of the plaintiff; for the proceeding to continue under the control of the committee; for the proceeding to be settled on terms approved by the committee; or for the proceeding to be dismissed. After making its determination, the special litigation committee must submit its determination to the court and, if the court determines that certain requirements are satisfied, the court must follow and enforce the committee's recommendation. If the court finds the applicable requirements are not satisfied, the

SENATE BILL 566

court must dissolve the stay of discovery and allow the plaintiff to continue the action.

This bill also changes many terms used under current law in connection with LLCs. For example, in addition to changing “articles of dissolution” to “statement of dissolution,” the bill changes “articles of correction” to “statement of correction” or “statement of change,” depending on the circumstances.

The bill includes numerous other substantive and stylistic changes from current law. The bill also includes some modifications from, or additions to, the model language of RULLCA.

Phase-in

The changes in this bill apply to an LLC formed on or after January 1, 2023, and apply, on January 1, 2023, to an LLC formed before that date unless 1) the LLC elects to be governed earlier by the new provisions of the bill, or 2) the LLC elects to be governed by the existing law applicable before enactment of the bill. When the provisions of the bill become applicable to an LLC, provisions of prior law relating to obligations incurred by the LLC prior to the bill’s enactment continue to apply and any provision of an operating agreement that was valid before enactment of the bill remains valid.

CORPORATIONS

This bill also makes changes to the law governing business corporations and nonstock corporations that generally correspond to the changes applicable to limited partnerships, LLCs, and partnerships, including changes similar to those described above and related to 1) mergers, conversions, and other business-structure transactions; 2) the process and fees for corporate filings with DFI; 3) procedures and requirements applicable to corporations including those related to registered agents and permissible names; 4) the method by which DFI may provide written notice to a corporation; and 5) consent to corporate action without a meeting.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 11.0101 (9) of the statutes is amended to read:
- 2 11.0101 (9) “Corporation” includes a foreign limited liability company, as
- 3 defined in s. 183.0102 (~~8~~) (5), and a limited liability company, as defined in s.
- 4 183.0102 (~~10~~) (8), if the foreign limited liability company or the limited liability

SENATE BILL 566

1 company elect to be treated as a corporation by the federal internal revenue service,
2 pursuant to 26 CFR 301.7701-3, or if the foreign limited liability company or the
3 limited liability company has publicly traded shares.

4 **SECTION 2.** 13.69 (1) of the statutes is amended to read:

5 13.69 (1) Except as provided in sub. (2m), any principal violating ss. 13.61 to
6 13.68 or a rule of the commission promulgated under those sections may be required
7 to forfeit not more than \$5,000. In the case of a partnership, other than a foreign or
8 domestic limited liability partnership or a limited liability limited partnership, each
9 of the partners, other than a limited partner of a limited partnership, is jointly and
10 severally liable for any forfeiture imposed under this subsection.

11 **SECTION 3.** 44.03 (3) of the statutes is amended to read:

12 44.03 (3) Every affiliated society shall make a report of its work annually to the
13 historical society that contains the information specified in ~~s. 181.1622 (1) (a) to (e)~~
14 sub. (3m), which, in its entirety or in part, may be included in the publications of the
15 historical society, and upon application of any affiliated society the historical society
16 may accept, in behalf of the state, custody of or title to the property, records and
17 collections of the affiliated society or may assist in the disposal thereof. If any
18 affiliated society becomes, in the opinion of the board of curators of the historical
19 society, inactive or defunct, title to such property, records and collections not
20 otherwise provided for in the grants of donors or in the articles of incorporation of the
21 inactive and defunct society, shall vest in the historical society which shall take
22 appropriate action in the public interest for the protection or disposal of such
23 property, records and collections. Preference in disposition shall be given to
24 historical or related organizations in the area or to whatever county or local
25 governmental unit that has aided such affiliate financially.

SENATE BILL 566**SECTION 4**

1 **SECTION 4.** 44.03 (3m) of the statutes is created to read:

2 44.03 **(3m)** The report under sub. (3) shall include all of the following
3 information:

4 (a) The name of the domestic nonstock corporation or foreign nonprofit or
5 nonstock corporation and the state or country under whose law it is incorporated.

6 (b) The mailing address of its registered office and the name and e-mail
7 address of its registered agent at that office in this state.

8 (c) The mailing address of its current principal office.

9 (d) The name and business address of each director and principal officer.

10 (e) A brief description of the nature of its business.

11 (f) Whether the nonprofit or nonstock corporation has members.

12 **SECTION 5.** 71.80 (21) of the statutes is amended to read:

13 71.80 **(21)** BUSINESS ENTITY CONVERSION. Notwithstanding any provision of ss.
14 178.1141 to 178.1145, ~~179.76~~ 179.1141 to 179.1145, 180.1161, 181.1161, and
15 ~~183.1207~~ 183.1041 to 183.1045, the conversion of a business entity to another form
16 of business entity under s. 178.1141, ~~179.76~~ 179.1141, 180.1161, 181.1161, or
17 ~~183.1207~~ 183.1041 shall be treated for state tax purposes in the same manner as the
18 conversion is treated for federal tax purposes.

19 **SECTION 6.** 71.80 (21m) of the statutes is amended to read:

20 71.80 **(21m)** BUSINESS ENTITY INTEREST EXCHANGE. Notwithstanding any
21 provision of ss. 178.1131 to 178.1135, 179.1131 to 179.1135, 180.1102, 180.11021,
22 180.11032, 180.1105, 180.1106, 181.1131 to 181.1135, and 183.1031 to 183.1035, an
23 interest exchange under s. 178.1131, 179.1131, 180.1102, 181.1131, or 183.1031 shall
24 be treated for state tax purposes in the same manner as the interest exchange is
25 treated for federal tax purposes.

SENATE BILL 566

1 **SECTION 7.** 71.80 (22) of the statutes is amended to read:

2 71.80 **(22)** BUSINESS ENTITY MERGER. Notwithstanding any provision of ss.
3 178.1121 to 178.1125, ~~179.77~~ 179.1121 to 179.1125, 180.1101, ~~180.1104~~ 180.11012,
4 180.11031 to 180.1106, 181.1101, ~~181.1104~~ to 181.11055, and ~~183.1201~~ 183.1021 to
5 183.1025, the merger of a business entity with one or more business entities under
6 s. 178.1121, ~~179.77~~ 179.1121, 180.1101, ~~180.1104~~, 181.1101, ~~181.1104~~, or ~~183.1201~~
7 183.1021 shall be treated for state tax purposes in the same manner as the merger
8 is treated for federal tax purposes.

9 **SECTION 8.** 71.80 (22m) of the statutes is amended to read:

10 71.80 **(22m)** BUSINESS ENTITY DOMESTICATION. Notwithstanding any provision
11 of ss. 178.1151 to 178.1155, 179.1151 to 179.1155, 180.1171 to 180.1175, 181.1171 to
12 181.1175, and 183.1051 to 183.1055, a domestication under s. 178.1151, 179.1151,
13 180.1171, 181.1171, or 183.1051 shall be treated for state tax purposes in the same
14 manner as the domestication is treated for federal tax purposes.

15 **SECTION 9.** 73.03 (58) of the statutes is amended to read:

16 73.03 **(58)** (a) Notwithstanding any provision of ss. 178.1141 to 178.1145,
17 ~~179.76~~ 179.1141 to 179.1145, 180.1161, 181.1161, and ~~183.1207~~ 183.1041 to
18 183.1045, to treat, for state tax purposes, the conversion of a business entity to
19 another form of business entity under s. 178.1141, ~~179.76~~ 179.1141, 180.1161,
20 181.1161, or ~~183.1207~~ 183.1041 in the same manner as the conversion is treated for
21 federal tax purposes.

22 (b) Notwithstanding any provision of ss. 178.1121 to 178.1125, ~~179.77~~ 179.1121
23 to 179.1125, 180.1101, ~~180.1104~~ 180.11012, 180.11031 to 180.1106, 181.1101,
24 ~~181.1104~~ to 181.11055, and ~~183.1201~~ 183.1021 to 183.1025, to treat, for state tax
25 purposes, the merger of a business entity with one or more business entities under

SENATE BILL 566**SECTION 9**

1 s. 178.1121, ~~179.77~~ 179.1121, 180.1101, ~~180.1104~~, 181.1101, ~~181.1104~~, or ~~183.1201~~
2 183.1021 in the same manner as the merger is treated for federal tax purposes.

3 (c) Notwithstanding any provision of ss. 178.1131 to 178.1135, 179.1131 to
4 179.1135, 180.1102, 180.11021, 180.11032, 180.1105, 180.1106, 181.1131 to
5 181.1135, and 183.1031 to 183.1035, to treat, for state tax purposes, an interest
6 exchange under s. 178.1131, 179.1131, 180.1102, 181.1131, or 183.1031 in the same
7 manner as the interest exchange is treated for federal tax purposes.

8 (d) Notwithstanding any provision of ss. 178.1151 to 178.1155, 179.1151 to
9 179.1155, 180.1171 to 180.1175, 181.1171 to 181.1175, and 183.1051 to 183.1055, to
10 treat, for state tax purposes, a domestication under s. 178.1151, 179.1151, 180.1171,
11 181.1171, or 183.1051 in the same manner as the domestication is treated for federal
12 tax purposes.

13 **SECTION 10.** 77.25 (6m) of the statutes is amended to read:

14 77.25 (6m) Pursuant to the conversion of a business entity to another form of
15 business entity under s. 178.1141, ~~179.76~~ 179.1141, 180.1161, 181.1161, or ~~183.1207~~
16 183.1041, if, after the conversion, the ownership interests in the new entity are
17 identical with the ownership interests in the original entity immediately preceding
18 the conversion.

19 **SECTION 11.** 77.25 (6q) of the statutes is amended to read:

20 77.25 (6q) Pursuant to an interest exchange under s. 178.1131, 179.1131,
21 180.1102, 181.1131, or 183.1031.

22 **SECTION 12.** 77.25 (6t) of the statutes is amended to read:

23 77.25 (6t) Pursuant to a domestication under s. 178.1151, 179.1151, 180.1171,
24 181.1171, or 183.1051.

25 **SECTION 13.** 77.61 (15) of the statutes is amended to read:

SENATE BILL 566

1 77.61 (15) Notwithstanding any provision of ss. 178.1141 to 178.1145, ~~179.76~~
2 ~~179.1141 to 179.1145~~, 180.1161, 181.1161 ~~to 181.1165~~, and ~~183.1207~~ 183.1041 to
3 183.1045, a business entity that converts to another business entity under s.
4 178.1141, ~~179.76~~ 179.1141, 180.1161, 181.1161, or ~~183.1207~~ 183.1041 shall be
5 subject to the provisions under this subchapter applicable to liquidations,
6 reorganizations, and business entity formations.

7 **SECTION 14.** 97.605 (4) (a) 1. of the statutes is amended to read:

8 97.605 (4) (a) 1. “Business entity” has the meaning given in s. ~~179.70 (1)~~
9 180.1100 (1g).

10 **SECTION 15.** 97.67 (2) (c) (intro.) of the statutes is amended to read:

11 97.67 (2) (c) (intro.) A sole proprietorship that reorganizes as a business entity,
12 as defined in s. ~~179.70 (1)~~ 180.1100 (1g), or a business entity that reorganizes as a
13 sole proprietorship or a different type of business entity may transfer a license issued
14 under this section for a campground, camping resort, recreational or educational
15 camp, or public swimming pool to the newly formed business entity or sole
16 proprietorship if all of the following conditions are satisfied:

17 **SECTION 16.** 108.025 (1) (b) of the statutes is amended to read:

18 108.025 (1) (b) An individual ~~named as~~ who is a member of a limited liability
19 company that is treated as a corporation under this chapter ~~in the records of the~~
20 ~~company required to be kept under s. 183.0405~~ as of the date of an election under this
21 section.

22 **SECTION 17.** 139.34 (9) of the statutes is amended to read:

23 139.34 (9) The applicant for a permit, if a nonresident, foreign corporation or
24 foreign limited liability company, shall file proof that the applicant has appointed the
25 department of financial institutions as agent for the service of process on any matter

SENATE BILL 566**SECTION 17**

1 arising under ss. 139.30 to 139.44. A foreign corporation without a place of business
2 in this state need not obtain a certificate of authority under ss. 180.1501 to 180.1505.
3 If a foreign corporation has a certificate of authority under ss. 180.1501 to 180.1505,
4 the foreign corporation satisfies this subsection by filing the address of its registered
5 office in this state and the name and e-mail address of its registered agent at that
6 office and by promptly filing any changes to this information. A foreign limited
7 liability company without a place of business in this state need not obtain a
8 certificate of registration under ~~ss. 183.1002 to 183.1007~~ s. 183.0902. If a foreign
9 limited liability company has a certificate of registration under ~~ss. 183.1002 to~~
10 ~~183.1007~~ s. 183.0902, the foreign limited liability company satisfies this subsection
11 by filing ~~the address of its registered office in this state and the name~~ and address,
12 and e-mail address, of its registered agent ~~at that office in this state~~ and by promptly
13 filing any changes to this information.

14 **SECTION 18.** 157.62 (1) (b) and (2) (b) 1., 2. and 7. of the statutes are amended
15 to read:

16 157.62 (1) (b) Paragraph (a) does not apply to any person required to file a
17 report under s. 180.1622 or ~~181.1622~~ 181.0214.

18 (2) (b) 1. A copy of any report required under sub. (1) (a) or s. 180.1622 or
19 ~~181.1622~~ 181.0214.

20 2. If the cemetery authority is required to file a report under s. 180.1622 or
21 ~~181.1622~~ 181.0214, the information specified in sub. (1) (a) 3.

22 7. The information specified in sub. (1) (a), to the extent applicable, if the
23 cemetery is not required to file a report under sub. (1) (a) or s. 180.1622 or ~~181.1622~~
24 181.0214.

25 **SECTION 19.** 165.68 (5) (f) 1. of the statutes is amended to read:

SENATE BILL 566

1 165.68 (5) (f) 1. If a program participant is the sole member of a limited liability
2 company, the limited liability company may list the department as its registered
3 agent and registered office under s. ~~183.0105 (1)~~ 183.0115 (1m).

4 **SECTION 20.** 178.0102 (11) of the statutes is amended to read:

5 178.0102 (11) “Partnership” or “domestic partnership” means an association
6 of 2 or more persons, except to the extent provided in s. 178.0801 (6) or organized
7 under another chapter, to carry on as co-owners a business for profit whose
8 governing law is the law of this state, and which is subject to this chapter, including
9 an association that has become and is still subject to this chapter. The term includes
10 a limited liability partnership.

11 **SECTION 21.** 178.0102 (14) of the statutes is amended to read:

12 178.0102 (14) “Person” means an individual, business corporation, nonprofit
13 or nonstock corporation, partnership, limited partnership, limited liability company,
14 general cooperative association, limited cooperative association, unincorporated
15 ~~nonprofit~~ association, statutory trust, business trust, common-law business trust,
16 estate, trust, association, joint venture, public corporation, government or
17 governmental subdivision, agency, or instrumentality, or any other legal or
18 commercial entity.

19 **SECTION 22.** 178.0103 (6) (d) of the statutes is created to read:

20 178.0103 (6) (d) For notices from the department, upon successful
21 transmission by e-mail as provided in this chapter.

22 **SECTION 23.** 178.0104 of the statutes is renumbered 178.0104 (1m).

23 **SECTION 24.** 178.0104 (2m) and (3m) of the statutes are created to read:

SENATE BILL 566**SECTION 24**

1 178.0104 **(2m)** The fact that one or more of the partners of a partnership are,
2 or are not, subject to tax on the income of the partnership shall have no effect on the
3 application of the law of this state under sub. (1m).

4 **(3m)** The partnership agreement may require, consistent with applicable
5 jurisdictional requirements, that any or all claims involving the application of the
6 law of this state under sub. (1m) shall be brought solely and exclusively in the courts
7 of this state.

8 **SECTION 25.** 178.0105 (3) (a) of the statutes is amended to read:

9 178.0105 **(3)** (a) Vary the law applicable under ss. 178.0104 ~~(1)~~ (1m) (a) and
10 178.0110.

11 **SECTION 26.** 178.0105 (3) (b) of the statutes is repealed.

12 **SECTION 27.** 178.0105 (3) (d) of the statutes is amended to read:

13 178.0105 **(3)** (d) Unreasonably restrict the duties and rights under s. 178.0408,
14 but the partnership agreement may impose reasonable restrictions on the
15 availability and use of information obtained under that section and may define
16 appropriate remedies, including liquidated damages and security, for a breach of any
17 reasonable restriction on use.

18 **SECTION 28.** 178.0105 (3) (f) of the statutes is amended to read:

19 178.0105 **(3)** (f) ~~Eliminate, or restrict remedies for the breach of, the~~
20 contractual obligation of good faith and fair dealing under s. 178.0409 (4), but the
21 partnership agreement may ~~prescribe the standards, if not manifestly unreasonable,~~
22 prescribe the standards by which the performance of the obligation is to be measured
23 or restrict remedies for breach of the obligation.

24 **SECTION 29.** 178.0105 (3) (h) (intro.) of the statutes is amended to read:

SENATE BILL 566

1 178.0105 (3) (h) (intro.) Relieve or exonerate a ~~person~~ partner from liability for
2 conduct that constitutes any of the following:

3 **SECTION 30.** 178.0105 (3) (n) of the statutes is amended to read:

4 178.0105 (3) (n) Vary the right of a partner to approve a merger, interest
5 exchange, conversion, or domestication under s. 178.1123 (1), 178.1133 (1), 178.1143
6 (1), or 178.1153 (1), except by written provision in the partnership agreement that
7 does not impair the rights of ~~a~~ the partner under s. 178.1161.

8 **SECTION 31.** 178.0105 (3) (np) of the statutes is created to read:

9 178.0105 (3) (np) Impair the rights of a partner under s. 178.1161, except to
10 require that the notice of acceptance under s. 178.1161 (2) be in a record or be given
11 fewer than 60, but not fewer than 10, days of receipt of the offer.

12 **SECTION 32.** 178.0105 (4) (c) (intro.) of the statutes is amended to read:

13 178.0105 (4) (c) (intro.) ~~Except as provided in sub. (3) (h), if~~ If not manifestly
14 unreasonable, the partnership agreement may do any of the following:

15 **SECTION 33.** 178.0110 (2) (b) of the statutes is amended to read:

16 178.0110 (2) (b) If a partnership elects, in a manner allowed by law for
17 amending the partnership agreement, to continue to be subject to ch. 178, 2013
18 stats., and files with the department a statement of nonapplicability to that effect
19 prior to January 1, 2018, the partnership shall not be subject to this chapter, except
20 for requirements relating to filing or obtaining copies of records with the department,
21 receiving or responding to notices from the department, and complying with
22 administrative rules promulgated under this chapter. Thereafter, if the partnership
23 elects, in such manner, to be subject to this chapter as of any subsequent date and
24 files with the department a statement of applicability to that effect, this chapter

SENATE BILL 566**SECTION 33**

1 applies to the partnership as of the date that the statement of applicability is
2 effective under s. 178.0114.

3 **SECTION 34.** 178.0120 (1) of the statutes is amended to read:

4 178.0120 (1) Subject to sub. (2) (a), the department may collect a fee for filing,
5 or providing a certified copy of, a record under this chapter. ~~Subject to sub. (2) (a),~~
6 ~~the~~ The department may also collect charge a fee ~~in connection with any request~~
7 ~~under s. 178.0121~~ for providing a certified copy of any record, or for filing any record
8 not identified in sub. (2) (a), pursuant to a rule promulgated under this subsection
9 or s. 182.01 (4).

10 **SECTION 35.** 178.0120 (2) (a) of the statutes is repealed and recreated to read:

11 178.0120 (2) (a) Except as provided under par. (c), the department shall collect
12 the following fees when the records described in this paragraph are delivered to the
13 department for filing:

- 14 1. Annual report of a domestic limited liability partnership, \$25.
- 15 2. Annual report of a foreign limited liability partnership, \$65.
- 16 3. Articles of merger, conversion, interest exchange, or domestication, \$150.
- 17 4. Domestic statement of qualification, \$100.
- 18 5. Foreign registration statement, \$100.
- 19 6. Foreign transfer of registration, \$50.
- 20 7. Reinstatement after revocation, \$100.
- 21 8. Renewal application, \$40.
- 22 9. Statement of amendment, cancellation, change, correction, denial,
23 dissociation, dissolution, renewal, rescission, termination, or withdrawal, \$40.
- 24 10. Statement of partnership authority, \$100.

SENATE BILL 566

1 11. Amendment or statement of withdrawal of foreign registration statement,
2 \$40.

3 12. Written application for reserved name or renewal of reserved name, \$15.

4 13. Notice of transfer of reserved or registered name, \$10.

5 14. Application for registered name or renewal of registered name, \$50.

6 15. Domestic or foreign limited liability partnership's statement of change of
7 registered office, \$10.

8 16. Agent's statement of change of registered office, \$10 for each affected
9 domestic or foreign limited liability partnership, except if simultaneous filings are
10 made, the fee is reduced to \$1 for each affected domestic or foreign limited liability
11 partnership in excess of 200.

12 17. Agent's statement of resignation, \$10.

13 **SECTION 36.** 178.0120 (2) (b) of the statutes is repealed and recreated to read:

14 178.0120 (2) (b) In addition to the fees required under par. (a) or permitted
15 under sub. (1), the department may collect the expedited service fee established
16 under s. 182.01 (4) (d) for processing in an expeditious manner a record required or
17 permitted to be filed with the department under this chapter or for preparing in an
18 expeditious manner a certificate of status under s. 178.0121.

19 **SECTION 37.** 178.0121 (title) of the statutes is amended to read:

20 **178.0121** (title) **Confirmation Certificate of status.**

21 **SECTION 38.** 178.0121 (2) (a) of the statutes is amended to read:

22 178.0121 (2) (a) The domestic limited liability partnership's partnership name
23 or the foreign limited liability partnership's partnership name and fictitious name,
24 if any, used in this state.

25 **SECTION 39.** 178.0121 (2) (b) 1. of the statutes is amended to read:

SENATE BILL 566**SECTION 39**

1 178.0121 (2) (b) 1. The domestic limited liability partnership is a limited
2 liability partnership ~~under whose governing law is the laws~~ law of this state, or the
3 foreign limited liability partnership is authorized to transact business in this state.

4 **SECTION 40.** 178.0121 (2) (b) 2. of the statutes is amended to read:

5 178.0121 (2) (b) 2. The domestic limited liability partnership or the foreign
6 limited liability partnership has, during its most recently completed report year,
7 filed with the department ~~the~~ an annual report required by s. 178.0913.

8 **SECTION 41.** 178.0121 (2) (b) 3. of the statutes is amended to read:

9 178.0121 (2) (b) 3. The domestic limited liability partnership has not filed a
10 cancellation of its statement of qualification ~~and is not the subject of a proceeding~~
11 ~~under s. 178.09032 to revoke its statement of qualification.~~

12 **SECTION 42.** 178.0121 (2) (b) 4. of the statutes is amended to read:

13 178.0121 (2) (b) 4. The foreign limited liability partnership has not filed a
14 ~~cancellation~~ statement of withdrawal of its registration statement under s. 178.1011
15 ~~and is not the subject of a proceeding under s. 178.10102 to revoke, if not, the effective~~
16 date of its registration statement.

17 **SECTION 43.** 178.0121 (2) (c) of the statutes is amended to read:

18 178.0121 (2) (c) The domestic limited liability partnership's effective date of its
19 statement of qualification ~~or the foreign limited liability partnership's effective date~~
20 ~~of its registration statement and the period of its duration if less than perpetual.~~

21 **SECTION 44.** 178.0301 (1) of the statutes is amended to read:

22 178.0301 (1) Each partner is an agent of the partnership for the purpose of its
23 business. An act of a partner, including the signing of an ~~instrument~~ a record, in the
24 ~~partnership~~ partnership's name, for apparently carrying on in the ordinary course
25 the ~~partnership~~ partnership's business or business of the kind carried on by the

SENATE BILL 566

1 partnership binds the partnership, unless the partner did not have authority to act
2 for the partnership in the particular matter and the person with which the partner
3 was dealing knew or had notice that the partner lacked authority.

4 **SECTION 45.** 178.0303 (1) (b) 2. of the statutes is amended to read:

5 178.0303 (1) (b) 2. If the partnership is not a limited liability partnership, the
6 street ~~and~~, mailing, and e-mail addresses of its principal office.

7 **SECTION 46.** 178.0303 (1) (b) 3. of the statutes is amended to read:

8 178.0303 (1) (b) 3. If the partnership is a limited liability partnership, the
9 street address of its registered office in this state and the name and e-mail address
10 of its registered agent at that office.

11 **SECTION 47.** 178.0303 (2) (b) of the statutes is amended to read:

12 178.0303 (2) (b) If the partnership is not a limited liability partnership, the
13 street ~~and~~, mailing, and e-mail addresses of the partnership's principal office.

14 **SECTION 48.** 178.0303 (2) (c) of the statutes is amended to read:

15 178.0303 (2) (c) If the partnership is a limited liability partnership, the street
16 address of its registered office in this state and the name and e-mail address of its
17 registered agent at that office.

18 **SECTION 49.** 178.0303 (2m) (a) 2. of the statutes is amended to read:

19 178.0303 (2m) (a) 2. If the partnership is not a limited liability partnership,
20 the street ~~and~~, mailing, and e-mail addresses of the partnership's principal office.

21 **SECTION 50.** 178.0303 (2m) (a) 3. of the statutes is amended to read:

22 178.0303 (2m) (a) 3. If the partnership is a limited liability partnership, the
23 street and mailing address of its registered office in this state and the name and
24 e-mail address of its registered agent at that office.

25 **SECTION 51.** 178.0401 (3) of the statutes is amended to read:

SENATE BILL 566**SECTION 51**

1 178.0401 (3) A partnership shall indemnify and hold harmless a person with
2 respect to any claim or demand against the person and any debt, obligation, or other
3 liability incurred by the person by reason of the person's former or present capacity
4 as a partner, if the claim, demand, debt, obligation, or other liability does not arise
5 from the person's breach of this section or s. 178.0406, 178.0407, or 178.0409.

6 **SECTION 52.** 178.0401 (5) of the statutes is amended to read:

7 178.0401 (5) A partnership may purchase and maintain insurance on behalf
8 of a partner against liability asserted against or incurred by the partner in that
9 capacity or arising from that status even if, under s. 178.0105 (3) (g) (h), the
10 partnership agreement could not eliminate or limit the person's liability to the
11 partnership for the conduct giving rise to the liability.

12 **SECTION 53.** 178.0401 (11m) of the statutes is created to read:

13 178.0401 (11m) Unless otherwise provided in the partnership agreement, any
14 action that is to be voted on or consented to by some or all of the partners may be
15 taken without a meeting of the partners entitled to vote or consent if all of such
16 partners consent to the action. The consent shall be evidenced by one or more written
17 consents describing the action, signed by each of such partners, and delivered to the
18 partnership for inclusion in the partnership records. Unless otherwise provided in
19 the partnership agreement, if a person, whether or not then a partner, so consenting
20 as a partner directs, whether through instruction to an agent or otherwise, that such
21 consent will be effective at a future time, including a time determined upon the
22 happening of an event, then the person shall be deemed to have consented as a
23 partner at this future time so long as the person is then a partner and did not revoke
24 the consent prior to that time. Any such consent shall be revocable prior to its
25 becoming effective.

SENATE BILL 566

1 **SECTION 54.** 178.0402 (2) (a) of the statutes is amended to read:

2 178.0402 (2) (a) As provided in the a partnership agreement.

3 **SECTION 55.** 178.0405 (3) of the statutes is amended to read:

4 178.0405 (3) A person does not have a right to demand or receive a distribution
5 from a partnership in any form other than money. Except as otherwise provided in
6 s. 178.0806 (6), a partnership may distribute an asset in kind only if each part of the
7 asset is fungible with each other part and each person receives a percentage of the
8 asset equal in value to the person's share of distributions.

9 **SECTION 56.** 178.0409 (3) of the statutes is amended to read:

10 178.0409 (3) The duty of care of a partner in the conduct or winding up of the
11 partnership business is to refrain from engaging in grossly negligent or reckless
12 conduct or in conduct for which relief or exoneration from liability is not permitted
13 under s. 178.0105 (3) (h).

14 **SECTION 57.** 178.0601 (4) (c) 2. of the statutes is amended to read:

15 178.0601 (4) (c) 2. The statement of dissolution or the equivalent has not been
16 withdrawn, rescinded, or revoked, the person has not been reinstated, or the person's
17 charter or the equivalent or right to conduct business has not been reinstated, within
18 90 days after the notification under subd. 1.

19 **SECTION 58.** 178.0701 (5) of the statutes is amended to read:

20 178.0701 (5) If no agreement for the purchase of the interest of a person
21 dissociated as a partner is reached within 120 days after a written demand for
22 payment, the partnership shall pay, or cause to be paid, in money to the person the
23 amount the partnership estimates to be the buyout price and accrued interest,
24 reduced by any offsets ~~and accrued interest~~ under sub. (3).

25 **SECTION 59.** 178.0701 (7) (d) of the statutes is amended to read:

SENATE BILL 566**SECTION 59**

1 178.0701 (7) (d) Written notice that the payment is in full satisfaction of the
2 obligation to purchase unless, not later than 120 days after the written notice, the
3 person dissociated as a partner commences an action to determine the buyout price,
4 any offsets and accrued interest under sub. (3), or other terms of the obligation to
5 purchase.

6 **SECTION 60.** 178.0701 (9) of the statutes is amended to read:

7 178.0701 (9) A person dissociated as a partner may maintain an action against
8 the partnership, pursuant to s. 178.0410 (2), to determine the buyout price of that
9 person's interest, any offsets and accrued interest under sub. (3), or other terms of
10 the obligation to purchase. The action must be commenced not later than 120 days
11 after the partnership has tendered payment or an offer to pay in accordance with
12 subs. (5) to (8) to the extent applicable or within one year after written demand for
13 payment if no payment or offer to pay is tendered. The court shall determine the
14 buyout price of the person's interest, any offset due under sub. (3), and accrued
15 interest, and enter judgment for any additional payment or refund. If deferred
16 payment is authorized under sub. (8), the court shall also determine the security for
17 payment and other terms of the obligation to purchase. The court may assess
18 reasonable attorney fees and the fees and expenses of appraisers or other experts for
19 a party to the action, in amounts the court finds equitable, against a party that the
20 court finds acted arbitrarily, vexatiously, or not in good faith. The finding may be
21 based on the partnership's failure to tender payment or an offer to pay or to comply
22 with sub. (7).

23 **SECTION 61.** 178.0804 (1) (intro.) of the statutes is amended to read:

SENATE BILL 566

1 178.0804 (1) (intro.) A partnership is bound by a partner's act with respect to
2 a transaction with another ~~person~~ party after dissolution if any of the following
3 applies:

4 **SECTION 62.** 178.0806 (3) (a) of the statutes is amended to read:

5 178.0806 (3) (a) Each person that was a partner when the obligation was
6 incurred and that has not been released from the obligation under s. 178.0703 (3) ~~or~~
7 (4) shall contribute to the partnership for the purpose of enabling the partnership to
8 satisfy the obligation. The contribution due from each of those persons is in
9 proportion to the right to receive distributions in the capacity of a partner in effect
10 for each of those persons when the obligation was incurred.

11 **SECTION 63.** 178.0806 (7) of the statutes is renumbered 178.0806 (6).

12 **SECTION 64.** 178.0807 (2) (c) of the statutes is amended to read:

13 178.0807 (2) (c) State the deadline for receipt of a claim, which may not be less
14 than 120 days after the date the notice is ~~received by the claimant~~ effective under s.
15 178.0103 (6).

16 **SECTION 65.** 178.0807 (3) (b) 1. and 2. of the statutes are amended to read:

17 178.0807 (3) (b) 1. The partnership ~~causes~~ notifies the claimant ~~to receive a~~
18 ~~notice~~ in a record stating that the claim is rejected and will be barred unless the
19 claimant commences an action against the partnership to enforce the claim within
20 90 days after ~~the claimant receives the notice~~ is effective under s. 178.0103 (6).

21 2. The claimant does not commence the required action within 90 days after
22 ~~the claimant receives the notice~~ of rejection is effective under s. 178.0103 (6).

23 **SECTION 66.** 178.0807 (4) of the statutes is amended to read:

24 178.0807 (4) This section does not apply to a claim based on an event occurring
25 after the date of dissolution or a liability that on that date is contingent, or a liability

SENATE BILL 566**SECTION 66**

1 for an additional assessment under s. 71.74 or for sales and use taxes determined as
2 owing under s. 77.59.

3 **SECTION 67.** 178.0808 (title) of the statutes is amended to read:

4 **178.0808** (title) ~~Other claims~~ **Claims against dissolved limited liability**
5 **partnership generally.**

6 **SECTION 68.** 178.0808 (1) of the statutes is amended to read:

7 178.0808 (1) A dissolved limited liability partnership may publish notice of its
8 dissolution and request persons having claims against the partnership, whether
9 known or unknown, to present them in accordance with the notice.

10 **SECTION 69.** 178.0808 (2) (a) of the statutes is amended to read:

11 178.0808 (2) (a) It must be published as a class 1 notice, under ch. 985, in a
12 newspaper of general circulation in the county in this state in which the dissolved
13 limited liability partnership's principal office is located or, if the principal office is not
14 located in this state, in the county in which ~~the office of the partnership's~~ registered
15 agent office is or was last located.

16 **SECTION 70.** 178.0809 (1) of the statutes is amended to read:

17 178.0809 (1) A dissolved limited liability partnership that has published a
18 notice under s. 178.0808 may file an application with the circuit court in the county
19 in this state where the partnership's principal office is located or, if the principal
20 office is not located in this state, where ~~the office of its~~ partnership's registered agent
21 office is or was last located, for a determination of the amount and form of security
22 to be provided for payment of claims that are contingent or are not known to the
23 partnership or that are based on an event occurring after the effective date of
24 dissolution but that, based on the facts known to the partnership, are reasonably
25 expected to arise after the effective date of dissolution.

SENATE BILL 566

1 **SECTION 71.** 178.0901 (3) (c) of the statutes is amended to read:

2 178.0901 (3) (c) The street address of the partnership's registered office in this
3 state and the name and e-mail address of its registered agent at that office.

4 **SECTION 72.** 178.0902 (1) of the statutes is amended to read:

5 178.0902 (1) The name of a partnership that is not a limited liability
6 partnership may not contain the phrase "Registered Limited Liability Partnership"
7 or "Limited Liability Partnership" or the abbreviation "~~R.L.L.P.,~~" "~~L.L.P.,~~" "RLLP,"
8 or "LLP:" or a variation of these abbreviations that differs only with respect to
9 capitalization of letters or punctuation.

10 **SECTION 73.** 178.0902 (2) of the statutes is amended to read:

11 178.0902 (2) The name of a limited liability partnership must contain the
12 phrase "Registered Limited Liability Partnership" or "Limited Liability
13 Partnership" or the abbreviation "~~R.L.L.P.,~~" "~~L.L.P.,~~" "RLLP," or "LLP:" or a variation
14 of these abbreviations that differs only with respect to capitalization of letters or
15 punctuation.

16 **SECTION 74.** 178.0902 (5) of the statutes is amended to read:

17 178.0902 (5) In determining whether a name is the same as or not
18 distinguishable on the records of the department from the name of another person,
19 words, phrases, or abbreviations indicating a type of entity, such as "corporation,"
20 "Corp.," "incorporated," "Inc.," "service corporation," "SC," "Limited," "Ltd.," "limited
21 partnership," "LP," "~~L.P.,~~" "limited liability partnership," "LLP," "~~L.L.P.,~~" "limited
22 liability limited partnership," "LLLP," "~~L.L.L.P.,~~" "registered limited liability limited
23 partnership," "RLLLP," "~~R.L.L.L.P.,~~" "limited liability company," "LLC," "~~L.L.C.,~~"
24 "cooperative association," or "cooperative," or a variation of these abbreviations that

SENATE BILL 566**SECTION 74**

1 differs only with respect to capitalization of letters or punctuation, may not be taken
2 into account.

3 **SECTION 75.** 178.09032 (5) of the statutes is amended to read:

4 178.09032 (5) The partnership's right to the exclusive use of its partnership
5 name terminates on the effective date of the revocation of its statement of
6 qualification under sub. (2) (b).

7 **SECTION 76.** 178.09032 (6) of the statutes is created to read:

8 178.09032 (6) The administrative revocation of a statement of qualification of
9 a limited liability partnership does not terminate the authority of its registered
10 agent.

11 **SECTION 77.** 178.0905 (2) of the statutes is amended to read:

12 178.0905 (2) The partnership may appeal the denial of reinstatement to the
13 circuit court for the county where the partnership's principal office or, if none in this
14 state, its registered office is located, within 30 days after service of the notice of denial
15 is perfected effective under s. 178.0103 (6). To appeal, the partnership shall petition
16 the court to set aside the revocation and attach to the petition copies of the
17 department's notice of revocation under s. 178.09032 (2) (b), the partnership's
18 application for reinstatement under s. 178.0904 (1), and the department's notice of
19 denial under sub. (1).

20 **SECTION 78.** 178.0908 (2) of the statutes is amended to read:

21 178.0908 (2) A registered agent for a limited liability partnership or registered
22 foreign limited liability partnership must have an e-mail account and a place of
23 business in this state.

24 **SECTION 79.** 178.0911 (1) (intro.) of the statutes is amended to read:

SENATE BILL 566

1 178.0911 (1) (intro.) If the name or e-mail address of a registered agent
2 changes or if the street address of a registered agent's office changes, the registered
3 agent may change the name or e-mail address of the registered agent or street
4 address of the registered office of any limited liability partnership or foreign limited
5 liability partnership for which he, she, or it is the registered agent. To make the
6 change under this subsection, the registered agent shall notify the partnership or
7 foreign partnership in writing of the change and deliver to the department for filing
8 a statement of change that recites that the partnership or foreign partnership has
9 been notified of the change and states all of the following:

10 **SECTION 80.** 178.0911 (1) (b) of the statutes is amended to read:

11 178.0911 (1) (b) The name, e-mail address, and street address of the agent as
12 currently shown in the records of the department for the partnership or foreign
13 partnership.

14 **SECTION 81.** 178.0911 (1) (c) of the statutes is amended to read:

15 178.0911 (1) (c) ~~The~~ Any new name, new e-mail address, or new street address,
16 ~~or both,~~ of the agent.

17 **SECTION 82.** 178.0912 (1) of the statutes is amended to read:

18 178.0912 (1) A limited liability partnership or registered foreign limited
19 liability partnership may be served with any process, notice, or demand required or
20 permitted by law by serving its registered agent. The department may serve any
21 written notice required or authorized under this chapter by e-mailing it to the
22 registered agent's e-mail address on file with the department, and such notice shall
23 be effective as provided in s. 178.0103 (6).

24 **SECTION 83.** 178.0913 (1) (b) of the statutes is amended to read:

SENATE BILL 566**SECTION 83**

1 178.0913 (1) (b) The street address of its registered office in this state and the
2 name and e-mail address of its registered agent at that office.

3 **SECTION 84.** 178.1003 (5) of the statutes is amended to read:

4 178.1003 (5) The address of the partnership's registered office in this state and
5 the name and e-mail address of its registered agent at that office.

6 **SECTION 85.** 178.1004 (intro.) of the statutes is amended to read:

7 **178.1004 Amendment ~~or cancellation~~ of foreign registration**
8 **statement.** (intro.) A registered foreign limited liability partnership shall deliver
9 to the department for filing an amendment to, ~~or cancellation of,~~ as appropriate, its
10 foreign registration statement if there is a change in any of the following:

11 **SECTION 86.** 178.1004 (1) of the statutes is amended to read:

12 178.1004 (1) The name of the partnership and, if the name of the partnership
13 filing an amendment does not comply with s. 178.0902 (3), a fictitious name adopted
14 pursuant to s. 178.1006 (1).

15 **SECTION 87.** 178.1004 (4) of the statutes is amended to read:

16 178.1004 (4) The information required by s. 178.1003 (5), unless such
17 information has previously been changed pursuant to s. 178.0116, 178.0909, or
18 178.0913 (5).

19 **SECTION 88.** 178.1006 (1) of the statutes is amended to read:

20 178.1006 (1) A foreign limited liability partnership whose name does not
21 comply with s. 178.0902 (~~3~~) may not register to do business in this state until it
22 adopts, for the purpose of doing business in this state, a fictitious name that complies
23 with s. 178.0902 (~~3~~). After registering to do business in this state with a fictitious
24 name, the partnership shall only do business in this state under the fictitious name.

25 **SECTION 89.** 178.1006 (2) of the statutes is amended to read:

SENATE BILL 566

1 178.1006 (2) If a registered foreign limited liability partnership changes its
2 name to one that does not comply with s. 178.0902 (3), it may not do business in this
3 state until it complies with sub. (1) by amending its registration to adopt a fictitious
4 name that complies with s. 178.0902 (3).

5 **SECTION 90.** 178.1009 (1) (c) of the statutes is amended to read:

6 178.1009 (1) (c) The name of the applicant foreign entity into which the foreign
7 limited liability partnership has merged or to which it has been converted and, if the
8 name does not comply with s. 178.0902 (3), a fictitious name adopted pursuant to s.
9 178.1006 (1).

10 **SECTION 91.** 178.1009 (1) (f) of the statutes is amended to read:

11 178.1009 (1) (f) The street address of the applicant foreign entity's registered
12 office in this state and the name and e-mail address of its registered agent at that
13 address.

14 **SECTION 92.** 178.10101 (1) (d) of the statutes is amended to read:

15 178.10101 (1) (d) The foreign limited liability partnership does not inform the
16 department under s. 178.0909 ~~or~~, 178.0910, or 178.1004 that its registered agent or
17 registered office has changed, that its registered agent has resigned, or that its
18 registered office has been discontinued, within 6 months of the change, resignation,
19 or discontinuance.

20 **SECTION 93.** 178.10102 (1) of the statutes is amended to read:

21 178.10102 (1) If the department determines that one or more grounds exist
22 under s. 178.10101 for revocation of a foreign limited liability partnership's
23 statement of foreign registration, the department may give the foreign limited
24 liability partnership notice of the determination. The notice shall be in writing and
25 addressed to the registered ~~office~~ agent of the foreign limited liability partnership.

SENATE BILL 566**SECTION 94**

1 **SECTION 94.** 178.10102 (2) (b) of the statutes is amended to read:

2 178.10102 (2) (b) If the foreign limited liability partnership fails to satisfy par.
3 (a), the department may revoke the foreign limited liability partnership's statement
4 of foreign registration by entering a notation in the department's records to reflect
5 each ground for revocation and the effective date of the revocation. The department
6 shall give the foreign limited liability partnership notice of each ground for
7 revocation and the effective date of the revocation. The notice shall be in writing and
8 addressed to the registered office agent of the foreign limited liability partnership.

9 **SECTION 95.** 178.1011 (1) (c) of the statutes is amended to read:

10 178.1011 (1) (c) ~~That~~ Whether the partnership revokes the authority of its
11 registered agent to accept service on its behalf and, in any event, that it also consents
12 to service of process under sub. (2) in any civil, criminal, administrative, or
13 investigatory proceeding based on a cause of action arising during the time the
14 partnership was registered to do business in this state.

15 **SECTION 96.** 178.1101 (16) (b) of the statutes is amended to read:

16 178.1101 (16) (b) A membership in a nonprofit or nonstock corporation.

17 **SECTION 97.** 178.1101 (16) (h) of the statutes is amended to read:

18 178.1101 (16) (h) A membership in an unincorporated ~~nonprofit~~ association.

19 **SECTION 98.** 178.1101 (18) (b) of the statutes is amended to read:

20 178.1101 (18) (b) A member of a nonprofit or nonstock corporation.

21 **SECTION 99.** 178.1101 (18) (i) of the statutes is amended to read:

22 178.1101 (18) (i) A member of an unincorporated ~~nonprofit~~ association.

23 **SECTION 100.** 178.1102 (2) of the statutes is amended to read:

24 178.1102 (2) A transaction effected under this chapter subchapter may not
25 create or impair a right, duty, or obligation of a person under the law of this state,

SENATE BILL 566**SECTION 100**

1 other than this subchapter, relating to a change in control, takeover, business
2 combination, control-share acquisition, or similar transaction involving a domestic
3 constituent, acquired, or converting entity.

4 **SECTION 101.** 178.1123 (2) of the statutes is amended to read:

5 178.1123 (2) Subject to s. 178.1161 and the governing law of each constituent
6 entity, after a plan of merger is approved, and at any time before a merger becomes
7 effective, except as otherwise provided in the plan of merger, the constituent entities
8 may amend the plan of merger or abandon the merger as provided in the plan of
9 merger ~~or, except as otherwise provided in the plan of merger~~, with the same vote or
10 consent as was required to approve the plan of merger.

11 **SECTION 102.** 178.1123 (3) (b) of the statutes is repealed.

12 **SECTION 103.** 178.1124 (1) (d) 2. of the statutes is amended to read:

13 178.1124 (1) (d) 2. If the surviving entity is to be created in the merger, any of
14 its organizational documents ~~under s. 178.1122 (1) (e)~~ that are to be in a public record
15 under its governing law, ~~including, if the surviving entity is a domestic limited~~
16 ~~liability partnership, its statement of qualification.~~

17 **SECTION 104.** 178.1124 (1) (f) of the statutes is amended to read:

18 178.1124 (1) (f) A statement that upon request the surviving entity will provide
19 a copy of the plan of merger to any ~~person that was an~~ interest holder of a constituent
20 entity.

21 **SECTION 105.** 178.1124 (1) (g) of the statutes is created to read:

22 178.1124 (1) (g) A statement whether s. 178.1161 applies to the merger.

23 **SECTION 106.** 178.1125 (1) (f) of the statutes is amended to read:

24 178.1125 (1) (f) The interests of each constituent entity that are to be converted
25 into interests, securities, or obligations of the surviving entity, or rights to acquire

SENATE BILL 566**SECTION 106**

1 such interests or securities, money, other property, or any combination of the
2 foregoing, are converted as provided in the plan of merger, and the former interest
3 holders of the interests are entitled only to the rights provided to them in the plan
4 of merger or to their rights, if any, under ss. 178.1161, ~~179.77~~ 179.1161, 180.1301 to
5 180.1331, 181.1180, 183.1061, or otherwise under the governing law of the
6 constituent entity. All other terms and conditions of the merger also take effect.

7 **SECTION 107.** 178.1125 (2) (a) of the statutes is amended to read:

8 178.1125 (2) (a) When a merger takes effect, the department is the an agent
9 of any foreign surviving entity for service of process in a proceeding to enforce any
10 obligation or the rights of ~~dissenting shareholders or other interest holders, in their~~
11 capacity as such, of each domestic partnership constituent entity.

12 **SECTION 108.** 178.1125 (2) (b) of the statutes is amended to read:

13 178.1125 (2) (b) When a merger takes effect, any foreign surviving entity shall
14 ~~promptly pay to the dissenting or dissociating~~ timely honor the rights and
15 obligations of interest holders of under this chapter with respect to each domestic
16 partnership constituent entity ~~the amount, if any, to which they are entitled under~~
17 ~~ss. 178.1161, 179.77, or 180.1301 to 180.1331 or the corresponding provisions of the~~
18 ~~entity's other governing law.~~

19 **SECTION 109.** 178.1125 (3) of the statutes is created to read:

20 178.1125 (3) When a merger takes effect, any foreign surviving entity may be
21 served with process in this state for the collection and enforcement of any debts,
22 obligations, or other liabilities of a domestic merging entity in the manner provided
23 in s. 178.0912, except that references to the department in that section shall be
24 treated as references to the appropriate authority under the foreign surviving
25 entity's governing law for purposes of applying this subsection.

SENATE BILL 566**SECTION 110**

1 **SECTION 110.** 178.1132 (1) (f) of the statutes is created to read:

2 178.1132 (1) (f) A statement whether s. 178.1161 applies to the interest
3 exchange.

4 **SECTION 111.** 178.1133 (1) of the statutes is amended to read:

5 178.1133 (1) Subject to s. 178.1161, a plan of interest exchange must be
6 approved by a vote or consent of all of the partners of with respect to each domestic
7 partnership ~~that is an acquiring or~~ acquired entity.

8 **SECTION 112.** 178.1133 (2) of the statutes is amended to read:

9 178.1133 (2) Subject to s. 178.1161 and the governing law of each of the
10 acquiring entity and acquired entity, after a plan of interest exchange is approved,
11 and at any time before an interest exchange becomes effective, except as otherwise
12 provided in the plan of interest exchange, the acquiring and acquired entities may
13 amend the plan of interest exchange or abandon the interest exchange as provided
14 in the plan of interest exchange ~~or, except as otherwise provided in the plan of~~
15 ~~interest exchange~~, with the same vote or consent as was required to approve the plan
16 of interest exchange.

17 **SECTION 113.** 178.1133 (3) (b) of the statutes is repealed.

18 **SECTION 114.** 178.1134 (1) (d) of the statutes is amended to read:

19 178.1134 (1) (d) Any amendments to the organizational documents of the
20 acquired or acquiring entity ~~under s. 178.1132 (1) (d)~~ that are to be in a public record
21 under their respective governing laws or, if there are no such amendments, a
22 statement to that effect.

23 **SECTION 115.** 178.1134 (1) (f) of the statutes is amended to read:

SENATE BILL 566**SECTION 115**

1 178.1134 (1) (f) A statement that upon request the acquiring entity will provide
2 a copy of the plan of interest exchange to any ~~person that was an~~ interest holder of
3 the acquired entity ~~immediately prior to the interest exchange.~~

4 **SECTION 116.** 178.1135 (1) (a) of the statutes is amended to read:

5 178.1135 (1) (a) The interests in the acquired entity which are the subject of
6 the interest exchange are exchanged as provided in the plan of interest exchange,
7 and the former interest holders of those interests are entitled only to the rights
8 provided to them under the plan of interest exchange or to their rights, if any, under
9 ss. 178.1161, ~~179.77~~ 179.1161, 180.1301 to 180.1331, ~~181.1180, 183.1061~~, or
10 otherwise under the governing law of the acquired entity. All other terms and
11 conditions of the interest exchange also take effect.

12 **SECTION 117.** 178.1135 (5) (a) of the statutes is amended to read:

13 178.1135 (5) (a) When an interest exchange takes effect, the department is ~~the~~
14 an agent of any foreign acquiring entity for service of process in a proceeding to
15 enforce any obligation or the rights of ~~dissenting or other owners~~ interest holders,
16 in their capacity as such, of each domestic partnership acquired entity that is a party
17 to the interest exchange.

18 **SECTION 118.** 178.1135 (5) (b) of the statutes is amended to read:

19 178.1135 (5) (b) When an interest exchange takes effect, any foreign acquiring
20 entity shall ~~promptly pay to any dissenting or other former owners of~~ timely honor
21 the rights and obligations of interest holders under this chapter with respect to each
22 acquired domestic partnership the amount, if any, to which they are entitled under
23 ~~ss. 178.1161 or 180.1301 to 180.1331, and otherwise comply with the obligations of~~
24 the acquired domestic partnership under its governing law acquired entity.

25 **SECTION 119.** 178.1135 (6) of the statutes is created to read:

SENATE BILL 566**SECTION 119**

1 178.1135 (6) When an interest exchange takes effect, any foreign acquiring
2 entity may be served with process in this state for the collection and enforcement of
3 any debts, obligations, or other liabilities of a domestic acquired entity in the manner
4 provided in s. 178.0912, except that references to the department in that section shall
5 be treated as references to the appropriate authority under the foreign acquiring
6 entity's governing law for purposes of applying this subsection.

7 **SECTION 120.** 178.1141 (1) of the statutes is amended to read:

8 178.1141 (1) A domestic partnership may convert to another type of domestic
9 entity, ~~other than a domestic partnership,~~ or to any type of foreign entity, pursuant
10 to ss. 178.1141 to 178.1145 and a plan of conversion if the conversion is permitted
11 under the governing law of the converting entity and the governing law that is to
12 apply to the converted entity.

13 **SECTION 121.** 178.1142 (1) (f) of the statutes is amended to read:

14 178.1142 (1) (f) Any other matters required by the governing law of the
15 converting or converted entity.

16 **SECTION 122.** 178.1143 (1) of the statutes is amended to read:

17 178.1143 (1) Subject to s. 178.1161, a plan of conversion must be approved by
18 a vote or consent of all of the partners of with respect to a converting domestic
19 partnership. A plan of conversion into a ~~converted~~ domestic partnership converted
20 entity must be approved pursuant to the governing law of the converting entity.

21 **SECTION 123.** 178.1143 (2) of the statutes is amended to read:

22 178.1143 (2) Subject to s. 178.1161 and the governing law of each of the
23 converting entity and converted entity, after a plan of conversion is approved, and
24 at any time before a conversion becomes effective, except as otherwise provided in
25 the plan of conversion, the converting entity may amend the plan of conversion or

SENATE BILL 566**SECTION 123**

1 abandon the conversion as provided in the plan of conversion ~~or, except as otherwise~~
2 ~~provided in the plan of conversion~~, with the same vote or consent as was required to
3 approve the plan of conversion.

4 **SECTION 124.** 178.1143 (3) (b) of the statutes is repealed.

5 **SECTION 125.** 178.1144 (1) (a) of the statutes is amended to read:

6 178.1144 (1) (a) The name, type of entity, and governing law of the converting
7 entity.

8 **SECTION 126.** 178.1144 (1) (d) of the statutes is amended to read:

9 178.1144 (1) (d) Any organizational documents of the converted entity under
10 s. 178.1142 (1) (e) that are to be in a public record under its governing law, ~~including,~~
11 ~~if the converted entity is a domestic limited liability partnership, its statement of~~
12 ~~qualification.~~

13 **SECTION 127.** 178.1144 (1) (f) of the statutes is amended to read:

14 178.1144 (1) (f) A statement that upon request the converted entity will provide
15 a copy of the plan of conversion to any ~~person that was an~~ interest holder of the
16 converting entity.

17 **SECTION 128.** 178.1144 (1) (g) of the statutes is created to read:

18 178.1144 (1) (g) A statement whether s. 178.1161 applies to the conversion.

19 **SECTION 129.** 178.1145 (1) (f) of the statutes is amended to read:

20 178.1145 (1) (f) The interests of the converting entity that are to be converted
21 into interests, securities, or obligations of the surviving entity, rights to acquire such
22 interests or securities, money, other property, or any combination of the foregoing,
23 are converted as provided in the plan of conversion, and the former interest holders
24 of the converting entity are entitled only to the rights provided in the plan of
25 conversion or to their rights, if any, under ss. 178.1161, ~~179.77~~ 179.1161, 180.0301

SENATE BILL 566**SECTION 129**

1 to 180.1331, 181.1180, 183.1061, or otherwise under the governing law of the
2 converting entity. All other terms and conditions of the conversion also take effect.

3 **SECTION 130.** 178.1145 (2) of the statutes is amended to read:

4 178.1145 (2) (a) When a conversion takes effect, the department is ~~the~~ an agent
5 of any foreign converted entity for service of process in a proceeding to enforce any
6 obligation or the rights of ~~dissenting shareholders or other~~ interest holders, in their
7 capacity as such, of any domestic partnership converting entity.

8 (b) When a conversion takes effect, any foreign converted entity shall ~~promptly~~
9 ~~pay to the dissenting or dissociating~~ timely honor the rights and obligations of
10 interest holders ~~of~~ under this chapter with respect to any domestic partnership
11 converting entity ~~the amount, if any, to which they are entitled under s. 178.1161 or~~
12 ~~ss. 180.1301 to 180.1331 or the corresponding provisions of the entity's other~~
13 ~~governing law.~~

14 **SECTION 131.** 178.1145 (3) of the statutes is created to read:

15 178.1145 (3) When a conversion takes effect, any foreign converted entity may
16 be served with process in this state for the collection and enforcement of any debts,
17 obligations, or other liabilities of a domestic converting entity in the manner
18 provided in s. 178.0912, except that references to the department in that section shall
19 be treated as references to the appropriate authority under the foreign converted
20 entity's governing law for purposes of applying this subsection.

21 **SECTION 132.** 178.1153 (2) of the statutes is amended to read:

22 178.1153 (2) Subject to s. 178.1161 and the governing law of the domesticating
23 entity, after a plan of domestication is approved, and at any time before a
24 domestication becomes effective, except as otherwise provided in the plan of
25 domestication, the domesticating entity may amend the plan of domestication or

SENATE BILL 566**SECTION 132**

1 abandon the domestication as provided in the plan of domestication ~~or, except as~~
2 ~~otherwise provided in the plan of domestication~~, with the same vote or consent as was
3 required to approve the plan of domestication.

4 **SECTION 133.** 178.1153 (3) (b) of the statutes is repealed.

5 **SECTION 134.** 178.1154 (1) (d) of the statutes is amended to read:

6 178.1154 (1) (d) Any amendments to the organizational documents of the
7 domesticating entity and any organizational documents of the domesticated entity
8 ~~under s. 178.1152 (1) (d)~~ that are to be in a public record under their respective
9 governing laws.

10 **SECTION 135.** 178.1154 (1) (f) of the statutes is amended to read:

11 178.1154 (1) (f) A statement that upon request the domesticated entity will
12 provide a copy of the plan of domestication to any ~~person that was an~~ interest holder
13 in the ~~domesticating~~ domesticated entity ~~at the time of the domestication~~.

14 **SECTION 136.** 178.1154 (1) (g) of the statutes is created to read:

15 178.1154 (1) (g) A statement whether s. 178.1161 applies to the domestication.

16 **SECTION 137.** 178.1155 (1) (e) of the statutes is amended to read:

17 178.1155 (1) (e) The ~~non-United States~~ organizational documents of the
18 domesticated entity are amended to the extent, if any, provided in the plan of
19 domestication and, to the extent such amendments are to be reflected in a public
20 record, as provided in the articles of domestication.

21 **SECTION 138.** 178.1155 (1) (f) of the statutes is amended to read:

22 178.1155 (1) (f) The ~~United States~~ organizational documents of the
23 domesticated entity are as provided in the plan of domestication and, to the extent
24 such organizational documents are to be reflected in a public record, as provided in
25 the articles of domestication.

SENATE BILL 566**SECTION 139**

1 **SECTION 139.** 178.1161 (1) (intro.) of the statutes is amended to read:

2 178.1161 (1) (intro.) ~~Except as provided in sub. (2),~~ This section shall apply with
3 respect to a partner in connection with a merger, interest exchange, conversion, or
4 domestication transaction of a domestic partnership ~~may not if the partner does not~~
5 vote for or consent to the transaction and the transaction would do any of the
6 following with respect to ~~a~~ the partner:

7 **SECTION 140.** 178.1161 (2) (intro.) and (b) of the statutes are consolidated,
8 renumbered 178.1161 (2) and amended to read:

9 178.1161 (2) ~~Subsection (1) shall not apply~~ If this section applies with respect
10 to a partner if any of the following is applicable: ~~(b) The~~ in connection with a
11 transaction, the partnership offers to have must offer to purchase the partner's
12 interest in the partnership ~~purchased, prior to the merger, interest exchange,~~
13 ~~conversion, or domestication, in the manner provided in s. 178.0701 for a partner~~
14 ~~who has not wrongfully dissociated, without taking into account any modification of~~
15 ~~this provision under the partnership agreement~~ as provided in sub. (3). Actual or
16 alleged failure to comply with this section shall not have any impact on, and shall
17 not constitute any basis to challenge, the effectiveness of the transaction, and the
18 partner's sole remedy with respect to such failure shall be to commence an action
19 under sub. (4) and otherwise enforce such partner's rights under this section. In
20 order to accept the partnership's offer, a partner must notify the partnership within
21 60 days of receipt of the offer. Both the offer and the acceptance may be conditioned
22 upon consummation of the transaction.

23 **SECTION 141.** 178.1161 (2) (a) of the statutes is repealed.

24 **SECTION 142.** 178.1161 (3), (4) and (5) of the statutes are created to read:

SENATE BILL 566**SECTION 142**

1 178.1161 (3) (a) The purchase price of the interest of the partner pursuant to
2 this section is the amount that would be distributable to the partner if, on the date
3 of the transaction, the assets of the partnership were sold and the partnership were
4 wound up, with the sale price equal to the greater of the partnership's liquidation
5 value or the value based on a sale of the entire business as a going concern without
6 the partner.

7 (b) Interest accrues on the purchase price from the date of the transaction to
8 the date of payment. At the option of the partnership, some or all amounts owing,
9 whether or not presently due, from the partner to the partnership may be offset
10 against the purchase price.

11 (c) The partnership shall defend, indemnify, and hold the partner harmless
12 against all liabilities of the surviving, acquiring, converted, or domesticated entity,
13 as the case may be, incurred after the transaction, except liabilities incurred by an
14 act of the partner.

15 (d) If no agreement for the purchase of the interest of the partner pursuant to
16 this section is reached within 120 days of the date of the transaction, the partnership,
17 or the surviving, acquiring, converted, or domesticated entity, as the case may be,
18 shall pay, or cause to be paid, in money to the partner the amount it estimates to be
19 the purchase price and accrued interest, reduced by any offsets under par. (b).

20 (e) The payment required by par. (d) must be accompanied by all of the
21 following:

22 1. A statement of partnership assets and liabilities as of the date of the
23 transaction.

24 2. The latest available partnership balance sheet and income statement, if any.

25 3. An explanation of how the estimated amount of the payment was calculated.

SENATE BILL 566**SECTION 143**

1 **179.0101 Short title.** This chapter may be cited as the “Wisconsin Uniform
2 Limited Partnership Law.”

3 **179.0102 Definitions.** In this chapter:

4 **(1g)** “Business” includes every trade, occupation, and profession.

5 **(1m)** “Certificate of limited partnership” means the certificate required by s.
6 179.0201. The term includes the certificate as amended or restated.

7 **(2)** “Contribution,” except in the phrase “right of contribution,” means property
8 or a benefit described in s. 179.0501 which is provided by a person to a limited
9 partnership to become a partner or in the person’s capacity as a partner.

10 **(3)** “Debtor in bankruptcy” means a person that is the subject of any of the
11 following:

12 (a) An order for relief under Title 11, USC, or a comparable order under a
13 successor statute of general application.

14 (b) A comparable order under federal, state, or foreign law governing
15 insolvency.

16 **(3m)** “Department” means the department of financial institutions.

17 **(4)** (a) Except as provided in par. (b), “distribution” means a transfer of money
18 or other property from a limited partnership to a person on account of a transferable
19 interest or in the person’s capacity as a partner. The term includes all of the
20 following:

21 1. A redemption or other purchase by a limited partnership of a transferable
22 interest.

23 2. A transfer to a partner in return for the partner’s relinquishment of any right
24 to participate as a partner in the management or conduct of the partnership’s

SENATE BILL 566**SECTION 143**

1 activities and affairs or have access to records or other information concerning the
2 partnership's activities and affairs.

3 (b) "Distribution" does not include amounts constituting reasonable
4 compensation for present or past service, payments made in the ordinary course of
5 business under a bona fide retirement plan or other bona fide benefits program, or
6 other payments made to partners for good and valuable consideration other than in
7 their capacity as partners.

8 (4c) "Domestic" means, with respect to an entity, an entity whose governing
9 law is the law of this state.

10 (4j) "Electronic" means relating to technology having electronic, digital,
11 magnetic, wireless, optical, electromagnetic, or similar capabilities.

12 (4p) "Entity" means a person other than an individual.

13 (4t) "Foreign" means, with respect to an entity, an entity whose governing law
14 is other than the law of this state.

15 (5) "Foreign limited liability limited partnership" means a foreign limited
16 partnership whose general partners have limited liability for the debts, obligations,
17 or other liabilities of the foreign limited partnership under a provision similar to s.
18 179.0404 (3).

19 (6) "Foreign limited partnership" means an association that would be a limited
20 partnership subject to this chapter but for the fact that its governing law is not the
21 law of this state. The term includes a foreign limited liability limited partnership.

22 (6m) "General cooperative association" means, with respect to a Wisconsin
23 cooperative, a cooperative organized under ch. 185.

24 (7) "General partner" means a person that satisfies all of the following:

SENATE BILL 566**SECTION 143**

1 (a) The person has become a general partner under s. 179.0401 or was a general
2 partner in a limited partnership when the partnership became subject to this
3 chapter under subch. XI or s. 179.0112.

4 (b) The person has not dissociated as a general partner under s. 179.0603.

5 **(7m)** “Governing law” means, with respect to an entity, the law of the
6 jurisdiction that collectively governs its internal affairs and the liability of the
7 persons associated with the entity for a debt, obligation, or other liability of the entity
8 under s. 179.0104 or the corresponding applicable law with respect to entities other
9 than domestic limited partnerships.

10 **(8)** “Jurisdiction,” used to refer to a political entity, means the United States,
11 a state, a foreign country, or a political subdivision of a foreign country.

12 **(8m)** “Limited cooperative association” means, with respect to a Wisconsin
13 cooperative, a cooperative organized under ch. 193.

14 **(10)** “Limited liability limited partnership,” except in the phrase “foreign
15 limited liability limited partnership,” or “domestic limited liability limited
16 partnership” means a limited partnership whose certificate of limited partnership
17 states that the partnership is a limited liability limited partnership.

18 **(11)** “Limited partner” means a person that satisfies all of the following:

19 (a) The person has become a limited partner under s. 179.0301 or was a limited
20 partner in a limited partnership when the partnership became subject to this
21 chapter under subch. XI or s. 179.0112.

22 (b) The person has not dissociated under s. 179.0601.

23 **(12)** “Limited partnership,” except in the phrase “foreign limited partnership,”
24 or “domestic limited partnership” means an entity which was formed under this

SENATE BILL 566**SECTION 143**

1 chapter or became subject to this chapter and which is still subject to this chapter.

2 The term includes a limited liability limited partnership.

3 (13) "Partner" means a limited partner or general partner.

4 (14) "Partnership agreement" means the agreement, whether or not referred
5 to as a partnership agreement and whether oral, implied, in a record, or in any
6 combination thereof, of all the partners of a limited partnership concerning the
7 matters described in s. 179.0105 (1). The term includes the agreement as amended
8 or restated.

9 (15) "Person" means an individual, business corporation, nonprofit or nonstock
10 corporation, partnership, limited partnership, limited liability company, general
11 cooperative association, limited cooperative association, unincorporated association,
12 statutory trust, business trust, common-law business trust, estate, trust,
13 association, joint venture, public corporation, government or governmental
14 subdivision, agency, or instrumentality, or any other legal or commercial entity.

15 (16) "Principal office" means the principal executive office of a limited
16 partnership or foreign limited partnership, whether or not the office is located in this
17 state.

18 (17) "Property" means all property, whether real, personal, or mixed or tangible
19 or intangible, or any right or interest therein.

20 (18) "Record," used as a noun, means information that is inscribed on a tangible
21 medium or that is stored in an electronic or other medium and is retrievable in
22 perceivable form.

23 (19) "Registered agent" means an agent of a limited partnership or foreign
24 limited partnership that is authorized to receive service of any process, notice, or
25 demand required or permitted by law to be served on the partnership.

SENATE BILL 566**SECTION 143**

1 **(20)** “Registered foreign limited partnership” means a foreign limited
2 partnership that is registered to do business in this state pursuant to a statement
3 of registration filed by the department.

4 **(21)** “Required information” means the information that a limited partnership
5 is required to maintain under s. 179.0108.

6 **(22)** “Sign” means, with present intent to authenticate or adopt a record, any
7 of the following:

8 (a) To execute or adopt a tangible symbol.

9 (b) To attach to or logically associate with the record an electronic symbol,
10 sound, or process.

11 **(23)** “State” means a state of the United States, the District of Columbia,
12 Puerto Rico, the U.S. Virgin Islands, or any territory or insular possession subject
13 to the jurisdiction of the United States.

14 **(24)** “Transfer” includes all of the following:

15 (a) An assignment.

16 (b) A conveyance.

17 (c) A sale.

18 (d) A lease.

19 (e) An encumbrance, including a mortgage or security interest.

20 (f) A gift.

21 (g) A transfer by operation of law.

22 **(25)** “Transferable interest” means the right, as initially owned by a person in
23 the person’s capacity as a partner, to receive distributions from a limited
24 partnership, whether or not the person remains a partner or continues to own any

SENATE BILL 566**SECTION 143**

1 part of the right. The term applies to any fraction of the interest, by whomever
2 owned.

3 **(26)** “Transferee” means a person to which all or part of a transferable interest
4 has been transferred, whether or not the transferor is a partner. The term includes
5 a person that owns a transferable interest under s. 179.0602 (1) (c) or 179.0605 (1)
6 (d).

7 **179.0103 Knowledge; notice. (1)** A person knows a fact if any of the
8 following applies:

9 (a) The person has actual knowledge of the fact.

10 (b) The person is deemed to know the fact under law other than this chapter.

11 (c) The person is deemed to know the fact under sub. (4) (cr).

12 **(2)** A person has notice of a fact if any of the following applies:

13 (a) The person has reason to know the fact from all the facts known to the
14 person at the time in question.

15 (b) The person is deemed to have notice of the fact under sub. (3) or (4).

16 **(3)** A certificate of limited partnership on file in the office of the department
17 is notice that the partnership is a limited partnership and the persons designated in
18 the certificate as general partners are general partners. Except as otherwise
19 provided in sub. (4), the certificate is not notice of any other fact.

20 **(4)** (a) A person not a partner is deemed to have notice of another person’s
21 dissociation as a general partner 90 days after an amendment to the certificate of
22 limited partnership that states that the other person has dissociated becomes
23 effective or 90 days after a statement of dissociation pertaining to the other person
24 becomes effective, whichever occurs first.

SENATE BILL 566**SECTION 143**

1 (b) A person not a partner is deemed to have notice of all of the following as
2 follows:

3 1. A limited partnership's dissolution 90 days after an amendment to the
4 certificate of limited partnership stating that the limited partnership is dissolved
5 becomes effective.

6 2. A limited partnership's termination 90 days after a statement of termination
7 under s. 179.0802 (2) (b) 6. becomes effective.

8 3. A limited partnership's participation in a merger, interest exchange,
9 conversion, or domestication, 90 days after the articles of merger, interest exchange,
10 conversion, or domestication under subch. XI become effective.

11 (cr) A person not a partner is deemed to know of a limitation on authority to
12 transfer real property as provided in s. 179.04023 (7).

13 **(5)** Subject to s. 179.0210 (6), a person notifies another person of a fact by taking
14 steps reasonably required to inform the other person in ordinary course, whether or
15 not those steps cause the other person to know the fact.

16 **(6)** Except for a transferor partner's notice or knowledge of the transfer under
17 s. 179.0702 (5) or a withdrawing partner's notice or knowledge of the withdrawal
18 under s. 179.0601 (2) (a) or 179.0603 (1), a general partner's knowledge or notice of
19 a fact relating to the limited partnership is effective immediately as knowledge of or
20 notice to the partnership, except in the case of a fraud on the partnership committed
21 by or with the consent of the general partner. A limited partner's knowledge or notice
22 of a fact relating to the partnership is not effective as knowledge of or notice to the
23 partnership.

SENATE BILL 566**SECTION 143**

1 **(7m)** This subsection applies to notice that is required under this chapter and
2 that is made subject to this subsection by express reference to this subsection.

3 Written notice is effective at the earliest of the following:

4 (a) When received.

5 (b) Five days after its deposit in the U.S. mail, if mailed postpaid and correctly
6 addressed.

7 (c) On the date shown on the return receipt, if sent by registered or certified
8 mail, return receipt requested, and the receipt is signed by or on behalf of the
9 addressee.

10 (d) For notices from the department, upon successful transmission by e-mail
11 as provided in this chapter.

12 **179.0104 Governing law. (1)** The law of this state governs all of the
13 following:

14 (a) The internal affairs of a limited partnership.

15 (b) The liability of a partner as partner for a debt, obligation, or other liability
16 of a limited partnership.

17 **(2m)** The fact that one or more of the partners of a partnership are, or are not,
18 subject to tax on the income of the partnership shall have no effect on the application
19 of the law of this state under sub. (1).

20 **(3m)** The partnership agreement may require, consistent with applicable
21 jurisdictional requirements, that any or all claims involving the application of the
22 law of this state under sub. (1) shall be brought solely and exclusively in the courts
23 of this state.

SENATE BILL 566**SECTION 143****1 179.0105 Partnership agreement; scope, function, and limitations. (1)**

2 Except as otherwise provided in subs. (3) and (4), the partnership agreement governs
3 all of the following:

4 (a) Relations among the partners as partners and between the partners and the
5 limited partnership.

6 (b) The activities and affairs of the partnership and the conduct of those
7 activities and affairs.

8 (c) The means and conditions for amending the partnership agreement.

9 (d) Mergers, interest exchanges, conversions, and domestications under subch.

10 XI.

11 (2) To the extent the partnership agreement does not provide for a matter
12 described in sub. (1), this chapter governs the matter.

13 (3) A partnership agreement may not do any of the following:

14 (a) Vary the law applicable under ss. 179.0104 and 179.0112.

15 (b) Vary a limited partnership's capacity under s. 179.0111 to sue and be sued
16 in its own name.

17 (c) Vary any requirement, procedure, or other provision of this chapter
18 pertaining to any of the following:

19 1. Registered agents, except to require some form of vote or consent of the
20 partners notwithstanding s. 179.0118 (2).

21 2. The department, including provisions pertaining to records authorized or
22 required to be delivered to the department for filing under this chapter.

23 (d) Vary the provisions of s. 179.0204.

SENATE BILL 566**SECTION 143**

1 (e) Vary the right of a general partner under s. 179.0406 (2) (b) with respect to
2 an amendment to the certificate of limited partnership which deletes a statement
3 that the limited partnership is a limited liability limited partnership.

4 (f) Alter or eliminate, or restrict remedies for the breach of, the duty of loyalty
5 or the duty of care, except as otherwise provided in sub. (4).

6 (g) Eliminate the contractual obligation of good faith and fair dealing under ss.
7 179.0305 (1) and 179.0409 (4), but the partnership agreement may, if not manifestly
8 unreasonable, prescribe the standards by which the performance of the obligation is
9 to be measured or restrict remedies for breach of the obligation.

10 (h) Relieve or exonerate a partner from liability for conduct that constitutes any
11 of the following:

12 1. A willful failure to deal fairly with the limited partnership or its partners in
13 connection with a matter in which the partner has a material conflict of interest.

14 2. A violation of the criminal law, unless the partner had reasonable cause to
15 believe that the partner's conduct was lawful or no reasonable cause to believe that
16 the partner's conduct was unlawful.

17 3. A transaction from which the partner derived an improper personal profit.

18 4. Willful misconduct.

19 (i) Vary the information required under s. 179.0108 or unreasonably restrict
20 the duties and rights under s. 179.0304 or 179.0407, but the partnership agreement
21 may impose reasonable restrictions on the availability and use of information
22 obtained under those sections and may define appropriate remedies, including
23 liquidated damages and security, for a breach of any reasonable restriction on use.

24 (j) Vary the grounds for expulsion stated in s. 179.0603 (5) (b).

SENATE BILL 566**SECTION 143**

1 (k) Unless the partnership is a limited liability limited partnership, vary the
2 power of a person to dissociate as a general partner under s. 179.0604 (1), except to
3 require that the notice under s. 179.0603 (1) be in a record and to not unreasonably
4 specify how the notice must be given.

5 (L) Vary the causes of dissolution specified in s. 179.0801 (1) (f).

6 (m) Vary the requirement to wind up the limited partnership's activities and
7 affairs as specified in s. 179.0802 (1), (2) (a), and (4).

8 (n) Unreasonably restrict the right of a partner to maintain an action under
9 subch. IX.

10 (o) Vary the provisions of s. 179.0905, but the partnership agreement may
11 provide that the partnership may not have a special litigation committee.

12 (p) Vary the right of a partner to approve a merger, interest exchange,
13 conversion, or domestication under s. 179.1123 (1), 179.1133 (1), 179.1143 (1), or
14 179.1153 (1), except by written provision in the partnership agreement that does not
15 impair the rights of the partner under s. 179.1161.

16 (pm) Impair the rights of a partner under s. 179.1161, except to require that
17 the notice of acceptance under s. 179.1161 (2) be in a record or be given within fewer
18 than 60, but not fewer than 10, days of receipt of the offer.

19 (q) Vary the required contents of a plan of merger under s. 179.1122, plan of
20 interest exchange under s. 179.1132, plan of conversion under s. 179.1142, or plan
21 of domestication under s. 179.1152.

22 (r) Except as otherwise provided in ss. 179.0106 and 179.0107 (2), restrict the
23 rights under this chapter of a person other than a partner.

24 (4) Subject to sub. (3) (h), without limiting other terms that may be included
25 in a partnership agreement, the following rules apply:

SENATE BILL 566**SECTION 143**

1 (a) The partnership agreement may do any of the following:

2 1. Specify the method by which a specific act or transaction that would
3 otherwise violate the duty of loyalty may be authorized or ratified by one or more
4 disinterested and independent persons after full disclosure of all material facts.

5 2. Alter the prohibition in s. 179.0504 (1) (b) so that the prohibition requires
6 only that the partnership's total assets not be less than the sum of its total liabilities.

7 (b) If not manifestly unreasonable, the partnership agreement may do any of
8 the following:

9 1. Alter or eliminate the aspects of, or restrict remedies with respect to, the duty
10 of loyalty stated in s. 179.0409 (2).

11 2. Identify specific types or categories of activities that do not violate the duty
12 of loyalty or the contractual obligation of good faith and fair dealing.

13 3. Alter the duty of care.

14 4. Alter or eliminate any other fiduciary duty.

15 (5) The court shall decide as a matter of law whether a term of a partnership
16 agreement is manifestly unreasonable under sub. (3) (g) or (4) (b). The court shall
17 make its determination as of the time the challenged term became part of the
18 partnership agreement and by considering only circumstances existing at that time.
19 The court may invalidate the term only if, in light of the purposes and activities and
20 affairs of the limited partnership, it is readily apparent that the objective of the term
21 is unreasonable or that the term is an unreasonable means to achieve the term's
22 objective.

23 **179.0106 Partnership agreement; effect on limited partnership and**
24 **person becoming partner; preformation agreement. (1) A limited**

SENATE BILL 566**SECTION 143**

1 partnership is bound by and may enforce the partnership agreement, whether or not
2 the partnership has itself manifested assent to the agreement.

3 (2) A person that becomes a partner is deemed to assent to the partnership
4 agreement.

5 (3) Two or more persons intending to become the initial partners of a limited
6 partnership may make an agreement providing that upon the formation of the
7 partnership the agreement will become the partnership agreement.

8 **179.0107 Partnership agreement; effect on 3rd parties and**
9 **relationship to records effective on behalf of limited partnership.** (1) A
10 partnership agreement may specify that its amendment requires the approval of a
11 person that is not a party to the agreement or the satisfaction of a condition. An
12 amendment is ineffective if its adoption does not include the required approval or
13 satisfy the specified condition.

14 (2) The obligations of a limited partnership and its partners to a person in the
15 person's capacity as a transferee or person dissociated as a partner are governed by
16 the partnership agreement. Subject only to a court order issued under s. 179.0703
17 (2) (b) to effectuate a charging order, all of the following apply to an amendment to
18 the partnership agreement made after a person becomes a transferee or is
19 dissociated as a partner:

20 (a) Except as provided in par. (b), the amendment is effective with regard to any
21 debt, obligation, or other liability of the partnership or its partners to the person in
22 the person's capacity as a transferee or person dissociated as a partner.

23 (b) The amendment is not effective to the extent the amendment imposes a new
24 debt, obligation, or other liability on the transferee or person dissociated as a partner.

SENATE BILL 566**SECTION 143**

1 **(3)** If a record delivered by a limited partnership to the department for filing
2 becomes effective and contains a provision that would be ineffective under s.
3 179.0105 (3) or (4) (b) if contained in the partnership agreement, the provision is
4 ineffective in the record.

5 **(4)** Subject to sub. (3), if a record delivered by a limited partnership to the
6 department for filing becomes effective and conflicts with a provision of the
7 partnership agreement, all of the following apply:

8 (a) The agreement prevails as to partners, persons dissociated as partners, and
9 transferees.

10 (b) The record prevails as to other persons to the extent they reasonably rely
11 on the record.

12 **179.0108 Required information.** A limited partnership shall maintain all
13 of the following information:

14 **(1)** A current list showing the full name and last known street and mailing
15 address of each partner, separately identifying the general partners, in alphabetical
16 order, and the limited partners, in alphabetical order.

17 **(2)** A copy of the initial certificate of limited partnership and all amendments
18 to and restatements of the certificate, together with signed copies of any powers of
19 attorney under which any certificate, amendment, or restatement has been signed.

20 **(3)** A copy of any filed articles of merger, interest exchange, conversion, or
21 domestication.

22 **(4)** A copy of the partnership's federal, state, and local income tax returns, if
23 any, for the 3 most recent years.

24 **(5)** A copy of any partnership agreement made in a record and any amendment
25 made in a record to any partnership agreement.

SENATE BILL 566**SECTION 143**

1 **(6)** A copy of the financial statements of the partnership, if any, for the 3 most
2 recent years.

3 **(7)** A copy of the 3 most recent annual reports delivered by the partnership to
4 the department pursuant to s. 179.0212.

5 **(8)** A copy of any record made by the partnership during the past 3 years of any
6 consent given by or vote taken of any partner pursuant to this chapter or the
7 partnership agreement.

8 **(9)** Unless contained in a partnership agreement made in a record, a record
9 stating all of the following:

10 (a) A description and statement of the agreed value of contributions other than
11 money made and agreed to be made by each partner.

12 (b) The times at which, or events upon the occurrence of which, any additional
13 contributions agreed to be made by each partner are to be made.

14 (c) For any person that is both a general partner and a limited partner, a
15 specification of what transferable interest the person owns in each capacity.

16 (d) Any events upon the occurrence of which the partnership is to be dissolved
17 and its activities and affairs wound up.

18 **179.0109 Dual capacity.** A person may be both a general partner and a
19 limited partner. A person that is both a general and limited partner has the rights,
20 powers, duties, and obligations provided by this chapter and the partnership
21 agreement in each of those capacities. When the person acts as a general partner,
22 the person is subject to the obligations, duties, and restrictions under this chapter
23 and the partnership agreement for general partners. When the person acts as a
24 limited partner, the person is subject to the obligations, duties, and restrictions
25 under this chapter and the partnership agreement for limited partners.

SENATE BILL 566**SECTION 143**

1 **179.0110 Nature, purpose, and duration of limited partnership.** (1) A
2 limited partnership is an entity distinct from its partners. A limited partnership is
3 the same entity regardless of whether its certificate states that the limited
4 partnership is a limited liability limited partnership.

5 (2) A limited partnership may have any lawful purpose, regardless of whether
6 for profit.

7 (3) A limited partnership has perpetual duration.

8 **179.0111 Powers.** A limited partnership has the capacity to sue and be sued
9 in its own name and the power to do all things necessary or convenient to carry on
10 its activities and affairs.

11 **179.0112 Applicability.** (1) This chapter applies to a limited partnership
12 formed on or after January 1, 2023.

13 (2) On January 1, 2023, this chapter applies to a limited partnership formed
14 before January 1, 2023, except as follows:

15 (a) If a limited partnership elects, in a manner allowed by law for amending the
16 partnership agreement, to be subject to this chapter as of any date between the
17 effective date of this paragraph [LRB inserts date], and January 1, 2023, and files
18 with the department a statement of applicability to that effect, this chapter applies
19 to the limited partnership as of the date that the statement of applicability is
20 effective under s. 179.0207.

21 (b) If a limited partnership elects, in a manner allowed by law for amending the
22 partnership agreement, to continue to be subject to ch. 179, 2019 stats., and ch. 178,
23 2013 stats., to the extent not inconsistent with ch. 179, 2019 stats., and files with the
24 department a statement of nonapplicability to that effect prior to January 1, 2023,
25 the limited partnership shall not be subject to this chapter, except for requirements

SENATE BILL 566**SECTION 143**

1 relating to filing or obtaining copies of records with the department, receiving or
2 responding to notices from the department, and complying with administrative rules
3 promulgated under this chapter. The limited partnership shall instead be and
4 remain subject to ch. 179, 2019 stats., and ch. 178, 2013 stats., to the extent not
5 inconsistent with ch. 179, 2019 stats. Thereafter, if the partnership elects, in such
6 manner, to be subject to this chapter as of any subsequent date and files with the
7 department a statement of applicability to that effect, this chapter applies to the
8 limited partnership as of the date that the statement of applicability is effective
9 under s. 179.0207.

10 (c) Any statement of applicability to be subject to this chapter pursuant to a
11 valid election by the limited partnership shall be irrevocable upon such filing.

12 (d) Upon this chapter becoming applicable with respect to a limited
13 partnership, all of the following apply:

14 1. This chapter shall not, and the corresponding provisions of ch. 179, 2019
15 stats., shall, be applicable with respect to obligations incurred by the limited
16 partnership prior to such applicability.

17 2. Any provisions of a partnership agreement that were valid and in effect
18 immediately prior to this chapter becoming applicable with respect to the limited
19 partnership shall continue to be valid and applicable to the extent allowed under
20 prior law.

21 **179.0113 Supplemental principles of law.** Unless displaced by particular
22 provisions of this chapter, the principles of law and equity supplement this chapter.

23 **179.0114 Permitted names.** (1) The name of a limited partnership may
24 contain the name of any partner.

SENATE BILL 566**SECTION 143**

1 **(2)** The name of a limited partnership that is not a limited liability limited
2 partnership must contain the words “limited partnership,” or a variation of these
3 words that differs only with respect to the capitalization of letters, or the
4 abbreviation “LP” or a variation of this abbreviation that differs only with respect to
5 capitalization of letters or punctuation, and may not contain the phrase “limited
6 liability limited partnership,” or a variation of these words that differs only with
7 respect to the capitalization of letters, or the abbreviation “LLLP” or a variation of
8 this abbreviation that differs only with respect to capitalization of letters or
9 punctuation.

10 **(3)** The name of a limited liability limited partnership must contain the phrase
11 “limited liability limited partnership,” or a variation of these words that differs only
12 with respect to the capitalization of letters, or the abbreviation “LLLP” or a variation
13 of this abbreviation that differs only with respect to capitalization of letters or
14 punctuation, and may not contain the words “limited partnership” other than in the
15 phrase “limited liability limited partnership” or the abbreviation “LP” other than in
16 the abbreviation “LLLP.”

17 **(4)** The name of a limited partnership, and the name under which a foreign
18 limited partnership may register to do business in this state, must be distinguishable
19 on the records of the department from all of the following:

20 (a) Any name of an existing person whose formation required the filing of a
21 record by the department and which is not at the time administratively dissolved.

22 (b) Any name of a limited liability partnership whose statement of qualification
23 is in effect.

24 (c) Any name under which a person is registered to do business in this state by
25 a filing of a record by the department.

SENATE BILL 566**SECTION 143**

1 (d) Any name that is reserved under s. 179.0115 or other law of this state
2 providing for the reservation of a name by a filing of a record by the department.

3 (e) Any name that is registered under s. 179.0116 or other law of this state
4 providing for the registration of a name by a filing of a record by the department.

5 **(4m)** A limited partnership or foreign limited partnership may apply to the
6 department for authorization to use in this state a name that is not distinguishable
7 upon the records of the department from one or more of the names described in sub.
8 (4). The department shall authorize use of the name applied for if any of the following
9 occurs:

10 (a) The corporation, limited liability company, nonstock corporation, limited
11 partnership, limited liability partnership, foreign limited partnership, general
12 cooperative association, or limited cooperative association that has or has registered
13 or reserved the name consents in writing to the use and submits an undertaking in
14 a form satisfactory to the department to change its name to a name that is
15 distinguishable upon the records of the department from the name of the applicant,
16 or to cancel the registration or reservation.

17 (b) The applicant delivers to the department a certified copy of a final judgment
18 of a court of competent jurisdiction establishing the applicant's right to use the name
19 applied for in this state.

20 **(6)** In determining whether a name is the same as or not distinguishable on the
21 records of the department from the name of another person, words, phrases, or
22 abbreviations indicating a type of entity, such as "corporation," "Corp.,"
23 "incorporated," "service corporation," "SC," "Inc.," "Limited," "Ltd.," "limited
24 partnership," "LP," "limited liability partnership," "LLP," "limited liability limited
25 partnership," "LLLLP," "registered limited liability limited partnership," "RLLLLP,"

SENATE BILL 566**SECTION 143**

1 “limited liability company,” “LLC,” “cooperative association,” or “cooperative,” or a
2 variation of these abbreviations that differs only with respect to capitalization of
3 letters or punctuation, may not be taken into account.

4 (8) The name of a limited partnership or foreign limited partnership may not
5 contain language stating or implying that the entity is organized for a purpose
6 subject to regulation under another statute of this state, unless its purpose is not
7 prohibited by, and the entity is subject to all the limitations of, the other statute.

8 (9m) A limited partnership or foreign limited partnership may use in this state
9 the name, including the fictitious name, that is used in this state by a corporation,
10 limited liability company, nonstock corporation, limited partnership, limited
11 liability partnership, foreign limited partnership, general cooperative association, or
12 limited cooperative association if the limited partnership or foreign limited
13 partnership proposing to use the name has done any of the following:

14 (a) Merged with the other business entity.

15 (b) Been formed by reorganization of the other business entity.

16 (c) Acquired all or substantially all of the assets, including the name, of the
17 other business entity.

18 **179.0115 Reservation of name.** (1) A person may reserve the exclusive use
19 of a name that complies with s. 179.0114, including a fictitious name for a foreign
20 limited partnership whose partnership name is not available, by delivering an
21 application to the department for filing. The application shall include the name and
22 address of the applicant and the name proposed to be reserved. If the department
23 finds that the name is available, the department shall reserve the name for the
24 applicant’s exclusive use for a 120-day period, which may be renewed by the
25 applicant or a transferee under sub. (2) from time to time.

SENATE BILL 566**SECTION 143**

1 (2) The person who has the right to exclusive use of a reserved name under sub.
2 (1) may transfer the reservation to another person by delivering to the department
3 a signed notice in a record of the transfer which states the name and address of the
4 person to which the reservation is being transferred.

5 **179.0116 Registration of name.** (1) A foreign limited partnership not
6 registered to do business in this state under subch. X may register its name, or a
7 fictitious name adopted pursuant to s. 179.1006 (1), if the name is distinguishable
8 on the records of the department from the names that are not available under s.
9 179.0114.

10 (2) To register its name or a fictitious name adopted pursuant to s. 179.1006
11 (1), a foreign limited partnership must deliver to the department for filing an
12 application stating the partnership's name, the jurisdiction and date of its formation,
13 and any fictitious name adopted pursuant to s. 179.1006 (1). If the department finds
14 that the name applied for is available, the department shall register the name for the
15 applicant's exclusive use.

16 (3) The registration of a name under this section expires annually on December
17 31.

18 (4) A foreign limited partnership whose name registration is effective may
19 renew the registration by delivering to the department for filing, between October
20 31 and December 31 of each year that the registration is in effect, a renewal
21 application that complies with this section. When filed, the renewal application
22 renews the registration for the next year.

23 (5) A foreign limited partnership whose name registration is effective may
24 register as a foreign limited partnership under the registered name or consent in a
25 signed record to the use of that name by another person that is not an individual.

SENATE BILL 566**SECTION 143**

1 **179.0117 Registered agent and registered office.** (1) Each limited
2 partnership and each registered foreign limited partnership shall designate and
3 maintain a registered agent and registered office in this state. The designation of
4 a registered agent is an affirmation of fact by the limited partnership or registered
5 foreign limited partnership that the agent has consented to serve.

6 **(1m)** The registered office of a limited partnership or registered foreign limited
7 partnership may, but need not, be the same as any of the partnership's places of
8 business or activity. The registered office must be an actual physical location with
9 a street address and not solely a post office box, mailbox service, or telephone
10 answering service. The registered agent of a limited partnership or registered
11 foreign limited partnership shall be any of the following:

12 (a) A natural person who resides in this state and whose business office is
13 identical with the registered office.

14 (b) A domestic corporation, nonstock corporation, limited liability company,
15 limited partnership, or limited liability partnership whose business office is
16 identical with the registered office.

17 (c) A foreign corporation, nonstock corporation, limited liability company,
18 limited partnership, or registered limited liability partnership if that entity is
19 authorized to transact business in this state and the entity's business office is
20 identical with the registered office.

21 **(2)** A registered agent for a limited partnership or registered foreign limited
22 partnership must have an e-mail address and a place of business or activity in this
23 state.

24 **(3)** The only duties under this chapter of a registered agent that has complied
25 with this chapter are the following:

SENATE BILL 566**SECTION 143**

1 (a) To forward to the limited partnership or registered foreign limited
2 partnership at the address most recently supplied to the agent by the partnership
3 or foreign partnership any process, notice, or demand pertaining to the partnership
4 or foreign partnership which is served on or received by the agent.

5 (b) If the registered agent resigns, to provide the notice required by s. 179.0119
6 (3) to the partnership or foreign partnership at the address most recently supplied
7 to the agent by the partnership or foreign partnership.

8 (c) To keep current the information with respect to the agent in the certificate
9 of limited partnership or foreign registration statement.

10 **179.0118 Change of registered agent or registered office by limited**
11 **partnership.** (1) A limited partnership or registered foreign limited partnership
12 may change its registered agent or registered office as provided in s. 179.0212 (5) or
13 by delivering to the department for filing a statement of change that states all of the
14 following:

15 (a) The name of the partnership or foreign partnership.

16 (b) The information that is to be in effect as a result of the filing of the statement
17 of change.

18 (2) The general or limited partners of a limited partnership need not approve
19 the filing of any of the following:

20 (a) A statement of change under this section.

21 (b) A similar filing changing the registered agent or registered office, if any, of
22 the partnership in any other jurisdiction.

23 (3) A statement of change under this section designating a new registered
24 agent is an affirmation of fact by the limited partnership or registered foreign limited
25 partnership that the agent has consented to serve.

SENATE BILL 566**SECTION 143**

1 (4) As an alternative to using the procedure in this section, a limited
2 partnership may amend its certificate of limited partnership.

3 **179.0119 Resignation of registered agent.** (1) A registered agent may
4 resign as agent for a limited partnership or registered foreign limited partnership
5 by delivering to the department for filing a statement of resignation that states all
6 of the following:

7 (a) The name of the partnership or foreign partnership.

8 (b) The name of the agent.

9 (c) That the agent resigns from serving as registered agent for the partnership
10 or foreign partnership.

11 (d) The address of the partnership or foreign partnership to which the agent
12 will send the notice required by sub. (3).

13 (2) The resignation under sub. (1) is effective and, if applicable, the registered
14 office is discontinued on the earlier of the following:

15 (a) Sixty days after the department receives the statement of resignation for
16 filing.

17 (b) The date on which the appointment of a successor registered agent is
18 effective.

19 (3) A registered agent promptly shall furnish to the limited partnership or
20 registered foreign limited partnership notice in a record of the date on which a
21 statement of resignation was filed.

22 (4) When a statement of resignation takes effect, the registered agent ceases
23 to have responsibility under this chapter for any matter thereafter tendered to it as
24 agent for the limited partnership or registered foreign limited partnership. The
25 resignation does not affect any contractual rights the partnership or foreign

SENATE BILL 566**SECTION 143**

1 partnership has against the agent or that the agent has against the partnership or
2 foreign partnership.

3 (5) A registered agent may resign with respect to a limited partnership or
4 registered foreign limited partnership whether or not the partnership or foreign
5 partnership is in good standing.

6 **179.0120 Change of name or address by registered agent.** (1) If the name
7 or e-mail address of a registered agent changes or if the street address of a registered
8 agent's office changes, the registered agent may change the name or e-mail address
9 of the registered agent or street address of the registered office of any limited
10 partnership or foreign limited partnership for which he, she, or it is the registered
11 agent. To make the change under this subsection, the registered agent shall notify
12 the partnership or foreign partnership in writing of the change and deliver to the
13 department for filing a statement of change that recites that the partnership or
14 foreign partnership has been notified of the change and states all of the following:

15 (a) The name of the partnership or foreign partnership represented by the
16 registered agent.

17 (b) The name, e-mail address, and street address of the agent as currently
18 shown in the records of the department for the partnership or foreign partnership.

19 (c) Any new name, new e-mail address, or new street address of the agent.

20 (2) A registered agent promptly shall furnish notice to the represented limited
21 partnership or registered foreign limited partnership of the filing by the department
22 of the statement of change and the changes made by the statement.

23 **179.0121 Service of process, notice, or demand.** (1) A limited partnership
24 or registered foreign limited partnership may be served with any process, notice, or
25 demand required or permitted by law by serving its registered agent. The

SENATE BILL 566**SECTION 143**

1 department may serve any written notice required or authorized under this chapter
2 by e-mailing it to the registered agent's e-mail address on file with the department,
3 and such notice shall be effective as provided in s. 179.0103 (7m).

4 (2) Except as provided in sub. (3), if a limited partnership or registered foreign
5 limited partnership has no registered agent, or its registered agent cannot with
6 reasonable diligence be served, the partnership or foreign partnership may be served
7 by registered or certified mail, return receipt requested, or by similar commercial
8 delivery service, addressed to the partnership or foreign partnership at its principal
9 office, as shown on the records of the department on the date of sending. Service is
10 perfected under this subsection at the earliest of the following:

11 (a) The date the partnership or foreign partnership receives the mail or
12 delivery by the commercial delivery service.

13 (b) The date shown on the return receipt, if signed on the behalf of the
14 partnership or foreign partnership.

15 (c) Five days after it is deposited in the U.S. mail, or with the commercial
16 delivery service, if correctly addressed and with sufficient postage or payment.

17 (3) If process, notice, or demand in an action cannot be served on a limited
18 partnership or registered foreign limited partnership pursuant to sub. (1) or (2),
19 service may be made by handing a copy to the individual in charge of any regular
20 place of business or activity of the partnership or foreign partnership if the
21 individual served is not a plaintiff in the action. If the address of the partnership's
22 or foreign partnership's principal office cannot be determined from the records of the
23 department, the partnership or foreign partnership may be served by publishing a
24 class 3 notice, under ch. 985, in the community where the partnership's or foreign

SENATE BILL 566**SECTION 143**

1 partnership's principal office or registered office, as most recently designated in the
2 records of the department, is located.

3 (4) Service of process, notice, or demand on a registered agent must be in a
4 written record.

5 (5) Service of process, notice, or demand may be made by other means under
6 law other than this chapter.

7 **179.0122 Delivery of record.** (1) Except as otherwise provided in this
8 chapter, permissible means of delivery of a record include delivery by hand, mail,
9 conventional commercial practice, and electronic transmission.

10 (2) Delivery to the department is effective only when a record is received by the
11 department.

12 **179.0124 Filing fees; certified copies.** (1) Subject to sub. (2) (a), the
13 department may collect a fee for filing, or providing a certified copy of, a record under
14 this chapter. The department may charge a fee for providing a certified copy of any
15 record, or for filing any record not identified in sub. (2) (a), pursuant to a rule
16 promulgated under this subsection or s. 182.01 (4).

17 (2) (a) Except as provided under par. (c), the department shall collect the
18 following fees when the records described in this paragraph are delivered to the
19 department for filing:

- 20 1. Certificate of limited partnership, \$70.
- 21 2. Application for use of indistinguishable name, \$10.
- 22 3. Application for reserved name, \$10.
- 23 4. Application for renewal of reserved name, \$10.
- 24 5. Notice of transfer of reserved name, \$10.
- 25 6. Application for registered name, \$50.

SENATE BILL 566**SECTION 143**

- 1 7. Application for renewal of registered name, \$50.
- 2 8. Statement of change of registered agent or registered office or registered
- 3 agent's name, e-mail address, or street address under s. 179.0118 or 179.0120, \$10.
- 4 9. Statement of resignation of registered agent, \$10.
- 5 10. Amendment or restatement of certificate of limited partnership, \$25.
- 6 11. Articles of merger, conversion, interest exchange, or domestication, \$150.
- 7 12. Statement of dissolution or statement of termination, \$10.
- 8 13. Foreign registration statement, \$75.
- 9 14. Amendment of foreign registration statement, \$15.
- 10 15. Statement of withdrawal of foreign registration or application for transfer
- 11 of foreign registration, \$15.
- 12 16. Statement of correction, \$15.
- 13 17. Annual report of a domestic limited partnership, \$25.
- 14 18. Annual report of a foreign limited partnership, \$65.
- 15 19. Statement of negation under s. 179.0306 (1) (b), \$10.
- 16 20. Statement of partnership authority under s. 179.04023 or statement of
- 17 denial under s. 179.04025, \$10.
- 18 (b) In addition to the fees required under par. (a) or permitted under sub. (1),
- 19 the department may collect the expedited service fee established under s. 182.01 (4)
- 20 (d) for processing in an expeditious manner a record required or permitted to be filed
- 21 with the department under this chapter or for preparing in an expeditious manner
- 22 a certificate of status under s. 179.0211.
- 23 (c) The department may, by rule, specify a larger fee for filing records in paper
- 24 format.

SENATE BILL 566**SECTION 143**

1 **(4)** A limited partnership is formed when all of the following occur:

2 (a) The certificate of limited partnership becomes effective.

3 (b) At least 2 persons have become partners.

4 (c) At least one person has become a general partner.

5 (d) At least one person has become a limited partner.

6 **179.0202 Amendment or restatement of certificate of limited**
7 **partnership. (1)** A certificate of limited partnership may be amended or restated
8 at any time.

9 **(2)** To amend its certificate of limited partnership, a limited partnership must
10 deliver to the department for filing an amendment stating all of the following:

11 (a) The name of the partnership.

12 (b) The text of the amendment.

13 **(3)** To restate its certificate of limited partnership, a limited partnership must
14 deliver to the department for filing a restatement, designated as such in its heading.

15 **(4)** A limited partnership shall promptly deliver to the department for filing
16 an amendment to a certificate of limited partnership to reflect any of the following:

17 (a) The admission of a new general partner.

18 (b) The dissociation of a person as a general partner.

19 (c) The appointment of a person to wind up the limited partnership's activities
20 and affairs under s. 179.0802 (3) or (4).

21 **(5)** If a general partner knows or has notice that any information in a filed
22 certificate of limited partnership was inaccurate when the certificate was filed or has
23 become inaccurate due to changed circumstances, the general partner shall
24 promptly do one of the following to correct the inaccuracy:

25 (a) Cause the certificate to be amended.

SENATE BILL 566**SECTION 143**

1 (b) If appropriate, deliver to the department for filing a statement of change
2 under s. 179.0118 or a statement of correction under s. 179.0209.

3 **179.0203 Signing of records to be delivered for filing to the**
4 **department. (1)** A record delivered to the department for filing pursuant to this
5 chapter must be signed as follows:

6 (a) An initial certificate of limited partnership must be signed by all general
7 partners listed in the certificate.

8 (b) An amendment to the certificate of limited partnership deleting a statement
9 that the limited partnership is a limited liability limited partnership must be signed
10 by all general partners listed in the certificate.

11 (c) An amendment to the certificate of limited partnership designating as
12 general partner a person admitted under s. 179.0801 (1) (c) 2. following the
13 dissociation of a limited partnership's last general partner must be signed by that
14 person.

15 (d) An amendment to the certificate of limited partnership required by s.
16 179.0802 (3) following the appointment of a person to wind up the dissolved limited
17 partnership's activities and affairs must be signed by that person.

18 (e) Any other amendment to the certificate of limited partnership must be
19 signed by all of the following:

20 1. At least one general partner listed in the certificate.

21 2. Each other person designated in the amendment as a new general partner.

22 3. Each person that the amendment indicates has dissociated as a general
23 partner, unless any of the following applies:

24 a. The person is deceased or a guardian or general conservator has been
25 appointed for the person and the amendment so states.

SENATE BILL 566**SECTION 143**

1 b. The person has previously delivered to the department for filing a statement
2 of dissociation.

3 (f) A restated certificate of limited partnership must be signed by at least one
4 general partner listed in the certificate, and, to the extent the restated certificate
5 effects a change under any other paragraph of this subsection, the certificate must
6 be signed in a manner that satisfies that paragraph.

7 (g) A statement of termination must be signed by all general partners listed in
8 the certificate of limited partnership or, if the certificate of a dissolved limited
9 partnership lists no general partners, by the person appointed pursuant to s.
10 179.0802 (3) or (4) to wind up the dissolved limited partnership's activities and
11 affairs.

12 (h) Any other record delivered by a limited partnership to the department for
13 filing must be signed by at least one general partner listed in the certificate of limited
14 partnership.

15 (i) A statement by a person pursuant to s. 179.0605 (1) (c) stating that the
16 person has dissociated as a general partner must be signed by that person.

17 (j) A statement of negation by a person pursuant to s. 179.0306, or a statement
18 of denial by a person pursuant to s. 179.04025, must be signed by that person.

19 (k) Any other record delivered on behalf of a person to the department for filing
20 must be signed by that person.

21 **(2)** Any record delivered for filing under this chapter may be signed by an
22 attorney-in-fact. Whenever this chapter requires a particular individual to sign a
23 record and the individual is deceased or incompetent, the record may be signed by
24 a legal representative of the individual.

SENATE BILL 566**SECTION 143**

1 **(3)** A person that signs a record as an attorney-in-fact or legal representative
2 affirms as a fact that the person is authorized to sign the record.

3 **179.0204 Signing and filing pursuant to judicial order.** **(1)** If a person
4 required by this chapter to sign a record or deliver a record to the department for
5 filing under this chapter does not do so, any other person that is aggrieved may
6 petition the circuit court to order any of the following:

7 (a) The person to sign the record.

8 (b) The person to deliver the record to the department for filing.

9 (c) The department to file the record unsigned.

10 **(2)** If a petitioner under sub. (1) is not the limited partnership or foreign limited
11 partnership to which the record pertains, the petitioner shall make the partnership
12 or foreign partnership a party to the action.

13 **(3)** A record filed under sub. (1) (c) is effective without being signed.

14 **179.0205 Liability for inaccurate information in filed record.** **(1)** If a
15 record delivered to the department for filing under this chapter and filed by the
16 department contains inaccurate information, a person that suffers loss by reliance
17 on the information may recover damages for the loss from any of the following:

18 (a) A person that signed the record, or caused another to sign it on the person's
19 behalf, and knew the information to be inaccurate at the time the record was signed.

20 (b) A general partner if all of the following apply:

21 1. The record was delivered for filing on behalf of the partnership.

22 2. The general partner knew or had notice of the inaccuracy for a reasonably
23 sufficient time before the information was relied upon so that, before the reliance,
24 the general partner reasonably could have done any of the following:

25 a. Effected an amendment under s. 179.0202.

SENATE BILL 566**SECTION 143**

1 b. Filed a petition under s. 179.0204.

2 c. Delivered to the department for filing a statement of change under s.
3 179.0118 or a statement of correction under s. 179.0209.

4 **(2)** An individual who signs a record authorized or required to be filed under
5 this chapter affirms under penalty of perjury that the information stated in the
6 record is accurate.

7 **179.0206 Filing requirements.** **(1)** Subject to sub. (1m), to be filed by the
8 department pursuant to this chapter, a record must be received by the department,
9 comply with this chapter, and satisfy all of the following:

10 (a) The filing of the record must be required or permitted by this chapter.

11 (b) The record must be physically delivered in written form unless and to the
12 extent the department permits electronic delivery of records.

13 (c) The words in the record must be in English, and numbers must be in Arabic
14 or Roman numerals, but the name of an entity need not be in English if written in
15 English letters or Arabic or Roman numerals.

16 (d) The record must be signed by a person authorized or required under this
17 chapter to sign the record.

18 (e) The record must state the name and capacity, if any, of each individual who
19 signed it, either on behalf of the individual or the person authorized or required to
20 sign the record, but need not contain a seal, attestation, acknowledgment, or
21 verification.

22 (f) The record must contain the name of the drafter, if required by s. 182.01 (3).

23 **(1m)** The department may waive any of the requirements of sub. (1) (a) to (f)
24 if it appears from the face of the document that the document's failure to satisfy the
25 requirement is immaterial.

SENATE BILL 566**SECTION 143**

1 (2) If law other than this chapter prohibits the disclosure by the department
2 of information contained in a record delivered to the department for filing, the
3 department shall file the record if the record otherwise complies with this chapter
4 but may redact the information.

5 (3) When a record is delivered to the department for filing, any fee required
6 under this chapter and any fee, interest, or penalty required to be paid to the
7 department must be paid in a manner permitted by the department.

8 (5) The department may provide forms for filings required or permitted to be
9 made by this chapter and may require their use.

10 **179.0207 Effective date and time.** Except as otherwise provided in s.
11 179.0208 and subject to s. 179.0209 (4), a record filed under this chapter is effective
12 as follows:

13 (1) Except as provided in subs. (2) and (3), on the date that it is received by the
14 department for filing and at any of the following times on that date:

15 (a) The time of day specified in the document as its effective time.

16 (b) If no effective time is specified, at the close of business.

17 (2) The date that a document is received by the department is determined by
18 the department's endorsement on the original document under s. 179.0210 (2).

19 (3) A document may specify a delayed effective date and time, except the
20 effective date may not be more than 90 days after the date that it is received for filing.

21 If a document specifies a delayed effective date and time in accordance with this
22 subsection, the document is effective at the time and date specified. If a delayed
23 effective date, but no time, is specified, the document is effective at the close of
24 business on that date.

SENATE BILL 566**SECTION 143**

1 **179.0208 Withdrawal of filed record before effectiveness.** (1) Except as
2 otherwise provided in ss. 179.1123 (2), 179.1133 (2), 179.1143 (2), and 179.1153 (2),
3 a record delivered to the department for filing may be withdrawn before it takes
4 effect by delivering to the department for filing a statement of withdrawal.

5 (2) A statement of withdrawal must satisfy all of the following:

6 (a) It must be signed by each person that signed the record being withdrawn,
7 except as otherwise agreed by those persons.

8 (b) It must identify the record to be withdrawn.

9 (c) If signed by fewer than all the persons that signed the record being
10 withdrawn, it must state that the record is withdrawn in accordance with the
11 agreement of all the persons that signed the record.

12 (3) On filing by the department of a statement of withdrawal, the action or
13 transaction evidenced by the original record does not take effect.

14 **179.0209 Correcting filed record.** (1) A person on whose behalf a filed
15 record was delivered to the department for filing may correct the record if any of the
16 following applies:

17 (a) The record at the time of filing was inaccurate.

18 (b) The record was defectively signed.

19 (c) The electronic transmission of the record to the department was defective.

20 (2) To correct a filed record, a person on whose behalf the record was delivered
21 to the department must deliver to the department for filing a statement of correction.

22 (3) (a) A statement of correction may not state a delayed effective date.

23 (b) A statement of correction must satisfy all of the following:

24 1. It must be signed by the person correcting the filed record.

25 2. It must identify the filed record to be corrected.

SENATE BILL 566**SECTION 143**

1 3. It must specify the inaccuracy or defect to be corrected.

2 4. It must correct the inaccuracy or defect.

3 **(4)** A statement of correction is effective as of the effective date of the filed
4 record that it corrects except for purposes of s. 179.0103 (4) and as to persons relying
5 on the uncorrected filed record and adversely affected by the correction. For those
6 purposes and as to those persons, the statement of correction is effective when filed.

7 **179.0210 Duty of department to file; review of refusal to file; delivery**
8 **of record by department.** **(1)** The department shall file a record delivered to the
9 department for filing which satisfies this chapter. The duty of the department under
10 this section is ministerial.

11 **(2)** When the department files a record, the department shall record it as filed
12 on the date of its delivery. After filing a record, the department shall deliver to the
13 person that submitted the record a copy of the record with an acknowledgment of the
14 date of filing and, in the case of a statement of denial, also to the limited partnership
15 to which the statement pertains.

16 **(3)** If the department refuses to file a record, the department shall, not later
17 than 5 business days after the record is delivered, do all of the following:

18 (a) Return the record or notify the person that submitted the record of the
19 refusal.

20 (b) Provide a brief explanation in a record of the reason for the refusal.

21 **(4)** If the department refuses to file a record, the person that submitted the
22 record may petition the circuit court to compel filing of the record. The record and
23 the explanation of the department of the refusal to file must be attached to the
24 petition. The court may decide the matter in a summary proceeding.

SENATE BILL 566**SECTION 143**

1 **(5)** The filing of or refusal to file a record does not create a presumption of any
2 of the following:

3 (a) That the record does or does not conform to the requirements of this chapter.

4 (b) That the information contained in the record is correct or incorrect.

5 **(6)** Except as otherwise provided by s. 179.0121 or by law other than this
6 chapter, the department may deliver any record to a person by delivering it in any
7 of the following ways:

8 (a) In person to the person that submitted it.

9 (b) To the address of the person's registered agent.

10 (c) To the principal office of the person.

11 (d) To another address the person provides to the department for delivery.

12 **179.0211 Certificate of status.** **(1)** Any person may obtain from the
13 department, upon request, a certificate of status for a limited partnership or
14 registered foreign limited partnership.

15 **(2)** A certificate of status shall include all of the following information:

16 (a) The domestic partnership's partnership name or the foreign partnership's
17 partnership name and fictitious name, if any, used in this state.

18 (b) Whether each of the following is true:

19 1. The domestic partnership is a limited partnership whose governing law is
20 the law of this state, or the foreign limited partnership is authorized to transact
21 business in this state.

22 2. The domestic partnership or the foreign partnership has, during its most
23 recently completed report year, filed with the department an annual report required
24 by s. 179.0212.

SENATE BILL 566**SECTION 143**

1 3. The domestic partnership has not filed a statement of dissolution or
2 statement of termination.

3 4. The foreign partnership has not filed a statement of withdrawal of its foreign
4 registration under s. 179.1011 and, if not, the effective date of its registration
5 statement.

6 (c) The domestic partnership's effective date of its certificate of limited
7 partnership and the period of its duration if less than perpetual.

8 **(3)** The certificate of status may include other facts of record in the department
9 that are requested.

10 **(4)** Subject to any qualification stated in a certificate of status issued by the
11 department, the certificate is conclusive evidence that the limited partnership or the
12 foreign limited partnership is in existence or is authorized to transact business in
13 this state.

14 **(5)** Upon request, by telephone or otherwise, the department shall confirm by
15 telephone any of the information required in a certificate of status under sub. (2) and
16 may confirm any other information permitted under sub. (3).

17 **179.0212 Annual report for department.** **(1)** A limited partnership or
18 registered foreign limited partnership shall deliver to the department for filing an
19 annual report that states all of the following:

20 (a) The name of the partnership or registered foreign partnership.

21 (b) The street address of its registered office in this state and the name and
22 e-mail address of its registered agent at that office.

23 (c) The street address of its principal office.

24 (d) The name of at least one general partner.

SENATE BILL 566**SECTION 143**

1 (e) In the case of a foreign partnership, the jurisdiction of its governing law and
2 any fictitious name adopted under s. 179.1006 (1).

3 (2) Information in the annual report must be current as of the date the report
4 is signed by the limited partnership or registered foreign limited partnership.

5 (3) (a) A domestic limited partnership shall deliver its annual report to the
6 department in each year following the calendar year in which the domestic limited
7 partnership's certificate of limited partnership became effective, during the calendar
8 year quarter in which the anniversary date of the certificate effective date occurs.

9 (b) A registered foreign limited partnership shall deliver its annual report to
10 the department during the first calendar quarter of each year following the calendar
11 year in which the foreign limited partnership registered to do business in this state.

12 (4) If an annual report does not contain the information required by this
13 section, the department promptly shall notify the reporting limited partnership or
14 registered foreign limited partnership in a record and return the report to it for
15 correction. If the annual report is corrected to contain the information required by
16 this section and delivered to the department within 30 days after the effective date
17 of the notice under s. 179.0103 (7m), the annual report is timely filed.

18 (5) If an annual report contains a registered office or registered agent which
19 differs from the information shown in the records of the department immediately
20 before the report becomes effective, the differing information is considered a
21 statement of change under s. 179.0118.

22 SUBCHAPTER III

23 LIMITED PARTNERS

SENATE BILL 566**SECTION 143**

1 **179.0301 Becoming limited partner.** (1) Upon formation of a limited
2 partnership, a person becomes a limited partner as agreed among the persons that
3 are to be the initial partners.

4 (2) After formation of a limited partnership, a person becomes a limited partner
5 in any of the following ways:

6 (a) As provided in the partnership agreement.

7 (b) As the result of a transaction effective under subch. XI.

8 (c) With the affirmative vote or consent of all the partners.

9 (d) As provided in s. 179.0801 (1) (d) or (e).

10 (3) A person may become a limited partner without doing any of the following:

11 (a) Acquiring a transferable interest.

12 (b) Making or being obligated to make a contribution to the limited
13 partnership.

14 **179.0302 No agency power of limited partner as limited partner.** (1)

15 A limited partner is not an agent of a limited partnership solely by reason of being
16 a limited partner.

17 (2) A person's status as a limited partner does not prevent or restrict law other
18 than this chapter from imposing liability on a limited partnership because of the
19 person's conduct.

20 **179.0303 No liability as limited partner for limited partnership**

21 **obligations.** (1) A debt, obligation, or other liability of a limited partnership is not
22 the debt, obligation, or other liability of a limited partner. A limited partner is not
23 personally liable, directly or indirectly, by way of contribution or otherwise, for a
24 debt, obligation, or other liability of the partnership solely by reason of being or
25 acting as a limited partner, even if the limited partner participates in the

SENATE BILL 566**SECTION 143**

1 management and control of the limited partnership. This subsection applies
2 regardless of the dissolution of the partnership.

3 (2) The failure of a limited partnership to observe formalities relating to the
4 exercise of its powers or management of its activities and affairs is not a ground for
5 imposing liability on a limited partner for a debt, obligation, or other liability of the
6 partnership.

7 **179.0304 Rights to information of limited partner and person**
8 **dissociated as limited partner.** (1) On 10 days' demand made in a record received
9 by the limited partnership, a limited partner may inspect and copy required
10 information during regular business hours in the limited partnership's principal
11 office. The limited partner need not have any particular purpose for seeking the
12 information.

13 (2) During regular business hours and at a reasonable location specified by the
14 limited partnership, a limited partner may inspect and copy information regarding
15 the activities and affairs, financial condition, and other circumstances of the limited
16 partnership as is just and reasonable if all of the following apply:

17 (a) The limited partner seeks the information for a purpose reasonably related
18 to the partner's interest as a limited partner.

19 (b) The limited partner makes a demand in a record received by the limited
20 partnership, describing with reasonable particularity the information sought and
21 the purpose for seeking the information.

22 (c) The information sought is directly connected to the limited partner's
23 purpose.

SENATE BILL 566**SECTION 143**

1 **(3)** Not later than 10 days after receiving a demand pursuant to sub. (2), the
2 limited partnership shall inform, in a record, the limited partner that made the
3 demand of all of the following:

4 (a) What information the partnership will provide in response to the demand
5 and when and where the partnership will provide the information.

6 (b) The partnership's reasons for declining, if the partnership declines to
7 provide any demanded information.

8 **(4)** Whenever this chapter or a partnership agreement provides for a limited
9 partner to vote on or give or withhold consent to a matter, before the vote is cast or
10 consent is given or withheld, the limited partnership shall, without demand, provide
11 the limited partner with all information that is known to the partnership and that
12 is material to the limited partner's decision.

13 **(5)** On 10 days' demand made in a record received by a limited partnership, a
14 person dissociated as a limited partner may have access to information to which the
15 person was entitled while a limited partner if all of the following apply:

16 (a) The information pertains to the period during which the person was a
17 limited partner.

18 (b) The person seeks the information in good faith.

19 (c) The person satisfies the requirements imposed on a limited partner by sub.
20 (2).

21 **(6)** A limited partnership shall respond to a demand made pursuant to sub. (5)
22 in the manner provided in sub. (3).

23 **(7)** A limited partnership may charge a person that makes a demand under this
24 section reasonable costs of copying, limited to the costs of labor and material.

SENATE BILL 566**SECTION 143**

1 **(8)** A limited partner or person dissociated as a limited partner may exercise
2 the rights under this section through an agent or, in the case of an individual under
3 legal disability, a legal representative. Any restriction or condition imposed by the
4 partnership agreement or under sub. (10) applies both to the agent or legal
5 representative and to the limited partner or person dissociated as a limited partner.

6 **(9)** Subject to s. 179.0704, the rights under this section do not extend to a person
7 as transferee.

8 **(10)** In addition to any restriction or condition stated in its partnership
9 agreement, a limited partnership, as a matter within the ordinary course of its
10 activities and affairs, may impose reasonable restrictions and conditions on access
11 to and use of information to be furnished under this section, including designating
12 information confidential and imposing nondisclosure and safeguarding obligations
13 on the recipient. In a dispute concerning the reasonableness of a restriction under
14 this subsection, the partnership has the burden of proving reasonableness.

15 **179.0305 Limited duties of limited partners.** **(1)** A limited partner shall
16 discharge any duties to the partnership and the other partners under the
17 partnership agreement and exercise any rights under this chapter or the partnership
18 agreement consistently with the contractual obligation of good faith and fair dealing.

19 **(2)** Except as otherwise provided in sub. (1), a limited partner does not have
20 any duty to the limited partnership or to any other partner solely by reason of acting
21 as a limited partner.

22 **(3)** If a limited partner enters into a transaction with the limited partnership,
23 the limited partner's rights and obligations arising from the transaction are the same
24 as those of a person that is not a partner.

SENATE BILL 566**SECTION 143**

1 **(4m)** Unless otherwise provided in the partnership agreement, any action that
2 is to be voted on or consented to by some or all of the limited partners may be taken
3 without a meeting of the limited partners entitled to vote or consent if all of such
4 partners consent to the action. The consent shall be evidenced by one or more written
5 consents describing the action, signed by each of such partners, and delivered to the
6 partnership for inclusion in the partnership records. Unless otherwise provided in
7 the partnership agreement, if a person, whether or not then a limited partner, so
8 consenting directs, whether through instruction to an agent or otherwise, that such
9 consent will be effective at a future time, including a time determined upon the
10 happening of an event, then the person shall be deemed to have consented as a
11 partner at this future time so long as the person is then a limited partner and did not
12 revoke the consent prior to that time. Any such consent shall be revocable prior to
13 its becoming effective, unless the written consent provides otherwise.

14 **179.0306 Person erroneously believing self to be limited partner. (1)**

15 Except as otherwise provided in sub. (2), a person that makes an investment in a
16 business enterprise and erroneously but in good faith believes that the person has
17 become a limited partner in the enterprise is not liable for the enterprise's obligations
18 by reason of making the investment, receiving distributions from the enterprise, or
19 exercising any rights of or appropriate to a limited partner, if, on ascertaining the
20 mistake, the person does any of the following:

21 (a) Causes an appropriate certificate of limited partnership, amendment, or
22 statement of correction to be signed and delivered to the department for filing.

23 (b) Withdraws from future participation as an owner in the enterprise by
24 signing and delivering to the department for filing a statement of negation under this
25 section.

SENATE BILL 566**SECTION 143**

1 **(2)** A person that makes an investment described in sub. (1) is liable to the same
2 extent as a general partner to any 3rd party that enters into a transaction with the
3 enterprise, believing in good faith that the person is a general partner, before the
4 department files a statement of negation, certificate of limited partnership,
5 amendment, or statement of correction to show that the person is not a general
6 partner.

7 **(3)** If a person makes a diligent effort in good faith to comply with sub. (1) (a)
8 and is unable to cause the appropriate certificate of limited partnership,
9 amendment, or statement of correction to be signed and delivered to the department
10 for filing, the person has the right to withdraw from the enterprise pursuant to sub.
11 (1) (b) even if the withdrawal would otherwise breach an agreement with others that
12 are or have agreed to become co-owners of the enterprise.

SUBCHAPTER IV**GENERAL PARTNERS**

13
14
15 **179.0401 Becoming general partner.** (1) Upon formation of a limited
16 partnership, a person becomes a general partner as agreed among the persons that
17 are to be the initial partners.

18 **(2)** After formation of a limited partnership, a person becomes a general
19 partner in any of the following ways:

20 (a) As provided in the partnership agreement.

21 (b) As a result of a transaction effective under subch. XI.

22 (c) With the affirmative vote or consent of all the partners.

23 (d) As provided in s. 179.0801 (1) (c) 2.

24 **(3)** A person may become a general partner without doing any of the following:

25 (a) Acquiring a transferable interest.

SENATE BILL 566**SECTION 143**

1 (b) Making or being obligated to make a contribution to the partnership.

2 **179.0402 General partner agent of limited partnership.** Subject to the
3 effect of a statement of partnership authority under s. 179.04023, the following rules
4 apply:

5 (1) Each general partner is an agent of the limited partnership for the purposes
6 of its activities and affairs. An act of a general partner, including the signing of a
7 record in the partnership's name, for apparently carrying on in the ordinary course
8 the partnership's activities and affairs or activities and affairs of the kind carried on
9 by the partnership binds the partnership, unless the general partner did not have
10 authority to act for the partnership in the particular matter and the person with
11 which the general partner was dealing knew or had notice that the general partner
12 lacked authority.

13 (2) An act of a general partner which is not apparently for carrying on in the
14 ordinary course the limited partnership's activities and affairs or activities and
15 affairs of the kind carried on by the partnership binds the partnership only if the act
16 was actually authorized by all the other partners.

17 **179.04023 Statement of partnership authority. (1)** (a) A limited
18 partnership may deliver to the department for filing a statement of partnership
19 authority.

20 (b) The statement of authority must include all of the following:

21 1. The name of the partnership.

22 2. The street address of the partnership's registered office in this state and the
23 name and e-mail address of its registered agent at that office.

SENATE BILL 566**SECTION 143**

1 (c) With respect to any position that exists in or with respect to the partnership,
2 the statement of authority may state the authority, or limitations on the authority,
3 of all persons holding the position to do any of the following:

4 1. Sign an instrument transferring real property held in the name of the
5 partnership.

6 2. Enter into other transactions on behalf of, or otherwise act for or bind, the
7 partnership.

8 (d) The statement of authority may state the authority, or limitations on the
9 authority, of a specific person to do any of the following:

10 1. Sign an instrument transferring real property held in the name of the
11 partnership.

12 2. Enter into other transactions on behalf of, or otherwise act for or bind, the
13 partnership.

14 **(2)** To amend or cancel a statement of authority filed by the department, a
15 limited partnership must deliver to the department for filing an amendment or
16 cancellation stating all of the following:

17 (a) The name of the partnership.

18 (b) The street address of the partnership's registered office in this state and the
19 name and e-mail address of its registered agent at that office.

20 (c) The date the statement being affected became effective.

21 (d) The contents of the amendment or a declaration that the statement is
22 canceled.

23 **(2m)** (a) A statement of authority is renewable for successive 5-year periods.
24 To renew a statement of authority filed by the department, a partnership must

SENATE BILL 566**SECTION 143**

1 deliver to the department for filing, during the 3 months before the cancellation
2 would occur under sub. (10), a statement of renewal that includes all of the following:

3 1. The name of the partnership.

4 2. The street address of the partnership's registered office in this state and the
5 name and e-mail address of its registered agent at that office.

6 3. The statement of authority being affected.

7 4. A declaration that the statement of authority is being renewed.

8 (b) When filed, a statement of renewal that complies with par. (a) renews the
9 statement of authority for a 5-year period commencing with the date of filing of the
10 statement of renewal.

11 **(3)** A statement of authority affects only the power of a person to bind a
12 partnership to persons that are not partners.

13 **(4)** Subject to sub. (3) and s. 179.0103 (4) (cr), and except as otherwise provided
14 in subs. (6) to (8), a limitation on the authority of a person or a position contained in
15 an effective statement of authority is not by itself evidence of any person's knowledge
16 or notice of the limitation.

17 **(5)** Subject to sub. (3), a grant of authority not pertaining to transfers of real
18 property and contained in an effective statement of authority is conclusive in favor
19 of a person that gives value in reliance on the grant, except to the extent that when
20 the person gives value any of the following applies:

21 (a) The person has knowledge to the contrary.

22 (b) The statement has been canceled or restrictively amended under sub. (2).

23 (c) A limitation on the grant is contained in another statement of authority that
24 became effective after the statement containing the grant became effective.

SENATE BILL 566**SECTION 143**

1 **(6)** Subject to sub. (3), an effective statement of authority that grants authority
2 to transfer real property held in the name of the partnership, a certified copy of which
3 statement is recorded in the office of the register of deeds for the county in which the
4 property is located, is conclusive in favor of a person that gives value in reliance on
5 the grant without knowledge to the contrary, except to the extent that when the
6 person gives value any of the following applies:

7 (a) The statement has been canceled or restrictively amended under sub. (2),
8 and a certified copy of the cancellation or restrictive amendment has been recorded
9 in the office of the register of deeds for the county in which the property is located.

10 (b) A limitation on the grant is contained in another statement of authority that
11 became effective after the statement containing the grant became effective, and a
12 certified copy of the later-effective statement is recorded in the office of the register
13 of deeds for the county in which the property is located.

14 **(7)** Subject to sub. (3), if a certified copy of an effective statement containing
15 a limitation on the authority to transfer real property held in the name of a
16 partnership is recorded in the office of the register of deeds for the county in which
17 the property is located, all persons are deemed to know of the limitation.

18 **(8)** Subject to sub. (9), an effective statement of dissolution is a cancellation of
19 any filed statement of authority for the purposes of sub. (6) and is a limitation on
20 authority for purposes of sub. (7).

21 **(9)** After a statement of dissolution becomes effective, a limited partnership
22 may deliver to the department for filing and, if appropriate, may record a statement
23 of authority that is designated as a postdissolution statement of authority. The
24 statement operates as provided in subs. (6) and (7).

SENATE BILL 566**SECTION 143**

1 **(10)** Unless canceled earlier, an effective statement of authority is canceled by
2 operation of law 5 years after the date on which the statement, or its most recent
3 amendment or renewal, was filed. The cancellation is effective without recording
4 under sub. (6) or (7).

5 **(11)** An effective statement of denial operates as a restrictive amendment
6 under this section and may be recorded by certified copy for purposes of sub. (6) (a).

7 **(11m)** Certified copies to be recorded in the office of the register of deeds are
8 to be sent by the person desiring the copies to be recorded and the department is not
9 obligated to send the copies to the office of the register of deeds unless it chooses to
10 undertake this responsibility.

11 **179.04025 Statement of denial.** A person named in a filed statement of
12 authority granting that person authority may deliver to the department for filing a
13 statement of denial that does all of the following:

14 **(1)** Provides the name of the limited partnership and the caption of the
15 statement of authority to which the statement of denial pertains.

16 **(2)** Denies the grant of authority.

17 **179.0403 Limited partnership liable for general partner's actionable**
18 **conduct.** **(1)** A limited partnership is liable for loss or injury caused to a person,
19 or for a penalty incurred, as a result of a wrongful act or omission, or other actionable
20 conduct, of a general partner acting in the ordinary course of partnership activities
21 and affairs or with the actual or apparent authority of the partnership.

22 **(2)** If, in the course of the limited partnership's activities and affairs or while
23 acting with actual or apparent authority of the partnership, a general partner
24 receives or causes the partnership to receive money or property of a person not a

SENATE BILL 566**SECTION 143**

1 partner, and the money or property is misapplied by a general partner, the
2 partnership is liable for the loss.

3 **179.0404 General partner's liability.** (1) Except as otherwise provided in
4 subs. (2) and (3), all general partners are liable jointly and severally for all debts,
5 obligations, and other liabilities of the limited partnership unless otherwise agreed
6 by the claimant or provided by law.

7 (2) A person that becomes a general partner is not personally liable for a debt,
8 obligation, or other liability of the limited partnership incurred before the person
9 became a general partner.

10 (3) (a) A debt, obligation, or other liability of a limited partnership incurred
11 while the partnership is a limited liability limited partnership is solely the debt,
12 obligation, or other liability of the limited liability limited partnership. A general
13 partner is not personally liable, directly or indirectly, by way of contribution or
14 otherwise, for a debt, obligation, or other liability of the limited liability limited
15 partnership solely by reason of being or acting as a general partner.

16 (b) This subsection applies despite anything inconsistent in the partnership
17 agreement that existed immediately before the vote or consent required to become
18 a limited liability limited partnership under s. 179.0406 (2) (b).

19 (c) This subsection applies regardless of the dissolution of the partnership.

20 (4) The failure of a limited liability limited partnership to observe formalities
21 relating to the exercise of its powers or management of its activities and affairs is not
22 a ground for imposing liability on a general partner for a debt, obligation, or other
23 liability of the partnership.

24 (5) An amendment of a certificate of limited partnership which deletes a
25 statement that the limited partnership is a limited liability limited partnership does

SENATE BILL 566**SECTION 143**

1 not affect the limitation in this section on the liability of a general partner for a debt,
2 obligation, or other liability of the limited partnership incurred before the
3 amendment became effective.

4 **179.0405 Actions against partnership and partners.** (1) To the extent not
5 inconsistent with s. 179.0404, a general partner may be joined in an action against
6 the limited partnership or named in a separate action.

7 (2) A judgment against a limited partnership is not by itself a judgment against
8 a general partner. A judgment against a partnership may not be satisfied from a
9 general partner's assets unless there is also a judgment against the general partner.

10 (3) A judgment creditor of a general partner may not levy execution against the
11 assets of the general partner to satisfy a judgment based on a claim against the
12 limited partnership unless the partner is personally liable for the claim under s.
13 179.0404 and any of the following is true:

14 (a) A judgment based on the same claim has been obtained against the limited
15 partnership and a writ of execution on the judgment has been returned unsatisfied
16 in whole or in part.

17 (b) The partnership is a debtor in bankruptcy.

18 (c) The general partner has agreed that the creditor need not exhaust
19 partnership assets.

20 (d) A court grants permission to the judgment creditor to levy execution against
21 the assets of a general partner based on a finding that partnership assets subject to
22 execution are clearly insufficient to satisfy the judgment, that exhaustion of
23 partnership assets is excessively burdensome, or that the grant of permission is an
24 appropriate exercise of the court's equitable powers.

SENATE BILL 566**SECTION 143**

1 (e) Liability is imposed on the general partner by law or contract independent
2 of the existence of the partnership.

3 **179.0406 Management rights of general partner.** (1) Each general
4 partner has equal rights in the management and conduct of the limited partnership's
5 activities and affairs. Except as otherwise provided in this chapter, any matter
6 relating to the activities and affairs of the partnership is decided exclusively by the
7 general partner or, if there is more than one general partner, by a majority of the
8 general partners.

9 (2) The affirmative vote or consent of all the partners is required to do any of
10 the following:

11 (a) Amend the partnership agreement.

12 (b) Amend the certificate of limited partnership to add or delete a statement
13 that the limited partnership is a limited liability limited partnership.

14 (c) Sell, lease, exchange, or otherwise dispose of all, or substantially all, of the
15 limited partnership's property, with or without the good will, other than in the usual
16 and regular course of the limited partnership's activities and affairs.

17 (2m) Unless otherwise provided in the partnership agreement, any action that
18 is to be voted on or consented to by some or all of the general partners may be taken
19 without a meeting of the general partners entitled to vote or consent if all of such
20 partners consent to the action. The consent shall be evidenced by one or more written
21 consents describing the action, signed by each of such partners, and delivered to the
22 partnership for inclusion in the partnership records. Unless otherwise provided in
23 the partnership agreement, if a person, whether or not then a general partner, so
24 consenting directs, whether through instruction to an agent or otherwise, that such
25 consent will be effective at a future time, including a time determined upon the

SENATE BILL 566**SECTION 143**

1 happening of an event, then the person shall be deemed to have consented as a
2 partner at this future time so long as the person is then a general partner and did
3 not revoke the consent prior to that time. Any such consent shall be revocable prior
4 to its becoming effective.

5 (3) A limited partnership shall reimburse a general partner for an advance to
6 the partnership beyond the amount of capital the general partner agreed to
7 contribute.

8 (4) A payment or advance made by a general partner which gives rise to an
9 obligation of the limited partnership under sub. (3) or s. 179.0408 (1) constitutes a
10 loan to the limited partnership which accrues interest from the date of the payment
11 or advance.

12 (5) Unless authorized by the partnership agreement or otherwise in
13 accordance with this chapter, a general partner is not entitled to remuneration for
14 services performed for the partnership.

15 **179.0407 Rights to information of general partner and person**
16 **dissociated as general partner.** (1) A general partner may inspect and copy
17 required information during regular business hours in the limited partnership's
18 principal office, without having any particular purpose for seeking the information.

19 (2) On reasonable notice, a general partner may inspect and copy during
20 regular business hours, at a reasonable location specified by the limited partnership,
21 any record maintained by the partnership regarding the partnership's activities,
22 affairs, financial condition, and other circumstances, to the extent the information
23 is material to the general partner's rights and duties under the partnership
24 agreement or this chapter.

SENATE BILL 566**SECTION 143**

1 **(3)** A limited partnership shall furnish to each general partner all of the
2 following:

3 (a) Without demand, any information concerning the partnership's activities,
4 affairs, financial condition, and other circumstances which the partnership knows
5 and is material to the proper exercise of the general partner's rights and duties under
6 the partnership agreement or this chapter, except to the extent the partnership can
7 establish that it reasonably believes the general partner already knows the
8 information.

9 (b) On demand, any other information concerning the partnership's activities,
10 affairs, financial condition, and other circumstances, except to the extent the
11 demand or the information demanded is unreasonable or otherwise improper under
12 the circumstances.

13 **(4)** The duty to furnish information under sub. (3) also applies to each general
14 partner on whom a demand is made to the extent the general partner knows any of
15 the information described in sub. (2).

16 **(5)** On 10 days' demand made in a record received by a limited partnership, a
17 person dissociated as a general partner may have access to the information and
18 records described in subs. (1) and (2) at the locations specified in those subsections
19 if all of the following apply:

20 (a) The information or record pertains to the period during which the person
21 was a general partner.

22 (b) The person seeks the information or record in good faith.

23 (c) The person satisfies the requirements imposed on a limited partner by s.
24 179.0304 (2).

SENATE BILL 566**SECTION 143**

1 **(6)** A limited partnership shall respond to a demand made pursuant to sub. (5)
2 in the manner provided in s. 179.0304 (3).

3 **(7)** A limited partnership may charge a person that makes a demand under this
4 section the reasonable costs of copying, limited to the costs of labor and material.

5 **(8)** A general partner or person dissociated as a general partner may exercise
6 the rights under this section through an agent or, in the case of an individual under
7 legal disability, a legal representative. Any restriction or condition imposed by the
8 partnership agreement or under sub. (10) applies both to the agent or legal
9 representative and to the general partner or person dissociated as a general partner.

10 **(9)** (a) Subject to pars. (b) and (c), the rights under this section do not extend
11 to a person as transferee.

12 (b) If a general partner dies, s. 179.0704 applies.

13 (c) If an individual dissociates as a general partner under s. 179.0603 (6) (b) or
14 (c), the legal representative of the individual may exercise the rights under sub. (5)
15 of a person dissociated as a general partner.

16 **(10)** In addition to any restriction or condition stated in its partnership
17 agreement, a limited partnership, as a matter within the ordinary course of its
18 activities and affairs, may impose reasonable restrictions and conditions on access
19 to and use of information to be furnished under this section, including designating
20 information confidential and imposing nondisclosure and safeguarding obligations
21 on the recipient. In a dispute concerning the reasonableness of a restriction under
22 this subsection, the partnership has the burden of proving reasonableness.

23 **179.0408 Reimbursement; indemnification; advancement; and**
24 **insurance.** **(1)** A limited partnership shall reimburse a general partner for any
25 payment made by the general partner in the course of the general partner's activities

SENATE BILL 566**SECTION 143**

1 on behalf of the partnership, if the general partner complied with ss. 179.0406,
2 179.0409, and 179.0504 in making the payment.

3 (2) A limited partnership shall indemnify and hold harmless a person with
4 respect to any claim or demand against the person and any debt, obligation, or other
5 liability incurred by the person by reason of the person's former or present capacity
6 as a general partner, if the claim, demand, debt, obligation, or other liability does not
7 arise from the person's breach of s. 179.0406, 179.0409, or 179.0504.

8 (3) In the ordinary course of its activities and affairs, a limited partnership may
9 advance reasonable expenses, including attorney fees and costs, incurred by a person
10 in connection with a claim or demand against the person by reason of the person's
11 former or present capacity as a general partner, if the person promises to repay the
12 partnership if the person ultimately is determined not to be entitled to be
13 indemnified under sub. (2).

14 (4) A limited partnership may purchase and maintain insurance on behalf of
15 a general partner against liability asserted against or incurred by the general
16 partner in that capacity or arising from that status even if, under s. 179.0105 (3) (h),
17 the partnership agreement could not eliminate or limit the person's liability to the
18 partnership for the conduct giving rise to the liability.

19 **179.0409 Standards of conduct for general partners.** (1) A general
20 partner owes to the limited partnership and, subject to s. 179.0901, the other
21 partners the duties of loyalty and care stated in subs. (2) and (3).

22 (2) The fiduciary duty of loyalty of a general partner includes all of the
23 following duties:

SENATE BILL 566**SECTION 143**

1 (a) The duty to account to the limited partnership and hold as trustee for it any
2 property, profit, or benefit derived by the general partner in or from any of the
3 following:

4 1. The conduct or winding up of the partnership's activities and affairs.

5 2. A use by the general partner of the partnership's property.

6 3. The appropriation of a partnership opportunity.

7 (b) The duty to refrain from dealing with the partnership in the conduct or
8 winding up of the partnership's activities and affairs as or on behalf of a person
9 having an interest adverse to the partnership.

10 (c) The duty to refrain from competing with the partnership in the conduct or
11 winding up of the partnership's activities and affairs.

12 **(3)** The duty of care of a general partner in the conduct or winding up of the
13 limited partnership's activities and affairs is to refrain from engaging in grossly
14 negligent or reckless conduct or in conduct for which relief or exoneration from
15 liability is not permitted under s. 179.0105 (3) (h).

16 **(4)** A general partner shall discharge the duties and obligations under this
17 chapter or under the partnership agreement and exercise any rights thereunder
18 consistently with the contractual obligation of good faith and fair dealing.

19 **(5)** A general partner does not violate a duty or obligation under this chapter
20 or under the partnership agreement solely because the general partner's conduct
21 furthers the general partner's own interest.

22 **(6)** All the partners of a limited partnership, or one or more disinterested
23 partners with authority to act in the matter, may authorize or ratify, after full
24 disclosure of all material facts, a specific act or transaction by a general partner that
25 otherwise would violate the duty of loyalty.

SENATE BILL 566**SECTION 143****1 179.0503 Sharing of and right to distributions before dissolution. (1)**

2 Any distribution made by a limited partnership before its dissolution and winding
3 up must be shared among the partners on the basis of the value, as stated in the
4 required information when the limited partnership decides to make the distribution,
5 of the contributions the limited partnership has received from each partner, except
6 to the extent necessary to comply with a transfer effective under s. 179.0702 or
7 charging order in effect under s. 179.0703.

8 (2) A person has a right to a distribution before the dissolution and winding
9 up of a limited partnership only if the partnership decides to make an interim
10 distribution. A person's dissociation does not entitle the person to a distribution.

11 (3) A person does not have a right to demand or receive a distribution from a
12 limited partnership in any form other than money. Except as otherwise provided in
13 s. 179.0810 (5), a partnership may distribute an asset in kind only if each part of the
14 asset is fungible with each other part and each person receives a percentage of the
15 asset equal in value to the person's share of distributions.

16 (4) If a partner or transferee becomes entitled to receive a distribution, the
17 partner or transferee has the status of, and is entitled to all remedies available to,
18 a creditor of the limited partnership with respect to the distribution. However, the
19 partnership's obligation to make a distribution is subject to offset for any amount
20 owed to the partnership by the partner or a person dissociated as a partner on whose
21 account the distribution is made.

22 **179.0504 Limitations on distributions. (1)** A limited partnership may not
23 make a distribution, including a distribution under s. 179.0810, if after the
24 distribution any of the following applies:

SENATE BILL 566**SECTION 143**

1 (a) The partnership would not be able to pay its debts as they become due in
2 the ordinary course of the partnership's activities and affairs.

3 (b) The partnership's total assets would be less than the sum of its total
4 liabilities plus the amount that would be needed, if the partnership were to be
5 dissolved and wound up at the time of the distribution, to satisfy the preferential
6 rights upon dissolution and winding up of partners and transferees whose
7 preferential rights are superior to the rights of persons receiving the distribution.

8 **(2)** A limited partnership may base a determination that a distribution is not
9 prohibited under sub. (1) on any of the following:

10 (a) Financial statements prepared on the basis of accounting practices and
11 principles that are reasonable in the circumstances.

12 (b) A fair valuation or other method that is reasonable under the
13 circumstances.

14 **(3)** Except as otherwise provided in sub. (5), the effect of a distribution under
15 sub. (1) is measured as follows:

16 (a) In the case of a distribution as described in s. 179.0102 (4) (a) 1. and 2., as
17 of the earlier of the following:

18 1. The date money or other property is transferred or debt is incurred by the
19 limited partnership.

20 2. The date the person entitled to the distribution ceases to own the interest
21 or rights being acquired by the partnership in return for the distribution.

22 (b) In the case of any distribution of indebtedness other than one under par. (a),
23 as of the date the indebtedness is distributed.

24 (c) In all cases other than those under par. (a) or (b), as of the following:

SENATE BILL 566**SECTION 143**

1 1. The date the distribution is authorized, if the payment occurs not later than
2 120 days after that date.

3 2. The date the payment is made, if the payment occurs more than 120 days
4 after the distribution is authorized.

5 (4) A limited partnership's indebtedness to a partner or transferee incurred by
6 reason of a distribution made in accordance with this section is at parity with the
7 partnership's indebtedness to its general, unsecured creditors, except to the extent
8 subordinated by agreement.

9 (5) A limited partnership's indebtedness, including indebtedness issued as a
10 distribution, is not a liability for purposes of sub. (1) if the terms of the indebtedness
11 provide that payment of principal and interest is made only if and to the extent that
12 a payment of a distribution could then be made under this section. If the
13 indebtedness is issued as a distribution, each payment of principal or interest is
14 treated as a distribution, the effect of which is measured on the date the payment is
15 made.

16 (6) In measuring the effect of a distribution under s. 179.0810, the liabilities
17 of a dissolved limited partnership do not include any claim that has been disposed
18 of under s. 179.0806, 179.0807, or 179.0808.

19 **179.0505 Liability for improper distributions.** (1) If a general partner
20 consents to a distribution made in violation of s. 179.0504 and in consenting to the
21 distribution fails to comply with s. 179.0409, the general partner is personally liable
22 to the limited partnership for the amount of the distribution which exceeds the
23 amount that could have been distributed without the violation of s. 179.0504.

24 (2) A person that receives a distribution knowing that the distribution violated
25 s. 179.0504 is personally liable to the limited partnership but only to the extent that

SENATE BILL 566**SECTION 143**

1 the distribution received by the person exceeded the amount that could have been
2 properly paid under s. 179.0504.

3 (3) A general partner against which an action is commenced because the
4 general partner is liable under sub. (1) with respect to a distribution may do any of
5 the following:

6 (a) Implead any other person that is liable under sub. (1) with respect to the
7 distribution and seek to enforce a right of contribution from the person.

8 (b) Implead any person that received the distribution in violation of sub. (2) and
9 seek to enforce a right of contribution from the person in the amount the person
10 received in violation of sub. (2).

11 (4) An action under this section is barred unless commenced not later than 2
12 years after the distribution.

13 SUBCHAPTER VI

14 DISSOCIATION

15 **179.0601 Dissociation as limited partner.** (1) A person does not have a
16 right to dissociate as a limited partner before the completion of the winding up of the
17 limited partnership.

18 (2) A person is dissociated as a limited partner when any of the following
19 applies:

20 (a) The limited partnership knows or has notice of the person's express will to
21 withdraw as a limited partner, but, if the person has specified a withdrawal date
22 later than the date the partnership knew or had notice, on that later date.

23 (b) An event stated in the partnership agreement as causing the person's
24 dissociation as a limited partner occurs.

SENATE BILL 566**SECTION 143**

1 (c) The person is expelled as a limited partner pursuant to the partnership
2 agreement.

3 (d) The person is expelled as a limited partner by the affirmative vote or consent
4 of all the other partners if any of the following applies:

5 1. It is unlawful to carry on the limited partnership's activities and affairs with
6 the person as a limited partner.

7 2. There has been a transfer of all of the person's transferable interest in the
8 partnership, other than a transfer for security purposes or the entry of a charging
9 order that is in effect under s. 179.0703 and that has not been foreclosed.

10 3. The person is an entity and all of the following apply:

11 a. The partnership notifies the person that it will be expelled as a limited
12 partner because the person has filed a statement of dissolution or the equivalent, the
13 person has been administratively dissolved, the person's charter or the equivalent
14 has been revoked, or the person's right to conduct activities and affairs has been
15 suspended by the jurisdiction of the person's governing law.

16 b. The statement of dissolution or the equivalent has not been withdrawn,
17 rescinded, or revoked, the person has not been reinstated, or the person's charter or
18 the equivalent or right to conduct activities and affairs has not been reinstated,
19 within 90 days after the notification under subd. 3. a.

20 4. The person is an unincorporated entity that has been dissolved and whose
21 activities and affairs are being wound up.

22 (e) On application by the limited partnership or a partner in a direct action
23 under s. 179.0901, the person is expelled as a limited partner by judicial order
24 because the person has done any of the following:

SENATE BILL 566**SECTION 143**

1 1. Engaged, or is engaging, in wrongful conduct that has affected adversely and
2 materially, or will affect adversely and materially, the partnership's activities and
3 affairs.

4 2. Committed willfully or persistently, or is committing willfully or persistently,
5 a material breach of the partnership agreement or of the contractual obligation of
6 good faith and fair dealing under s. 179.0305 (1).

7 3. Engaged, or is engaging, in conduct relating to the partnership's activities
8 and affairs which makes it not reasonably practicable to carry on the partnership's
9 activities and affairs with the person as a limited partner.

10 (f) In the case of an individual, the individual dies.

11 (g) In the case of a person that is a testamentary or living trust or is acting as
12 a limited partner by virtue of being a trustee of such a trust, the trust's entire
13 transferable interest in the limited partnership is distributed.

14 (h) In the case of a person that is an estate or is acting as a limited partner by
15 virtue of being a personal representative of an estate, the estate's entire transferable
16 interest in the limited partnership is distributed.

17 (i) In the case of a person that is not an individual, the existence of the person
18 terminates.

19 (n) The limited partnership dissolves and completes winding up.

20 **179.0602 Effect of dissociation as limited partner.** (1) If a person is
21 dissociated as a limited partner, all of the following apply:

22 (a) Subject to s. 179.0704, the person does not have further rights as a limited
23 partner.

SENATE BILL 566**SECTION 143**

1 (b) The person's contractual obligation of good faith and fair dealing as a limited
2 partner under s. 179.0305 (1) ends with regard to matters arising and events
3 occurring after the person's dissociation.

4 (c) Subject to s. 179.0704 and subch. XI, any transferable interest owned by the
5 person in the person's capacity as a limited partner immediately before dissociation
6 is owned by the person solely as a transferee.

7 (2) A person's dissociation as a limited partner does not of itself discharge the
8 person from any debt, obligation, or other liability to the limited partnership or the
9 other partners which the person incurred while a limited partner.

10 **179.0603 Dissociation as general partner.** A person is dissociated as a
11 general partner when any of the following applies:

12 (1) The limited partnership knows or has notice of the person's express will to
13 withdraw as a general partner, but, if the person has specified a withdrawal date
14 later than the date the partnership knew or had notice, on that later date.

15 (2) An event stated in the partnership agreement as causing the person's
16 dissociation as a general partner occurs.

17 (3) The person is expelled as a general partner pursuant to the partnership
18 agreement.

19 (4) The person is expelled as a general partner by the affirmative vote or
20 consent of all the other partners if any of the following applies:

21 (a) It is unlawful to carry on the limited partnership's activities and affairs with
22 the person as a general partner.

23 (b) There has been a transfer of all of the person's transferable interest in the
24 partnership, other than a transfer for security purposes or the entry of a charging
25 order that is in effect under s. 179.0703 and that has not been foreclosed.

SENATE BILL 566**SECTION 143**

1 (c) The person is an entity and all of the following apply:

2 1. The partnership notifies the person that it will be expelled as a general
3 partner because the person has filed a statement of dissolution or the equivalent, the
4 person has been administratively dissolved, the person's charter or the equivalent
5 has been revoked, or the person's right to conduct its activities and affairs has been
6 suspended by the jurisdiction of the person's governing law.

7 2. The statement of dissolution or the equivalent has not been withdrawn,
8 rescinded, or revoked, the person has not been reinstated, or the person's charter or
9 the equivalent or right to conduct its activities and affairs has not been reinstated,
10 within 90 days after the notification under subd. 1.

11 (d) The person is an unincorporated entity that has been dissolved and whose
12 activities and affairs are being wound up.

13 **(5)** On application by the limited partnership or a partner in a direct action
14 under s. 179.0901, the person is expelled as a general partner by judicial order
15 because the person has done any of the following:

16 (a) Engaged, or is engaging, in wrongful conduct that has affected adversely
17 and materially, or will affect adversely and materially, the partnership's activities
18 and affairs.

19 (b) Committed willfully or persistently, or is committing willfully or
20 persistently, a material breach of the partnership agreement or a duty or obligation
21 under s. 179.0409.

22 (c) Engaged, or is engaging, in conduct relating to the partnership's activities
23 and affairs which makes it not reasonably practicable to carry on the activities and
24 affairs of the limited partnership with the person as a general partner.

25 **(6)** In the case of an individual, any of the following applies:

SENATE BILL 566**SECTION 143**

1 (a) The individual dies.

2 (b) A guardian or general conservator for the individual is appointed.

3 (c) A court orders that the individual has otherwise become incapable of
4 performing the individual's duties as a general partner under this chapter or the
5 partnership agreement.

6 **(7)** Any of the following applies to the person:

7 (a) The person becomes a debtor in bankruptcy.

8 (b) The person signs an assignment for the benefit of creditors.

9 (c) The person seeks, consents to, or acquiesces in the appointment of a trustee,
10 receiver, or liquidator of the person or of all or substantially all the person's property.

11 **(8)** In the case of a person that is a testamentary or living trust or is acting as
12 a general partner by virtue of being a trustee of such a trust, the trust's entire
13 transferable interest in the limited partnership is distributed.

14 **(9)** In the case of a person that is an estate or is acting as a general partner by
15 virtue of being a personal representative of an estate, the estate's entire transferable
16 interest in the limited partnership is distributed.

17 **(10)** In the case of a person that is not an individual, the existence of the person
18 terminates.

19 **(15)** The limited partnership dissolves and completes winding up.

20 **179.0604 Power to dissociate as general partner; wrongful**
21 **dissociation.** (1) A person has the power to dissociate as a general partner at any
22 time, rightfully or wrongfully, by withdrawing as a general partner by express will
23 under s. 179.0603 (1).

24 **(2)** A person's dissociation as a general partner is wrongful only if any of the
25 following applies:

SENATE BILL 566**SECTION 143**

1 (a) The dissociation is in breach of an express provision of the partnership
2 agreement.

3 (b) The dissociation occurs before the completion of the winding up of the
4 limited partnership and any of the following applies:

5 1. The person withdraws as a general partner by express will.

6 2. The person is expelled as a general partner by judicial order under s.
7 179.0603 (5).

8 3. The person is dissociated as a general partner under s. 179.0603 (7).

9 4. In the case of a person that is not a trust other than a business trust, an
10 estate, or an individual, the person is expelled or otherwise dissociated as a general
11 partner because it willfully dissolved or terminated.

12 **(3)** A person that wrongfully dissociates as a general partner is liable to the
13 limited partnership and, subject to s. 179.0901, to the other partners for damages
14 caused by the dissociation. The liability is in addition to any debt, obligation, or other
15 liability of the general partner to the partnership or the other partners.

16 **179.0605 Effect of dissociation as general partner.** (1) If a person is
17 dissociated as a general partner, all of the following apply:

18 (a) The person's right to participate as a general partner in the management
19 and conduct of the limited partnership's activities and affairs terminates.

20 (b) The person's duties and obligations as a general partner under s. 179.0409
21 end with regard to matters arising and events occurring after the person's
22 dissociation.

23 (c) 1. The person may sign and deliver to the department for filing a statement
24 of dissociation pertaining to the person and, at the request of the limited partnership,

SENATE BILL 566**SECTION 143**

1 shall sign an amendment to the certificate of limited partnership which states that
2 the person has dissociated as a general partner.

3 2. The statement of dissociation or amendment under subd. 1. is a limitation
4 on the authority of a person dissociated as a partner for the purposes of s. 179.04023.

5 (d) Subject to s. 179.0704 and subch. XI, any transferable interest owned by the
6 person in the person's capacity as a general partner immediately before dissociation
7 is owned by the person solely as a transferee.

8 **(2)** A person's dissociation as a general partner does not of itself discharge the
9 person from any debt, obligation, or other liability to the limited partnership or the
10 other partners which the person incurred while a general partner.

11 **(3m)** Continued use of a limited partnership name, or the name of a person
12 dissociated as a partner as part of the partnership name, by partners continuing the
13 partnership's activities and affairs does not of itself make the person dissociated as
14 a partner liable for an obligation of the partners or the partnership continuing the
15 partnership's activities and affairs.

16 **179.0606 Power to bind and liability of person dissociated as general**
17 **partner. (1)** After a person is dissociated as a general partner and before the limited
18 partnership is merged out of existence or converted under subch. XI, or dissolved, the
19 partnership is bound by an act of the person with respect to a transaction with
20 another party only if all of the following apply:

21 (a) The act would have bound the partnership under s. 179.0402 before
22 dissociation.

23 (b) At the time the other party enters into the transaction, less than 2 years has
24 passed since the dissociation.

SENATE BILL 566**SECTION 143**

1 (c) At the time the other party enters into the transaction, the other party does
2 not know or have notice of the dissociation and reasonably believes that the person
3 is a general partner.

4 (2) If a limited partnership is bound under sub. (1), the person dissociated as
5 a general partner which caused the partnership to be bound is liable to all of the
6 following:

7 (a) The partnership, for any damage caused to the partnership arising from the
8 obligation incurred under sub. (1).

9 (b) If a general partner or another person dissociated as a general partner is
10 liable for the obligation, the general partner or other person, for any damage caused
11 to the general partner or other person arising from the liability.

12 **179.0607 Liability of person dissociated as general partner to other**
13 **persons. (1)** A person's dissociation as a general partner does not of itself discharge
14 the person's liability as a general partner for a debt, obligation, or other liability of
15 the limited partnership incurred before dissociation. Except as otherwise provided
16 in subs. (2) and (3), the person is not liable for a partnership obligation incurred after
17 dissociation.

18 (2) A person whose dissociation as a general partner results in a dissolution
19 and winding up of the limited partnership's activities and affairs is liable on an
20 obligation incurred by the partnership under s. 179.0804 to the same extent as a
21 general partner under s. 179.0404.

22 (3) A person that is dissociated as a general partner without the dissociation
23 resulting in a dissolution and winding up of the limited partnership's activities and
24 affairs is liable to a party on a transaction entered into by the partnership after the
25 dissociation only if all of the following apply:

SENATE BILL 566**SECTION 143**

1 (a) A general partner would be liable on the transaction.

2 (b) At the time the other party enters into the transaction, less than 2 years has
3 passed since the dissociation.

4 (c) At the time the other party enters into the transaction, the other party does
5 not have knowledge or notice of the dissociation and reasonably believes that the
6 person is a general partner.

7 (4) By agreement with a creditor of a limited partnership and the partnership,
8 a person dissociated as a general partner may be released from liability for a debt,
9 obligation, or other liability of the partnership to the creditor.

10 (5) A person dissociated as a general partner is released from liability for a
11 debt, obligation, or other liability of the limited partnership if the partnership's
12 creditor, with knowledge or notice of the person's dissociation as a general partner
13 but without the person's consent, agrees to a material alteration in the nature or time
14 of payment of the debt, obligation, or other liability.

15 SUBCHAPTER VII

16 TRANSFERABLE INTERESTS AND

17 RIGHTS OF TRANSFEREES

18 AND CREDITORS

19 **179.0701 Nature of transferable interest.** A transferable interest is
20 personal property.

21 **179.0702 Transfer of transferable interest.** (1) All of the following apply
22 to a transfer, in whole or in part, of a transferable interest:

23 (a) It is permissible.

24 (b) It does not by itself cause a partner's dissociation or a dissolution and
25 winding up of the limited partnership's activities and affairs.

SENATE BILL 566**SECTION 143**

1 (c) Subject to s. 179.0704, it does not entitle the transferee to do any of the
2 following:

3 1. Participate in the management or conduct of the partnership's activities and
4 affairs.

5 2. Except as otherwise provided in sub. (3), have access to required information,
6 records, or other information concerning the partnership's activities and affairs.

7 (2) A transferee has the right to receive, in accordance with the transfer,
8 distributions to which the transferor would otherwise be entitled.

9 (3) In a dissolution and winding up of a limited partnership, a transferee is
10 entitled to an account of the partnership's transactions only from the date of
11 dissolution.

12 (4) A transferable interest may be evidenced by a certificate of the interest
13 issued by a limited partnership in a record, and, subject to this section, the interest
14 represented by the certificate may be transferred by a transfer of the certificate.

15 (5) A limited partnership need not give effect to a transferee's rights under this
16 section until the partnership knows or has notice of the transfer.

17 (6) A transfer of a transferable interest in violation of a valid restriction on
18 transfer contained in the partnership agreement is ineffective if the intended
19 transferee has knowledge or notice of the restriction at the time of transfer.

20 (7) Except as otherwise provided in ss. 179.0601 (2) (d) 2. and 179.0603 (4) (b),
21 if a general or limited partner transfers a transferable interest, the transferor
22 retains the rights of a general or limited partner other than the transferable interest
23 transferred and retains all the duties and obligations of a general or limited partner.

24 (8) If a general or limited partner transfers a transferable interest to a person
25 that becomes a general or limited partner with respect to the transferred interest,

SENATE BILL 566**SECTION 143**

1 the transferee is liable for the transferor's obligations under ss. 179.0502 and
2 179.0505 known to the transferee when the transferee becomes a partner.

3 **179.0703 Charging order.** (1) On application by a judgment creditor of a
4 partner or transferee, a court may enter a charging order against the transferable
5 interest of the judgment debtor for the unsatisfied amount of the judgment. A
6 charging order constitutes a lien on a judgment debtor's transferable interest and
7 requires the limited partnership to pay over to the person to which the charging order
8 was issued any distribution that otherwise would be paid to the judgment debtor.

9 (2) To the extent necessary to effectuate the collection of distributions pursuant
10 to a charging order in effect under sub. (1), the court may do any of the following:

11 (a) Appoint a receiver of the distributions subject to the charging order, with
12 the power to make all inquiries the judgment debtor might have made.

13 (b) Make all other orders necessary to give effect to the charging order.

14 (3) Upon a showing that distributions under a charging order will not pay the
15 judgment debt within a reasonable time, the court may foreclose the lien and order
16 the sale of the transferable interest. The purchaser at the foreclosure sale obtains
17 only the transferable interest, does not thereby become a partner, and is subject to
18 s. 179.0702.

19 (4) At any time before foreclosure under sub. (3), the partner or transferee
20 whose transferable interest is subject to a charging order under sub. (1) may
21 extinguish the charging order by satisfying the judgment and filing a certified copy
22 of the satisfaction with the court that issued the charging order.

23 (5) At any time before foreclosure under sub. (3), a limited partnership or one
24 or more partners whose transferable interests are not subject to the charging order

SENATE BILL 566**SECTION 143**

1 may pay to the judgment creditor the full amount due under the judgment and
2 thereby succeed to the rights of the judgment creditor, including the charging order.

3 (6) This chapter does not deprive any partner or transferee of the benefit of any
4 exemption law applicable to the transferable interest of the partner or transferee.

5 (7) This section provides the exclusive remedy by which a person seeking, in
6 the capacity of a judgment creditor, to enforce a judgment against a partner or
7 transferee may satisfy the judgment from the judgment debtor's transferable
8 interest.

9 **179.0704 Power of legal representative of deceased partner.** If a partner
10 dies, the deceased partner's legal representative may exercise any of the following:

11 (1) The rights of a transferee provided in s. 179.0702 (3).

12 (2) For purposes of settling the estate, the rights of a current limited partner
13 under s. 179.0304.

14 SUBCHAPTER VIII

15 DISSOLUTION AND WINDING UP

16 **179.0801 Events causing dissolution.** (1) A limited partnership is
17 dissolved, and its activities and affairs must be wound up, upon the occurrence of any
18 of the following:

19 (a) An event or circumstance that the partnership agreement states causes
20 dissolution.

21 (b) The affirmative vote or consent to dissolve of all general partners and of
22 limited partners owning a majority of the rights to receive distributions, whether as
23 a general partner, a limited partner, or both, at the time the vote or consent is to be
24 effective.

SENATE BILL 566**SECTION 143**

1 (c) After the dissociation of a person as a general partner if any of the following
2 applies:

3 1. If the partnership has at least one remaining general partner, the
4 affirmative vote or consent to dissolve the partnership not later than 90 days after
5 the dissociation by partners owning a majority of the rights to receive distributions,
6 whether as a general partner, a limited partner, or both, at the time the vote or
7 consent is to be effective.

8 2. If the partnership does not have a remaining general partner, the passage
9 of 90 days after the dissociation unless, before the end of the period, all of the
10 following occur:

11 a. Consent to continue the activities and affairs of the partnership and admit
12 at least one general partner is given by limited partners owning a majority of the
13 rights to receive distributions as limited partners at the time the consent is to be
14 effective.

15 b. At least one person is admitted as a general partner in accordance with the
16 consent.

17 (d) The passage of 90 consecutive days after the dissociation of the
18 partnership's last limited partner unless, before the end of the period, the
19 partnership admits at least one limited partner.

20 (e) The passage of 90 consecutive days during which the partnership has only
21 one partner unless, before the end of the period, all of the following are satisfied:

22 1. The partnership admits at least one person as a partner.

23 2. If the previously sole remaining partner is only a general partner, the
24 partnership admits the person as a limited partner.

SENATE BILL 566**SECTION 143**

1 3. If the previously sole remaining partner is only a limited partner, the
2 partnership admits a person as a general partner.

3 (f) On application by a partner, the entry by the circuit court of an order
4 dissolving the partnership on any of the following grounds:

5 1. That the conduct of all or substantially all the partnership's activities and
6 affairs is unlawful.

7 2. That it is not reasonably practicable to carry on the partnership's activities
8 and affairs in conformity with the certificate of limited partnership and partnership
9 agreement.

10 (g) The signing and filing of a notice of administrative dissolution by the
11 department under s. 179.0811.

12 **(2)** If an event occurs that imposes a deadline on a limited partnership under
13 sub. (1) and, before the partnership has met the requirements of the deadline,
14 another event occurs that imposes a different deadline on the partnership under sub.
15 (1), all of the following apply:

16 (a) The occurrence of the second event does not affect the deadline caused by
17 the first event.

18 (b) The partnership's meeting of the requirements of the first deadline does not
19 extend the second deadline.

20 **179.0802 Winding up. (1)** A dissolved limited partnership shall wind up its
21 activities and affairs and, except as otherwise provided in s. 179.0803, the
22 partnership continues after dissolution only for the purpose of winding up.

23 **(2)** (a) In winding up its activities and affairs, a limited partnership shall
24 discharge the partnership's debts, obligations, and other liabilities, settle and close

SENATE BILL 566**SECTION 143**

1 the partnership's activities and affairs, and marshal and distribute the assets of the
2 partnership.

3 (b) In winding up its activities and affairs, a limited partnership may do any
4 of the following:

5 1. Amend its certificate of limited partnership to state that the partnership is
6 dissolved.

7 2. Preserve the partnership's activities and affairs and property as a going
8 concern for a reasonable time.

9 3. Prosecute and defend actions and proceedings, whether civil, criminal, or
10 administrative.

11 4. Transfer the partnership's property.

12 5. Settle disputes by mediation or arbitration.

13 6. Deliver to the department for filing a statement of termination stating the
14 name of the partnership and that the partnership is terminated.

15 7. Perform other acts necessary or appropriate to the winding up.

16 **(3)** If a dissolved limited partnership does not have a general partner, a person
17 to wind up the dissolved partnership's activities and affairs may be appointed by the
18 affirmative vote or consent of limited partners owning a majority of the rights to
19 receive distributions as limited partners at the time the vote or consent is to be
20 effective. All of the following apply to a person appointed under this subsection:

21 (a) The person has the powers of a general partner under s. 179.0804 but is not
22 liable for the debts, obligations, and other liabilities of the partnership solely by
23 reason of having or exercising those powers or otherwise acting to wind up the
24 dissolved partnership's activities and affairs.

SENATE BILL 566**SECTION 143**

1 (b) The person shall deliver promptly to the department for filing an
2 amendment to the partnership's certificate of limited partnership stating all of the
3 following:

4 1. That the partnership does not have a general partner.

5 2. The name and street and mailing addresses of the person.

6 3. That the person has been appointed pursuant to this subsection to wind up
7 the partnership.

8 (4) On the application of a partner, the circuit court may order judicial
9 supervision of the winding up of a dissolved limited partnership, including the
10 appointment of a person to wind up the partnership's activities and affairs, if any of
11 the following applies:

12 (a) The partnership does not have a general partner and within a reasonable
13 time following the dissolution no person has been appointed pursuant to sub. (3).

14 (b) The applicant establishes other good cause.

15 **179.0803 Rescinding dissolution.** (1) A limited partnership may rescind
16 its dissolution, unless a statement of termination applicable to the partnership has
17 become effective, the circuit court has entered an order under s. 179.0801 (1) (f)
18 dissolving the partnership, or the department has dissolved the partnership under
19 s. 179.0811.

20 (2) Rescinding dissolution under this section requires all of the following:

21 (a) The affirmative vote or consent of each partner.

22 (b) If the limited partnership has delivered to the department for filing an
23 amendment to the certificate of limited partnership stating that the partnership is
24 dissolved, delivery to the department for filing of one of the following:

SENATE BILL 566**SECTION 143**

1 1. If the amendment has not become effective, a statement of withdrawal under
2 s. 179.0208 applicable to the amendment.

3 2. If the amendment has become effective, an amendment to the certificate of
4 limited partnership stating that dissolution has been rescinded under this section.

5 **(3)** If a limited partnership rescinds its dissolution, all of the following apply:

6 (a) Subject to par. (c), the partnership resumes carrying on its activities and
7 affairs as if dissolution had never occurred.

8 (b) Subject to par. (c), the rescission relates back to and takes effect as of the
9 effective date of the dissolution.

10 (c) The rights of a person arising out of an act or omission in reliance on the
11 dissolution before the person knew or had notice of the rescission are not adversely
12 affected.

13 **179.0804 Power to bind partnership after dissolution.** (1) A limited
14 partnership is bound by a general partner's act with respect to a transaction with
15 another party after dissolution if any of the following applies:

16 (a) The act is appropriate for winding up the partnership's activities and
17 affairs, unless the partner did not have authority to act for the partnership in the
18 particular matter and the party with which the partner was dealing knew or had
19 notice that the partner lacked authority.

20 (b) The act would have bound the partnership under s. 179.0402 before
21 dissolution if, at the time the other party enters into the transaction, the other party
22 does not know or have notice of the dissolution.

23 **(2)** A person dissociated as a general partner binds a limited partnership with
24 respect to a transaction with another party through an act occurring after dissolution
25 if all of the following apply:

SENATE BILL 566**SECTION 143**

1 (a) At the time the other party enters into the transaction, less than 2 years has
2 passed since the dissociation.

3 (b) At the time the other party enters into the transaction, the other party does
4 not know or have notice of the dissociation and reasonably believes that the person
5 is a general partner.

6 (c) The act is appropriate for winding up the partnership's activities and affairs,
7 or the act would have bound the partnership under s. 179.0402 before dissolution and
8 at the time the other party enters into the transaction the other party does not know
9 or have notice of the dissolution.

10 **179.0805 Liability after dissolution of general partner and person**
11 **dissociated as general partner. (1)** If a general partner having knowledge of the
12 dissolution causes a limited partnership to incur an obligation under s. 179.0804 (1)
13 by an act that is not appropriate for winding up the partnership's activities and
14 affairs, the general partner is liable to all of the following:

15 (a) The partnership, for any damage caused to the partnership arising from the
16 obligation.

17 (b) If another general partner or person dissociated as a general partner is
18 liable for the obligation, that other general partner or person, for any damage caused
19 to that other general partner or person arising from the liability.

20 **(2)** If a person dissociated as a general partner causes a limited partnership
21 to incur an obligation under s. 179.0804 (2), the person is liable to all of the following:

22 (a) The partnership, for any damage caused to the partnership arising from the
23 obligation.

SENATE BILL 566**SECTION 143**

1 (b) If a general partner or another person dissociated as a general partner is
2 liable for the obligation, the general partner or other person, for any damage caused
3 to the general partner or other person arising from the obligation.

4 **179.0806 Known claims against dissolved limited partnership. (1)**

5 Except as otherwise provided in sub. (4), a dissolved limited partnership may give
6 notice of a known claim under sub. (2), which has the effect provided in sub. (3).

7 (2) A dissolved limited partnership may in a record notify its known claimants
8 of the dissolution. The notice must do all of the following:

9 (a) Specify the information required to be included in a claim.

10 (b) State that a claim must be in writing and provide a mailing address to which
11 the claim is to be sent.

12 (c) State the deadline for receipt of a claim, which may not be less than 120 days
13 after the date the notice is effective under s. 179.0103 (7m).

14 (d) State that the claim will be barred if not received by the deadline.

15 (e) Unless the partnership has been throughout its existence a limited liability
16 limited partnership, state that the barring of a claim against the partnership will
17 also bar any corresponding claim against any general partner or person dissociated
18 as a general partner which is based on s. 179.0404.

19 (3) A claim against a dissolved limited partnership is barred if the claim is a
20 known claim and the notice requirements of sub. (2) are met with respect to the claim
21 and any of the following applies:

22 (a) The claim is not received by the specified deadline.

23 (b) If the claim is timely received but rejected by the partnership, all of the
24 following apply:

SENATE BILL 566**SECTION 143**

1 1. The partnership notifies the claimant in a record stating that the claim is
2 rejected and will be barred unless the claimant commences an action against the
3 partnership to enforce the claim within 90 days after the notice is effective under s.
4 179.0103 (7m).

5 2. The claimant does not commence the required action within 90 days after
6 the notice of rejection is effective under s. 179.0103 (7m).

7 **(4)** This section does not apply to a claim based on an event occurring after the
8 date of dissolution or a liability that on that date is contingent, or a liability for an
9 additional assessment under s. 71.74 or for sales and use taxes determined as owing
10 under s. 77.59.

11 **(4r)** The provisions of s. 179.0103 (7m) shall apply to notices under this section.

12 **179.0807 Claims against dissolved limited partnership generally. (1)**
13 A dissolved limited partnership may publish notice of its dissolution and request
14 persons having claims, whether known or unknown, against the partnership to
15 present them in accordance with the notice.

16 **(2)** A notice under sub. (1) must satisfy all of the following:

17 (a) It must be published as a class 1 notice, under ch. 985, in a newspaper of
18 general circulation in the county in this state in which the dissolved limited
19 partnership's principal office is located or, if the principal office is not located in this
20 state, in the county in which the partnership's registered office is or was last located.

21 (b) It must describe the information required to be contained in a claim, state
22 that the claim must be in writing, and provide a mailing address to which the claim
23 is to be sent.

SENATE BILL 566**SECTION 143**

1 (c) It must state that a claim against the partnership is barred unless an action
2 to enforce the claim is commenced not later than 2 years after publication of the
3 notice.

4 (d) Unless the partnership has been throughout its existence a limited liability
5 limited partnership, it must state that the barring of a claim against the partnership
6 will also bar any corresponding claim against any general partner or person
7 dissociated as a general partner which is based on s. 179.0404.

8 **(3)** If a dissolved limited partnership publishes a notice in accordance with sub.
9 (2), the claim of each of the following claimants is barred unless the claimant
10 commences an action to enforce the claim against the partnership not later than 2
11 years after the publication date of the notice:

12 (a) A claimant that did not receive notice in a record under s. 179.0806.

13 (b) A claimant whose claim was timely sent to the partnership but not acted
14 on.

15 (c) A claimant whose claim is contingent at, or based on an event occurring
16 after, the date of dissolution.

17 **(4)** A claim not barred under this section or s. 179.0806 may be enforced against
18 any of the following:

19 (a) A dissolved limited partnership, to the extent of its undistributed assets.

20 (b) Except as otherwise provided in s. 179.0808, if assets of the partnership
21 have been distributed after dissolution, a partner or transferee to the extent of that
22 person's proportionate share of the claim or of the partnership's assets distributed
23 to the partner or transferee after dissolution, whichever is less, but a person's total
24 liability for all claims under this paragraph may not exceed the total amount of
25 assets distributed to the person after dissolution.

SENATE BILL 566**SECTION 143**

1 (c) Any person liable on the claim under s. 179.0404 or 179.0607.

2 **179.0808 Court proceedings.** (1) A dissolved limited partnership that has
3 published a notice under s. 179.0807 may file an application with the circuit court
4 in the county in this state where the partnership's principal office is located or, if the
5 principal office is not located in this state, where the partnership's registered office
6 is or was last located, for a determination of the amount and form of security to be
7 provided for payment of claims that are contingent or are not known to the
8 partnership or that are based on an event occurring after the effective date of
9 dissolution but that, based on the facts known to the partnership, are reasonably
10 expected to arise after the effective date of dissolution. Provision need not be made
11 for any claim that is or is reasonably anticipated to be barred under s. 179.0807.

12 (2) Not later than 10 days after the filing of an application under sub. (1), the
13 dissolved limited partnership shall give notice of the proceeding to each claimant
14 holding a contingent claim whose contingent claim is known to the partnership.

15 (3) In any proceeding under this section, the court may appoint a guardian ad
16 litem to represent all claimants whose identities are unknown. The reasonable fees
17 and expenses of the guardian, including all reasonable expert witness fees, must be
18 paid by the dissolved limited partnership.

19 (4) A dissolved limited partnership that provides security in the amount and
20 form ordered by the court under sub. (1) satisfies the partnership's obligations with
21 respect to claims that are contingent, are not known to the partnership, or are based
22 on an event occurring after the effective date of dissolution, and such claims may not
23 be enforced against a partner or transferee on account of assets received in
24 liquidation.

SENATE BILL 566**SECTION 143**

1 **179.0809 Liability of general partner and person dissociated as**
2 **general partner when claim against limited partnership barred.** If a claim
3 against a dissolved limited partnership is barred under s. 179.0806, 179.0807, or
4 179.0808, any corresponding claim under s. 179.0404 or 179.0607 is also barred.

5 **179.0810 Disposition of assets in winding up; when contributions**
6 **required. (1)** In winding up its activities and affairs, a limited partnership shall
7 apply its assets, including the contributions required by this section, to discharge the
8 partnership's obligations to creditors, including partners that are creditors.

9 **(2)** After a limited partnership complies with sub. (1), any surplus must be
10 distributed in the following order, subject to any charging order in effect under s.
11 179.0703:

12 (a) To each person owning a transferable interest that reflects contributions
13 made and not previously returned, an amount equal to the value of the unreturned
14 contributions.

15 (b) Among persons owning transferable interests, in proportion to their
16 respective rights to share in distributions immediately before the dissolution of the
17 partnership.

18 **(3)** If a limited partnership's assets are insufficient to satisfy all its obligations
19 under sub. (1), with respect to each unsatisfied obligation incurred when the
20 partnership was not a limited liability limited partnership, the following rules apply:

21 (a) Each person that was a general partner when the obligation was incurred
22 and that has not been released from the obligation under s. 179.0607 shall contribute
23 to the partnership for the purpose of enabling the partnership to satisfy the
24 obligation. The contribution due from each of those persons is in proportion to the

SENATE BILL 566**SECTION 143**

1 right to receive distributions in the capacity of a general partner in effect for each of
2 those persons when the obligation was incurred.

3 (b) If a person does not contribute the full amount required under par. (a) with
4 respect to an unsatisfied obligation of the partnership, the other persons required to
5 contribute by par. (a) on account of the obligation shall contribute the additional
6 amount necessary to discharge the obligation. The additional contribution due from
7 each of those other persons is in proportion to the right to receive distributions in the
8 capacity of a general partner in effect for each of those other persons when the
9 obligation was incurred.

10 (c) If a person does not make the additional contribution required by par. (b),
11 further additional contributions are determined and due in the same manner as
12 provided in that paragraph.

13 (4) A person that makes an additional contribution under sub. (3) (b) or (c) may
14 recover from any person whose failure to contribute under sub. (3) (a) or (b)
15 necessitated the additional contribution. A person may not recover under this
16 subsection more than the amount additionally contributed. A person's liability
17 under this subsection may not exceed the amount the person failed to contribute.

18 (4r) If a limited partnership does not have sufficient surplus to comply with
19 sub. (2) (a), any surplus must be distributed among the owners of transferable
20 interests in proportion to the value of the respective unreturned contributions.

21 (5) All distributions made under sub. (2) must be paid in money.

22 **179.0811 Administrative dissolution.** (1) The department may commence
23 a proceeding under sub. (2) to dissolve a limited partnership administratively if any
24 of the following applies:

SENATE BILL 566**SECTION 143**

1 (a) The partnership does not pay, within one year after they are due, any fees
2 or penalties required to be paid to the department under this chapter.

3 (b) The partnership does not have on file with the department its annual report
4 within one year after it is due.

5 (c) The partnership is without a registered agent or registered office in this
6 state for at least one year.

7 (d) The partnership does not notify the department within one year that its
8 registered agent or registered office has been changed, that its registered agent has
9 resigned, or that its registered office has been discontinued.

10 (e) The partnership violates s. 940.302 (2) or 948.051 (2).

11 **(2)** If the department determines that one or more grounds exist for
12 administratively dissolving a limited partnership, the department may give the
13 partnership notice of the determination. The notice shall be in writing and
14 addressed to the registered agent of the limited partnership.

15 **(3)** (a) Within 60 days after the notice under sub. (2) takes effect under s.
16 179.0103 (7m), the limited partnership shall, with respect to each ground for
17 administrative dissolution, either correct it or demonstrate to the reasonable
18 satisfaction of the department that it does not exist.

19 (b) If the limited partnership fails to satisfy par. (a), the department may
20 administratively dissolve the partnership. The department shall enter a notation
21 in its records to reflect each ground for administrative dissolution and the effective
22 date of dissolution and shall give the partnership notice of those facts. The notice
23 shall be in writing and addressed to the registered agent of the partnership.

24 **(3m)** (a) If a notice under sub. (2) or (3) (b) is returned to the department as
25 undeliverable, the department shall again give notice to the limited partnership.

SENATE BILL 566**SECTION 143**

1 Except as provided under par. (b), this notice shall be in writing and addressed to the
2 principal office of the partnership.

3 (b) If the notice under par. (a) is returned to the department as undeliverable
4 or if the limited partnership's principal office cannot be determined from the records
5 of the department, the department shall give notice by posting the notice on the
6 department's Internet site.

7 (4) A limited partnership that is administratively dissolved continues in
8 existence as an entity but may not carry on any activities except as necessary to wind
9 up its activities and affairs and liquidate its assets under ss. 179.0802, 179.0806,
10 179.0807, 179.0808, and 179.0810, or to apply for reinstatement under s. 179.0812.

11 (4m) A limited partnership's right to the exclusive use of its name terminates
12 on the date of the administrative dissolution under sub. (3) (b).

13 (5) The administrative dissolution of a limited partnership does not terminate
14 the authority of its registered agent.

15 **179.0812 Reinstatement.** (1) A limited partnership that is administratively
16 dissolved under s. 179.0811 may apply to the department for reinstatement. The
17 application shall include all of the following:

18 (a) The name of the partnership and the effective date of its administrative
19 dissolution.

20 (b) A statement that each ground for dissolution either did not exist or has been
21 cured.

22 (c) A statement that the partnership's name satisfies s. 179.0114.

23 (2) (a) Upon application, the department shall reinstate a limited partnership
24 if the department determines all of the following:

SENATE BILL 566**SECTION 143**

1 1. That the application contains the information required by sub. (1) and the
2 information is correct.

3 2. That all fees and penalties owed by the partnership to the department under
4 this chapter have been paid.

5 (b) Upon reinstatement of a limited partnership under par. (a), the department
6 shall enter a notation in its records revising the notation specified in s. 179.0811 (3)
7 (b) to reflect cancellation of the dissolution and reinstatement of the partnership.
8 The notation shall state both the department's determination under par. (a) and the
9 effective date of reinstatement. The department shall provide notice of the
10 reinstatement to the partnership or its representative.

11 (4) When the reinstatement under this section is effective, all of the following
12 shall apply:

13 (a) Except as provided in par. (c), the reinstatement relates back to and takes
14 effect as of the effective date of the administrative dissolution.

15 (b) Except as provided in par. (c), the limited partnership resumes carrying on
16 its activities and affairs as if the administrative dissolution had never occurred.

17 (c) The rights of a person arising out of an act or omission in reliance on the
18 dissolution before the person knew or had notice of the reinstatement are unaffected.

19 **179.0813 Appeal from denial of reinstatement.** (1) If the department
20 denies a limited partnership's application for reinstatement under s. 179.0812, the
21 department shall serve the partnership with a written notice, addressed to the
22 registered agent of the partnership, that explains each reason for denial.

23 (2) The limited partnership may appeal the denial of reinstatement to the
24 circuit court for the county where the partnership's principal office or, if none in this
25 state, the office of its registered agent is located, within 30 days after service of the

SENATE BILL 566**SECTION 143**

1 notice of denial is effective under s. 179.0103 (7m). To appeal, the partnership shall
2 petition the court to set aside the administrative dissolution and attach to the
3 petition copies of the department's notice of administrative dissolution under s.
4 179.0811 (3) (b), the partnership's application for reinstatement under s. 179.0812
5 (1), and the department's notice of denial under sub. (1).

6 (3) The court may order the department to reinstate the limited partnership
7 or may take other action that the court considers appropriate.

8 (4) The court's final decision may be appealed as in other civil proceedings.

9 SUBCHAPTER IX

10 ACTIONS BY PARTNERS

11 **179.0901 Direct action by partner.** (1) Subject to sub. (2), a partner may
12 maintain a direct action against another partner or the limited partnership, with or
13 without an accounting as to the partnership's activities and affairs, to enforce the
14 partner's rights and protect the partner's interests, including rights and interests
15 under the partnership agreement or this chapter or arising independently of the
16 partnership relationship.

17 (2) A partner maintaining a direct action under this section must plead and
18 prove an actual or threatened injury that is not solely the result of an injury suffered
19 or threatened to be suffered by the limited partnership.

20 (3) A right to an accounting on a dissolution and winding up does not revive
21 a claim barred by law.

22 **179.0902 Derivative action.** A partner may maintain a derivative action to
23 enforce a right of a limited partnership if any of the following applies:

SENATE BILL 566**SECTION 143**

1 (1) The partner first makes a demand on the general partners, requesting that
2 they cause the limited partnership to bring an action to enforce the right, and the
3 general partners do not bring the action within a reasonable time.

4 (2) A demand under sub. (1) would be futile.

5 **179.0903 Proper plaintiff.** A derivative action to enforce a right of a limited
6 partnership may be maintained only by a person that is a partner at the time the
7 action is commenced and to which any of the following applies:

8 (1) The person was a partner when the conduct giving rise to the action
9 occurred.

10 (2) The person's status as a partner devolved on the person by operation of law
11 or pursuant to the terms of the partnership agreement from a person that was a
12 partner at the time of the conduct.

13 **179.0904 Pleading.** In a derivative action under s. 179.0902, the complaint
14 must state with particularity one of the following:

15 (1) The date and content of plaintiff's demand and the response to the demand
16 by the general partners.

17 (2) Why demand should be excused as futile.

18 **179.0905 Special litigation committee.** (1) If a limited partnership is
19 named as or made a party in a derivative proceeding, the partnership may appoint
20 a special litigation committee to investigate the claims asserted in the proceeding
21 and determine whether pursuing the action is in the best interests of the
22 partnership. If the partnership appoints a special litigation committee, on motion
23 by the committee made in the name of the partnership, except for good cause shown,
24 the court shall stay discovery for the time reasonably necessary to permit the

SENATE BILL 566**SECTION 143**

1 committee to make its investigation. This subsection does not prevent the court from
2 doing any of the following:

3 (a) Enforcing a person's right to information under s. 179.0304 or 179.0407.

4 (b) Granting extraordinary relief in the form of a temporary restraining order
5 or preliminary injunction.

6 **(2)** A special litigation committee must be composed of one or more
7 disinterested and independent individuals, who may be partners.

8 **(3)** A special litigation committee may be appointed as follows:

9 (a) By a majority of the general partners not named as parties in the
10 proceeding.

11 (b) If all general partners are named as parties in the proceeding, by a majority
12 of the general partners named as defendants.

13 **(4)** After appropriate investigation, a special litigation committee may
14 determine that any of the following is in the best interests of the limited partnership:

15 (a) That the proceeding continue under the control of the plaintiff.

16 (b) That the proceeding continue under the control of the committee.

17 (c) That the proceeding be settled on terms approved by the committee.

18 (d) That the proceeding be dismissed.

19 **(5)** After making a determination under sub. (4), a special litigation committee
20 shall file with the court a statement of its determination and its report supporting
21 its determination and shall serve each party with a copy of the determination and
22 report. The court shall determine whether the members of the committee were
23 disinterested and independent and whether the committee conducted its
24 investigation and made its recommendation in good faith, independently, and with
25 reasonable care, with the committee having the burden of proof. If the court finds

SENATE BILL 566**SECTION 143**

1 that the members of the committee were disinterested and independent and that the
2 committee acted in good faith, independently, and with reasonable care, the court
3 shall enforce the determination of the committee. Otherwise, the court shall dissolve
4 the stay of discovery entered under sub. (1) and allow the action to continue under
5 the control of the plaintiff.

6 **179.0906 Proceeds and expenses.** (1) (a) Except as otherwise provided in
7 sub. (2), any proceeds or other benefits of a derivative action, whether by judgment,
8 compromise, or settlement, belong to the limited partnership and not to the plaintiff.

9 (b) Except as otherwise provided in sub. (2), if the plaintiff receives any
10 proceeds, the plaintiff shall remit them immediately to the partnership.

11 (2) If a derivative action is successful in whole or in part, the court may award
12 the plaintiff reasonable expenses, including reasonable attorney fees and costs, from
13 the recovery of the limited partnership.

14 SUBCHAPTER X

15 FOREIGN LIMITED PARTNERSHIPS

16 **179.1001 Governing law.** (1) The governing law of a foreign limited
17 partnership governs all of the following:

18 (a) The internal affairs of the partnership.

19 (b) The liability of a partner as partner for a debt, obligation, or other liability
20 of the foreign partnership.

21 (2) A foreign limited partnership is not precluded from registering to do
22 business in this state because of any difference between its governing law and the
23 law of this state.

24 (3) Registration of a foreign limited partnership to do business in this state
25 does not authorize the foreign partnership to engage in any activities and affairs or

SENATE BILL 566**SECTION 143**

1 exercise any power that a limited partnership may not engage in or exercise in this
2 state.

3 **179.1002 Registration to do business in this state.** (1) A foreign limited
4 partnership may not do business in this state until it registers with the department
5 under this chapter.

6 (2) A foreign limited partnership doing business in this state may not maintain
7 an action or proceeding in this state unless it has registered to do business in this
8 state.

9 (3) The failure of a foreign limited partnership to register to do business in this
10 state does not impair the validity of a contract or act of the foreign partnership or its
11 title to property in this state or preclude it from defending an action or proceeding
12 in this state.

13 (4) A limitation on the liability of a general partner or limited partner of a
14 foreign limited partnership is not waived solely because the foreign partnership does
15 business in this state without registering to do business in this state.

16 (5) Section 179.1001 (1) and (2) applies even if a foreign limited partnership
17 fails to register under this subchapter.

18 (5m) (a) A foreign limited partnership that does business in this state without
19 registering to do business in this state is liable to this state, for each year or any part
20 of a year during which it did business in this state without registration, in an amount
21 equal to all of the following:

22 1. All fees and other charges that would have been imposed by this chapter on
23 the foreign limited partnership had it properly filed a foreign registration statement
24 as required by this section and thereafter filed all reports required by this chapter.

25 2. Fifty percent of the amount owed under subd. 1 or \$5,000, whichever is less.

SENATE BILL 566**SECTION 143**

1 (b) The foreign limited partnership shall pay the amount owed under par. (a)
2 to the department, and the department may not file a foreign registration statement
3 for the foreign limited partnership until the amount owed is paid. The attorney
4 general may enforce a foreign limited partnership's obligation to pay to the
5 department any amount owed under this subsection.

6 **179.1003 Foreign registration statement.** To register to do business in this
7 state, a foreign limited partnership must deliver a foreign registration statement to
8 the department for filing. The statement must state all of the following:

9 (1) The name of the partnership and, if the name does not comply with s.
10 179.0114, a fictitious name adopted pursuant to s. 179.1006 (1).

11 (2) That the partnership is a foreign limited partnership.

12 (3) The jurisdiction of the partnership's governing law.

13 (4) The street and mailing addresses of the partnership's principal office and,
14 if the partnership's governing law requires the partnership to maintain an office in
15 the jurisdiction of such governing law, the street and mailing addresses of the
16 required office.

17 (5) The street address of the partnership's registered office in this state and the
18 name and e-mail address of its registered agent at that office.

19 **179.1004 Amendment of foreign registration statement.** A registered
20 foreign limited partnership shall deliver to the department for filing an amendment
21 to its foreign registration statement if there is a change in any of the following:

22 (1) The name of the partnership and, if the name of the partnership filing an
23 amendment does not comply with s. 179.0114, a fictitious name adopted pursuant to
24 s. 179.1006 (1).

25 (1r) The cessation of the partnership's status as a foreign limited partnership.

SENATE BILL 566**SECTION 143**

1 (2) The jurisdiction of the partnership's governing law.

2 (3) An address required by s. 179.1003 (4).

3 (4) The information required by s. 179.1003 (5), unless such information has
4 previously been changed pursuant to s. 179.0118, 179.0209, or 179.0212.

5 **179.1005 Activities not constituting doing business.** (1) Activities of a
6 foreign limited partnership which do not constitute doing business in this state
7 under this subchapter include all of the following:

8 (a) Maintaining, defending, mediating, arbitrating, or settling an action or
9 proceeding.

10 (b) Carrying on any activity concerning its internal affairs, including holding
11 meetings of its partners.

12 (c) Maintaining accounts in financial institutions.

13 (d) Maintaining offices or agencies for the transfer, exchange, and registration
14 of securities of the partnership or maintaining trustees or depositaries with respect
15 to those securities.

16 (e) Selling through independent contractors.

17 (f) Soliciting or obtaining orders by any means if the orders require acceptance
18 outside this state before they become contracts.

19 (g) Creating or acquiring indebtedness, mortgages, or security interests in
20 property.

21 (h) Securing or collecting debts or enforcing mortgages or security interests in
22 property securing the debts and holding, protecting, or maintaining property.

23 (i) Conducting an isolated transaction that is not in the course of similar
24 transactions.

25 (j) Owning, without more, property.

SENATE BILL 566**SECTION 143**

1 (k) Doing business in interstate commerce.

2 (2) A person does not do business in this state solely by being a partner of a
3 foreign limited partnership that does business in this state.

4 (3) This section does not apply in determining the contacts or activities that
5 may subject a foreign limited partnership to service of process, taxation, or
6 regulation under law of this state other than this chapter.

7 **179.1006 Noncomplying name of foreign limited partnership.** (1) A
8 foreign limited partnership whose name does not comply with s. 179.0114 may not
9 register to do business in this state until it adopts, for the purpose of doing business
10 in this state, a fictitious name that complies with s. 179.0114. After registering to
11 do business in this state with a fictitious name, the partnership shall only do
12 business in this state under the fictitious name.

13 (2) If a registered foreign limited partnership changes its name to one that does
14 not comply with s. 179.0114, it may not do business in this state until it complies with
15 sub. (1) by amending its registration to adopt a fictitious name that complies with
16 s. 179.0114.

17 **179.1007 Withdrawal deemed on conversion to or merger into**
18 **domestic filing entity or domestic limited liability partnership.** A registered
19 foreign limited partnership that converts to, or merges into, a domestic limited
20 liability partnership or to or into a domestic entity whose formation requires the
21 delivery of a record to the department for filing is deemed to have withdrawn its
22 registration on the effective date of the conversion or merger, unless the registration
23 is transferred to such partnership pursuant to s. 179.1009.

24 **179.1008 Withdrawal on dissolution or conversion to nonfiling entity**
25 **other than limited liability partnership.** (1) (a) A registered foreign limited

SENATE BILL 566**SECTION 143**

1 partnership that has dissolved and completed winding up or has converted to, or
2 merged into, a domestic or foreign entity whose formation does not require the
3 delivery of a record for filing by the department, other than a limited liability
4 partnership, shall deliver a statement of withdrawal to the department for filing, as
5 provided in s. 179.1011.

6 (b) In the case of a merger or conversion, the statement under par. (a) must also
7 state the name and type of entity to which or into which the partnership has
8 converted or merged and the jurisdiction of its governing law.

9 (2) After a withdrawal under this section is effective, service of process in any
10 action or proceeding based on a cause of action arising during the time the foreign
11 limited partnership was registered to do business in this state may be made
12 pursuant to s. 179.0121, as provided in s. 179.1011 (2).

13 **179.1009 Transfer of registration.** (1) When a registered foreign limited
14 partnership has merged into a foreign entity that is not registered to do business in
15 this state or has converted to a foreign entity required to register with the
16 department to do business in this state, the foreign entity shall deliver to the
17 department for filing an application for transfer of registration. The application
18 must state all of the following:

19 (a) The name of the registered foreign limited partnership before the merger
20 or conversion.

21 (b) That before the merger or conversion the registration pertained to a foreign
22 limited partnership.

23 (c) The name of the applicant foreign entity into which the foreign limited
24 partnership has merged or to which it has been converted and, if the name does not
25 comply with s. 179.0114, a fictitious name adopted pursuant to s. 179.1006 (1).

SENATE BILL 566**SECTION 143**

1 (d) The type of entity of the applicant foreign entity and the jurisdiction of its
2 governing law.

3 (e) The street and mailing addresses of the principal office of the applicant
4 foreign entity and, if the foreign limited partnership's governing law requires the
5 entity to maintain an office in the jurisdiction of that governing law, the street and
6 mailing addresses of that office.

7 (f) The street address of the applicant foreign entity's registered office in this
8 state and the name and e-mail address of its registered agent at that address.

9 **(2)** When an application for transfer of registration takes effect, the
10 registration of the foreign limited partnership to do business in this state is
11 transferred without interruption to the foreign entity into which the partnership has
12 merged or to which it has been converted.

13 **179.10101 Grounds for termination.** (1) The department may terminate
14 the registration of a registered foreign limited partnership in the manner provided
15 in s. 179.10102 if any of the following applies:

16 (a) The foreign limited partnership fails to file its annual report with the
17 department within 4 months after it is due.

18 (b) The foreign limited partnership does not pay, within 4 months after they are
19 due, any fees or penalties due the department under this chapter.

20 (c) The foreign limited partnership is without a registered agent or registered
21 office in this state for at least 6 months.

22 (d) The foreign limited partnership does not inform the department under s.
23 179.0118 or 179.0119 that its registered agent or registered office has changed, that
24 its registered agent has resigned, or that its registered office has been discontinued,
25 within 6 months of the change, resignation, or discontinuance.

SENATE BILL 566**SECTION 143**

1 (e) The foreign limited partnership's statement of foreign registration contains
2 fraudulent or materially false information.

3 (f) The department receives a duly authenticated certificate from the secretary
4 of state or other official having custody of limited partnership records in the
5 jurisdiction of the foreign limited partnership's governing law stating that it has
6 been dissolved or disappeared as the result of a merger or other event.

7 (g) The foreign limited partnership violates s. 940.302 (2) or 948.051 (2).

8 **(2)** If the department receives a certificate under sub. (1) (f) and a statement
9 by the foreign limited partnership that the certificate is submitted to terminate its
10 authority to do business in this state, the department shall terminate the foreign
11 limited partnership's registration under s. 179.10102 (2) (b).

12 **(3)** A court may terminate under s. 946.87 the registration of a foreign limited
13 partnership authorized to transact business in this state. The court shall notify the
14 department of the action, and the department shall terminate the foreign limited
15 partnership's registration under s. 179.10102.

16 **179.10102 Procedure for and effect of termination.** (1) If the department
17 determines that one or more grounds exist under s. 179.10101 for termination of a
18 foreign limited partnership's registration, the department may give the foreign
19 limited partnership notice of the determination. The notice shall be in writing and
20 addressed to the registered agent of the foreign limited partnership.

21 **(2)** (a) Within 60 days after the notice under sub. (1) takes effect under s.
22 179.0103 (7m), the foreign limited partnership shall, with respect to each ground for
23 termination, either correct it or demonstrate to the reasonable satisfaction of the
24 department that it does not exist.

SENATE BILL 566**SECTION 143**

1 (b) If the foreign limited partnership fails to satisfy par. (a), the department
2 may terminate the foreign limited partnership's registration by entering a notation
3 in the department's records to reflect each ground for termination and the effective
4 date of the termination. The department shall give the foreign limited partnership
5 notice of each ground for termination and the effective date of the termination. The
6 notice shall be in writing and addressed to the registered agent of the foreign limited
7 partnership in this state.

8 (c) 1. The department shall reinstate the registration if the foreign limited
9 partnership does all of the following within 6 months after the effective date of the
10 termination:

11 a. Corrects each ground for termination.

12 b. Pays any fees or penalties due the department under this chapter or \$5,000,
13 whichever is less.

14 2. A reinstatement under this paragraph shall relate back to and take effect
15 as of the effective date of the termination, and the foreign limited partnership may
16 resume carrying on its business as if the termination never occurred.

17 **(3)** (a) If a notice under sub. (1) or (2) (b) is returned to the department as
18 undeliverable, the department shall again give notice to the foreign limited
19 partnership. Except as provided under par. (b), the notice shall be in writing and
20 addressed to the principal office of the foreign limited partnership.

21 (b) If the notice under par. (a) is returned to the department as undeliverable
22 or if the foreign limited partnership's principal office cannot be determined from the
23 records of the department, the department shall give notice by posting the notice on
24 the department's Internet site.

SENATE BILL 566**SECTION 143**

1 (4) The authority of a foreign limited partnership to transact business in this
2 state, other than as provided in s. 179.1005 (1) and (2), ends on the effective date of
3 the termination of its registration.

4 (5) If the department or a court terminates a foreign limited partnership's
5 registration, the foreign limited partnership may be served under s. 179.0121(2) or
6 (3) or the foreign limited partnership's registered agent may be served until the
7 registered agent's authority is terminated, in any civil, criminal, administrative, or
8 investigatory proceeding based on a cause of action which arose while the foreign
9 limited partnership was authorized to do business in this state.

10 (6) Termination of a foreign limited partnership's registration does not
11 terminate the authority of its registered agent.

12 **179.10103 Appeal from termination.** (1) A foreign limited partnership may
13 appeal the department's termination of its registration under s. 179.10102 to the
14 circuit court for the county where the foreign limited partnership's principal office
15 or, if none in this state, the office of its registered agent is located, within 30 days after
16 the notice of termination takes effect under s. 179.0103 (7m). The foreign limited
17 partnership shall appeal by petitioning the court to set aside the termination and
18 attaching to the petition copies of its registration and the department's notice of
19 termination.

20 (2) The court may order the department to reinstate the registration or may
21 take any other action that the court considers appropriate.

22 (3) The court's final decision may be appealed as in other civil proceedings.

23 **179.1011 Withdrawal of registration of registered foreign limited**
24 **partnership.** (1) A registered foreign limited partnership may withdraw its

SENATE BILL 566**SECTION 143**

1 registration by delivering a statement of withdrawal to the department for filing.

2 The statement of withdrawal must state all of the following:

3 (a) The name of the partnership and the jurisdiction of its governing law.

4 (b) That the partnership is not doing business in this state and that it
5 withdraws its registration to do business in this state.

6 (c) Whether the partnership revokes the authority of its registered agent to
7 accept service on its behalf and, in any event, that it also consents to service of process
8 under sub. (2) in any civil, criminal, administrative, or investigatory proceeding
9 based on a cause of action arising during the time the partnership was registered to
10 do business in this state.

11 (d) The mailing address of its principal office or, if it has no principal office, an
12 address to which service of process may be made under sub. (2), and a commitment
13 to notify the department in the future of any change in such address.

14 (2) After the withdrawal of the registration of a foreign limited partnership,
15 service of process in any action or proceeding based on a cause of action arising
16 during the time the partnership was registered to do business in this state may be
17 made pursuant to s. 179.0121.

18 **179.1012 Action by attorney general.** The attorney general may maintain
19 an action to enjoin a foreign limited partnership from doing business in this state in
20 violation of this subchapter.

21 **SUBCHAPTER XI**

22 **MERGER, INTEREST EXCHANGE,**

23 **CONVERSION, AND DOMESTICATION**

24 **179.1101 Definitions.** In this subchapter:

SENATE BILL 566**SECTION 143**

1 **(1)** “Acquired entity” means the entity all of one or more classes or series of
2 interests of which are acquired in an interest exchange.

3 **(2)** “Acquiring entity” means the entity that acquires all of one or more classes
4 or series of interests of the acquired entity in an interest exchange.

5 **(2m)** “Constituent entity” means a merging entity or a surviving entity in a
6 merger.

7 **(3)** “Conversion” means a transaction authorized by ss. 179.1141 to 179.1145.

8 **(4)** “Converted entity” means the converting entity as it continues in existence
9 after a conversion.

10 **(5)** “Converting entity” means an entity that engages in a conversion.

11 **(8)** “Domesticated entity” means the domesticating entity as it continues in
12 existence after a domestication.

13 **(9)** “Domesticating entity” means either a non-United States entity or a
14 Wisconsin limited partnership that engages in a domestication.

15 **(10)** “Domestication” means a transaction authorized by ss. 179.1151 to
16 179.1155.

17 **(16)** “Interest” means any of the following:

18 (a) A share in a business corporation.

19 (b) A membership in a nonprofit or nonstock corporation.

20 (c) A partnership interest in a general partnership.

21 (d) A partnership interest in a limited partnership.

22 (e) A membership interest in a limited liability company.

23 (f) A membership interest or stock in a general cooperative association.

24 (g) A membership interest in a limited cooperative association.

25 (h) A membership in an unincorporated association.

SENATE BILL 566**SECTION 143**

1 (i) A beneficial interest in a statutory trust, business trust, or common-law
2 business trust.

3 (j) A comparable interest in any other type of unincorporated entity.

4 **(17)** “Interest exchange” means a transaction authorized by ss. 179.1131 to
5 179.1135.

6 **(18)** “Interest holder” means any of the following:

7 (a) A shareholder of a business corporation.

8 (b) A member of a nonprofit or nonstock corporation.

9 (c) A general partner of a general partnership.

10 (d) A general partner of a limited partnership.

11 (e) A limited partner of a limited partnership.

12 (f) A member of a limited liability company.

13 (g) A member or stockholder of a general cooperative association.

14 (h) A member of a limited cooperative association.

15 (i) A member of an unincorporated association.

16 (j) A beneficiary or beneficial owner of a statutory trust, business trust, or
17 common-law business trust.

18 (k) Any other direct holder of an interest.

19 **(19)** “Interest holder liability” means any of the following:

20 (a) Personal liability for a debt, obligation, or other liability of an entity which
21 is imposed on a person under any of the following circumstances:

22 1. Solely by reason of the status of the person as an interest holder of the entity
23 under its governing law.

24 2. Under the organizational documents of the entity in accordance with its
25 governing law which make one or more specified interest holders or categories of

SENATE BILL 566**SECTION 143**

1 interest holders liable in their capacity as interest holders for all or specified
2 liabilities of the entity.

3 (b) An obligation of an interest holder of an entity under its organizational
4 documents to contribute to the entity.

5 **(20)** “Merger” means a transaction authorized by ss. 179.1121 to 179.1125.

6 **(21)** “Merging entity” means an entity that is a party to a merger and exists
7 immediately before the merger becomes effective.

8 **(22m)** “Non-United States entity” means an entity whose governing law is the
9 law of any jurisdiction other than the United States or any state, but does not include
10 an entity that has domesticated under the law of any other state.

11 **(23m)** “Organizational documents” means, with respect to an entity, whether
12 in a record or, to the extent permitted under the entity’s governing law, other than
13 in a record, the following or its equivalent under the entity’s governing law:

14 (a) For a domestic or foreign corporation, whether or not for profit, its articles
15 of incorporation and bylaws.

16 (b) For a domestic or foreign partnership, its partnership agreement and, in the
17 case of a domestic or foreign limited liability partnership, its statement of
18 qualification as a limited liability partnership or foreign limited liability
19 partnership.

20 (c) For a domestic or foreign limited partnership, its certificate of limited
21 partnership and partnership agreement.

22 (d) For a domestic or foreign limited liability company, its certificate or articles
23 of organization and operating agreement.

24 (e) For a business trust, its agreement of trust and declaration of trust.

SENATE BILL 566**SECTION 143**

1 (f) For any other entity, the basic records, agreements, or other items that
2 create the entity and control its internal governance and the relations among its
3 interest holders.

4 (24) "Plan" means a plan of merger under s. 179.1122, a plan of interest
5 exchange under s. 179.1132, a plan of conversion under s. 179.1142, or a plan of
6 domestication under s. 179.1152.

7 (37) "Surviving entity" means the entity that continues in existence after or is
8 created by a merger.

9 (38) "Type of entity" means a generic form of entity that is any of the following:

10 (a) Recognized at common law.

11 (b) Recognized under a governing law.

12 **179.1102 Relationship of subchapter to other laws.** (1) This subchapter
13 does not authorize an act prohibited by, and does not affect the application or
14 requirements of, law other than this subchapter.

15 (2) A transaction effected under this subchapter may not create or impair a
16 right, duty, or obligation of a person under the law of this state, other than this
17 subchapter, relating to a change in control, takeover, business combination,
18 control-share acquisition, or similar transaction involving a domestic constituent,
19 acquired, or converting entity.

20 **179.1103 Existing purpose.** (2) Property held for a charitable purpose under
21 the law of this state by a domestic or foreign entity immediately before a transaction
22 under this subchapter becomes effective may not, as a result of the transaction, be
23 diverted from the objects for which it was donated, granted, devised, or otherwise
24 transferred. An entity that is or plans to be engaged in a transaction covered by this
25 subchapter may apply to the circuit court for a determination regarding the

SENATE BILL 566**SECTION 143**

1 transaction's compliance with cy pres or other law dealing with nondiversion of
2 charitable assets.

3 (3) A bequest, devise, gift, grant, or promise contained in a will or other
4 instrument of donation, subscription, or conveyance that is made to a merging entity
5 which is not the surviving entity and that takes effect or remains payable after the
6 merger inures to the surviving entity.

7 (4) A trust obligation that would govern property if transferred to a
8 nonsurviving entity applies to property that is transferred to the surviving entity
9 under this section.

10 **179.1104 Nonexclusivity.** The fact that a transaction under this subchapter
11 produces a certain result does not preclude the same result from being accomplished
12 in any other manner permitted by law other than this subchapter.

13 **179.1105 Reference to external facts.** A plan may refer to facts
14 ascertainable outside the plan if the manner in which the facts will operate upon the
15 plan is specified in the plan. The facts may include the occurrence of an event or a
16 determination or action by a person, whether or not the event, determination, or
17 action is within the control of a party to the transaction.

18 **179.1121 Merger authorized.** (1) One or more domestic limited
19 partnerships may merge with or into one or more other constituent entities pursuant
20 to ss. 179.1121 to 179.1125 and a plan of merger if the merger is permitted under the
21 governing law of each constituent entity and each constituent entity approves the
22 plan of merger in the manner required by its governing law.

23 (2) One or more other domestic or foreign entities may merge with or into a
24 domestic limited partnership pursuant to ss. 179.1121 to 179.1125 and a plan of
25 merger if the merger is permitted under the governing law of each constituent entity

SENATE BILL 566**SECTION 143**

1 and each constituent entity approves the plan of merger in the manner required by
2 its governing law.

3 **179.1122 Plan of merger.** (1) A plan of merger must be in a record and
4 contain all of the following:

5 (a) As to each constituent entity, its name, type of entity, and governing law.

6 (b) The terms and conditions of the merger.

7 (c) The manner and basis of converting the interests in each constituent entity
8 into interests, securities, or obligations of the surviving entity, rights to acquire such
9 interests or securities, money, other property, or any combination of the foregoing.

10 (d) If the surviving entity preexists the merger, any proposed amendments to
11 its organizational documents that are to be in a record immediately after the merger
12 becomes effective.

13 (e) If the surviving entity is to be created in the merger, any of its organizational
14 documents that are to be in a record immediately after the merger becomes effective.

15 (f) Any other matters required under the governing law of any constituent
16 entity.

17 (2) In addition to the requirements of sub. (1), a plan of merger may contain
18 any other provision relating to the merger and not prohibited by law.

19 **179.1123 Approval of merger; amendment; abandonment.** (1) Subject
20 to s. 179.1161, a plan of merger must be approved by a vote or consent of all of the
21 following with respect to each domestic limited partnership that is a constituent
22 entity:

23 (a) All general partners.

24 (b) Partners owning a majority of the rights to receive distributions, whether
25 as a general partner, a limited partner, or both.

SENATE BILL 566**SECTION 143**

1 (2) Subject to s. 179.1161 and the governing law of each constituent entity, after
2 a plan of merger is approved, and at any time before a merger becomes effective, the
3 constituent entities may amend the plan of merger or abandon the merger as
4 provided in the plan of merger or, except as otherwise provided in the plan of merger,
5 with the same vote or consent as was required to approve the plan of merger.

6 (3) If, after articles of merger have been delivered to the department for filing
7 and before the merger becomes effective, the plan of merger is amended in a manner
8 that requires an amendment to the articles of merger or if the merger is abandoned,
9 a statement of amendment or abandonment, signed by a constituent entity, must be
10 delivered to the department for filing before the merger becomes effective. When the
11 statement of abandonment becomes effective, the merger is abandoned and does not
12 become effective. The statement of amendment or abandonment must contain all of
13 the following:

14 (a) The name of each constituent entity.

15 (b) The amendment to or the abandonment of the articles of merger.

16 (c) A statement that the amendment or abandonment was approved in
17 accordance with this section.

18 (4) In addition to approval under sub. (1), a plan of merger must be approved
19 by each constituent entity that is not a domestic limited partnership in accordance
20 with any requirements of its governing law.

21 **179.1124 Filings required for merger; effective date.** (1) After a merger
22 has been approved with respect to each constituent entity in accordance with its
23 governing law, the constituent entities shall deliver, or cause to be delivered, to the
24 department for filing articles of merger setting forth all of the following:

25 (a) The name, type of entity, and governing law of each constituent entity.

SENATE BILL 566**SECTION 143**

1 (b) The name, type of entity, and governing law of the surviving entity and, if
2 the surviving entity is created by the merger, a statement to that effect.

3 (c) A statement that the plan of merger has been approved and adopted by each
4 constituent entity in accordance with its governing law.

5 (d) 1. If the surviving entity preexists the merger, any amendments to its
6 organizational documents under s. 179.1122 (1) (d) that are to be in a public record
7 under its governing law or, if there are no such amendments, a statement to that
8 effect.

9 2. If the surviving entity is to be created in the merger, any of its organizational
10 documents that are to be in a public record under its governing law.

11 (e) A statement that the plan of merger is on file at the principal office of the
12 surviving entity.

13 (f) A statement that upon request the surviving entity will provide a copy of the
14 plan of merger to any interest holder of a constituent entity.

15 (g) A statement whether s. 179.1161 applies to the merger.

16 (2) In addition to the requirements of sub. (1), the articles of merger may
17 contain any other provisions relating to the merger, as determined by the constituent
18 entities in accordance with the plan of merger.

19 (3) If the surviving entity is a foreign entity that will be required to register to
20 do business in this state immediately after the merger and it has not previously
21 registered to do so or been assigned a registration to do so under s. 179.1009, it shall
22 so register.

23 (4) A merger takes effect at the effective date and time of the articles of merger.

24 **179.1125 Effect of merger. (1)** When a merger becomes effective, all of the
25 following apply:

SENATE BILL 566**SECTION 143**

1 (a) Each merging entity merges into the surviving entity, and the separate
2 existence of every constituent entity that is a party to the merger, except the
3 surviving entity, ceases.

4 (am) 1. Except as provided in this paragraph, no interest holder shall have
5 interest holder liability with respect to any of the constituent entities.

6 2. If, under the governing law of a constituent entity, one or more of the interest
7 holders thereof had interest holder liability prior to the merger with respect to the
8 entity, such interest holder or holders shall continue to have such liability and any
9 associated contribution or other rights to the extent provided in such governing law
10 with respect to debts, obligations, and other liabilities of the entity that accrued
11 during the period or periods in which such interest holder or holders had such
12 interest holder liability.

13 3. If, under the governing law of the surviving entity, one or more of the interest
14 holders thereof will have interest holder liability after the merger with respect to the
15 surviving entity, such interest holder or holders will have such liability and any
16 associated contribution and other rights to the extent provided in such governing law
17 with respect to the debts, obligations, and other liabilities of the surviving entity that
18 accrue on or after the merger.

19 4. This paragraph does not affect liability under any taxation laws.

20 (b) The title to all property owned by each constituent entity is vested in the
21 surviving entity without transfer, reversion, or impairment.

22 (c) The surviving entity has all debts, obligations, and other liabilities of each
23 constituent entity.

24 (d) A civil, criminal, or administrative proceeding pending by or against any
25 constituent entity may be continued as if the merger did not occur, or the surviving

SENATE BILL 566**SECTION 143**

1 entity may be substituted in the proceeding for a constituent entity whose existence
2 ceased.

3 (e) 1. If the surviving entity preexists the merger, its organizational documents
4 are amended to the extent, if any, provided in the plan of merger and, to the extent
5 such amendments are to be reflected in a public record, as provided in the articles
6 of merger.

7 2. If the surviving entity is created in the merger, its organizational documents
8 are as provided in the plan of merger and, to the extent such organizational
9 documents are to be reflected in a public record, as provided in the articles of merger.

10 (f) The interests of each constituent entity that are to be converted into
11 interests, securities, or obligations of the surviving entity, or rights to acquire such
12 interests or securities, money, other property, or any combination of the foregoing,
13 are converted as provided in the plan of merger, and the former interest holders of
14 the interests are entitled only to the rights provided to them in the plan of merger
15 or to their rights, if any, under ss. 178.1161, 179.1161, 180.1301 to 180.1331,
16 181.1180, or otherwise under the governing law of the constituent entity. All other
17 terms and conditions of the merger also take effect.

18 (g) Except as prohibited by other law or as otherwise provided in the articles
19 and plan of merger, all of the rights, privileges, immunities, powers, and purposes
20 of each constituent entity vest in the surviving entity.

21 (h) Except as otherwise provided in the articles and plan of merger, if a merging
22 entity is a partnership, limited liability company, or other entity subject to
23 dissolution under its governing law, the merger does not dissolve the merging entity
24 for the purposes of its governing law.

SENATE BILL 566**SECTION 143**

1 **(2)** (a) When a merger takes effect, the department is an agent of any foreign
2 surviving entity for service of process in a proceeding to enforce any obligation or the
3 rights of interest holders, in their capacity as such, of each domestic limited
4 partnership constituent entity.

5 (b) When a merger takes effect, any foreign surviving entity shall timely honor
6 the rights and obligations of interest holders under this chapter with respect to each
7 domestic limited partnership constituent entity.

8 **(3)** When a merger takes effect, any foreign surviving entity may be served with
9 process in this state for the collection and enforcement of any debts, obligations, or
10 other liabilities of a domestic merging entity in the manner provided in s. 179.0121,
11 except that references to the department in that section shall be treated as references
12 to the appropriate authority under the foreign surviving entity's governing law for
13 purposes of applying this subsection.

14 **179.1131 Interest exchange authorized.** (1) A domestic limited
15 partnership may acquire all of one or more classes or series of interests of another
16 domestic or foreign entity pursuant to ss. 179.1131 to 179.1135 and a plan of interest
17 exchange if the interest exchange is permitted under the governing law applicable
18 to the partnership and the acquired entity.

19 **(2)** All of one or more classes or series of interests of a domestic limited
20 partnership may be acquired by another domestic or foreign entity pursuant to ss.
21 179.1131 to 179.1135 and a plan of interest exchange if the interest exchange is
22 permitted under the governing law applicable to the acquiring entity and the
23 partnership.

24 **179.1132 Plan of interest exchange.** (1) A plan of interest exchange must
25 be in a record and contain all of the following:

SENATE BILL 566**SECTION 143**

1 (a) As to both the acquiring entity and the acquired entity, its name, type of
2 entity, and governing law.

3 (b) The terms and conditions of the interest exchange.

4 (c) The manner and basis of exchanging the interests to be acquired for
5 interests, securities, or obligations of the surviving entity, rights to acquire such
6 interests or securities, money, other property, or any combination of the foregoing.

7 (d) Any proposed amendments to the organizational documents of the
8 acquiring or acquired entity that will take effect when the interest exchange becomes
9 effective.

10 (e) Any other matters required under the governing law of the acquired or
11 acquiring entity.

12 (f) A statement whether s. 179.1161 applies to the interest exchange.

13 **(2)** In addition to the requirements of sub. (1), a plan of interest exchange may
14 contain any other provision relating to the interest exchange and not prohibited by
15 law.

16 **179.1133 Approval of interest exchange; amendment; abandonment.**

17 **(1)** Subject to s. 179.1161, a plan of interest exchange must be approved by a vote
18 or consent of all of the following with respect to each domestic limited partnership
19 acquired entity:

20 (a) All general partners.

21 (b) Partners owning a majority of the rights to receive distributions, whether
22 as a general partner, limited partner, or both.

23 **(2)** Subject to s. 179.1161 and the governing law of each of the acquiring entity
24 and acquired entity, after a plan of interest exchange is approved, and at any time
25 before an interest exchange becomes effective, except as otherwise provided in the

SENATE BILL 566**SECTION 143**

1 plan of interest exchange, the acquiring and acquired entities may amend the plan
2 of interest exchange or abandon the interest exchange as provided in the plan of
3 interest exchange with the same vote or consent as was required to approve the plan
4 of interest exchange.

5 (3) If, after articles of interest exchange have been delivered to the department
6 for filing and before the interest exchange becomes effective, the plan of interest
7 exchange is amended in a manner that requires an amendment to the articles of
8 interest exchange or if the interest exchange is abandoned, a statement of
9 amendment or abandonment, signed by either the acquiring entity or the acquired
10 entity, must be delivered to the department for filing before the interest exchange
11 becomes effective. When a statement of abandonment becomes effective, the interest
12 exchange is abandoned and does not become effective. The statement of amendment
13 or abandonment must contain all of the following:

14 (a) The name of the acquiring and acquired entities.

15 (b) The amendment to or abandonment of the articles of interest exchange.

16 (c) A statement that the amendment or abandonment was approved in
17 accordance with this section.

18 (4) In addition to approval under sub. (1), a plan of interest exchange must be
19 approved by any acquiring or acquired entity that is not a domestic limited
20 partnership in accordance with any requirements of its governing law.

21 **179.1134 Filings required for interest exchange; effective date. (1)**

22 After an interest exchange has been approved with respect to the acquiring and
23 acquired entity in accordance with their governing laws, the acquiring entity shall
24 deliver, or cause to be delivered, to the department for filing articles of interest
25 exchange setting forth all of the following:

SENATE BILL 566**SECTION 143**

1 (a) The name, type of entity, and governing law of the acquired entity.

2 (b) The name, type of entity, and governing law of the acquiring entity.

3 (c) A statement that the plan of interest exchange has been approved by the
4 acquired and acquiring entities in accordance with their respective governing laws.

5 (d) Any amendments to the organizational documents of the acquired or
6 acquiring entity that are to be in a public record under their respective governing
7 laws or, if there are no such amendments, a statement to that effect.

8 (e) A statement that the plan of interest exchange is on file at the principal
9 office of the acquiring entity.

10 (f) A statement that upon request the acquiring entity will provide a copy of the
11 plan of interest exchange to any interest holder of the acquired entity.

12 **(2)** In addition to the requirements of sub. (1), articles of interest exchange may
13 contain any other provisions relating to the interest exchange, as determined by the
14 acquiring entity in accordance with the plan of interest exchange.

15 **(3)** An interest exchange takes effect at the effective date and time of the
16 articles of interest exchange.

17 **179.1135 Effect of interest exchange.** (1) When an interest exchange
18 becomes effective, all of the following apply:

19 (a) The interests in the acquired entity which are the subject of the interest
20 exchange are exchanged as provided in the plan of interest exchange, and the former
21 interest holders of those interests are entitled only to the rights provided to them
22 under the plan of interest exchange or to their rights, if any, under ss. 178.1161,
23 179.1161, 180.1301 to 180.1331, 181.1180, or otherwise under the governing law of
24 the acquired entity. All other terms and conditions of the interest exchange also take
25 effect.

SENATE BILL 566**SECTION 143**

1 (b) The acquiring entity becomes the interest holder of the interests which are
2 the subject of the interest exchange as provided in the plan of interest exchange.

3 (c) The provisions of the organizational documents of the acquiring and
4 acquired entity are amended to the extent, if any, provided in the plan of interest
5 exchange and to the extent such amendments are to be reflected in a public record,
6 as provided in the articles of interest exchange.

7 **(2)** Except as otherwise provided in the articles and plan of interest exchange,
8 if the acquired entity is a domestic or foreign partnership, limited liability company,
9 or other organization subject to dissolution under its governing law, the interest
10 exchange does not dissolve the acquired entity.

11 **(3)** (a) Except as provided in this subsection, no interest holder shall have
12 interest holder liability with respect to either the acquiring or acquired entity.

13 (b) If, under the governing law of either entity, one or more of the interest
14 holders thereof had interest holder liability prior to the interest exchange with
15 respect to the entity, such interest holder or holders shall continue to have such
16 liability and any associated contribution and other rights to the extent provided in
17 such governing law with respect to debts, obligations, and other liabilities of the
18 entity that accrued during the period or periods in which such interest holder or
19 holders had such interest holder liability.

20 (c) If, under the governing law of either entity, one or more of the interest
21 holders thereof will have interest holder liability after the interest exchange with
22 respect to the entity, such interest holder or holders shall have such liability and any
23 associated contribution and other rights to the extent provided in such governing law
24 with respect to the debts, obligations, and other liabilities of the entity that accrue
25 on or after the interest exchange.

SENATE BILL 566**SECTION 143**

1 (d) This subsection does not affect liability under any taxation laws.

2 (5) (a) When an interest exchange takes effect, the department is an agent of
3 any foreign acquiring entity for service of process in a proceeding to enforce any
4 obligation or the rights of interest holders, in their capacity as such, of each domestic
5 limited partnership acquired entity.

6 (b) When an interest exchange takes effect, any foreign acquiring entity shall
7 timely honor the rights and obligations of interest holders under this chapter with
8 respect to each domestic limited partnership acquired entity.

9 (6) When an interest exchange takes effect, any foreign acquiring entity may
10 be served with process in this state for the collection and enforcement of any debts,
11 obligations, or other liabilities of a domestic acquired entity in the manner provided
12 in s. 179.0121, except that references to the department in that section shall be
13 treated as references to the appropriate authority under the foreign acquiring
14 entity's governing law for purposes of applying this subsection.

15 **179.1141 Conversion authorized.** (1) A domestic limited partnership may
16 convert to another type of domestic entity, or to any type of foreign entity, pursuant
17 to ss. 179.1141 to 179.1145 and a plan of conversion if the conversion is permitted
18 under the governing law of the converting entity and the governing law that is to
19 apply to the converted entity.

20 (2) A foreign or domestic entity, other than a domestic limited partnership, may
21 convert to a domestic limited partnership pursuant to ss. 179.1141 to 179.1145 and
22 a plan of conversion if the conversion is permitted under the governing law of the
23 converting entity and the converted entity will satisfy the definition of a limited
24 partnership under this chapter immediately after the conversion.

SENATE BILL 566**SECTION 143**

1 **179.1142 Plan of conversion.** (1) A plan of conversion must be in a record
2 and contain all of the following:

3 (a) The name, type of entity, and governing law of the converting entity.

4 (b) The name, type of entity, and governing law of the converted entity.

5 (c) The terms and conditions of the conversion.

6 (d) The manner and basis of converting the interests in the converting entity
7 into interests, securities, or obligations of the surviving entity, rights to acquire such
8 interests or securities, money, other property, or any combination of the foregoing.

9 (e) The organizational documents of the converted entity that are to be in a
10 record immediately after the conversion becomes effective.

11 (f) Any other matters required by the governing law of the converting or the
12 converted entity.

13 **(2)** In addition to the requirements of sub. (1), a plan of conversion may contain
14 any other provision relating to the conversion and not prohibited by law.

15 **179.1143 Approval of conversion; amendment; abandonment.** (1) (a)
16 Subject to s. 179.1161, a plan of conversion must be approved by a vote or consent of
17 all of the following with respect to a converting domestic limited partnership:

18 1. All general partners.

19 2. Partners owning a majority of the rights to receive distributions, whether
20 as a general partner, limited partner, or both.

21 (b) A plan of conversion into a domestic limited partnership converted entity
22 must be approved pursuant to the governing law of the converting entity.

23 **(2)** Subject to s. 179.1161 and the governing law of each of the converting entity
24 and converted entity, after a plan of conversion is approved, and at any time before
25 a conversion becomes effective, except as otherwise provided in the plan of

SENATE BILL 566**SECTION 143**

1 conversion, the converting entity may amend the plan of conversion or abandon the
2 conversion as provided in the plan of conversion with the same vote or consent as was
3 required to approve the plan of conversion.

4 (3) If, after articles of conversion have been delivered to the department for
5 filing and before the conversion becomes effective, the plan of conversion is amended
6 in a manner that requires an amendment to the articles of conversion or if the
7 conversion is abandoned, a statement of amendment or abandonment, signed by the
8 converting entity, must be delivered to the department for filing before the
9 conversion becomes effective. When a statement of abandonment becomes effective,
10 the conversion is abandoned and does not become effective. The statement of
11 amendment or abandonment must contain all of the following:

12 (a) The name of the converting entity and the converted entity under the plan
13 of conversion.

14 (b) The amendment to or abandonment of the articles of conversion.

15 (c) A statement that the amendment or abandonment was approved in
16 accordance with this section.

17 **179.1144 Filings required for conversion; effective date. (1)** After the
18 converting entity has approved a plan of conversion in accordance with its governing
19 law, the converting entity shall deliver, or cause to be delivered, to the department
20 for filing articles of conversion setting forth all of the following:

21 (a) The name, type of entity, and governing law of the converting entity.

22 (b) The name, type of entity, and governing law of the converted entity.

23 (c) A statement that the plan of conversion has been approved and adopted by
24 the converting entity in accordance with its governing law.

SENATE BILL 566**SECTION 143**

1 (d) Any organizational documents of the converted entity that are to be in a
2 public record under its governing law.

3 (e) A statement that the plan of conversion is on file at the principal office of
4 the converted entity.

5 (f) A statement that upon request the converted entity will provide a copy of
6 the plan of conversion to any interest holder of the converting entity.

7 (g) A statement whether s. 179.1161 applies to the conversion.

8 **(2)** In addition to the requirements of sub. (1), the articles of conversion may
9 contain any other provisions relating to the conversion, as determined by the
10 converting entity in accordance with the plan of conversion.

11 **(3)** If the converted entity is a foreign entity that will be required to register
12 to do business in this state immediately after the conversion and it has not previously
13 registered to do so or been assigned a registration to do so under s. 179.1009, it shall
14 so register.

15 **(4)** A conversion takes effect at the effective date and time of the articles of
16 conversion.

17 **179.1145 Effect of conversion. (1)** When a conversion becomes effective, all
18 of the following apply:

19 (a) The converting entity continues its existence in the form of the converted
20 entity and is the same entity that existed before the conversion, except that the
21 converting entity is no longer subject to the governing law that applied prior to the
22 conversion and is subject to the governing law of the converted entity.

23 (am) 1. Except as provided in this paragraph, no interest holder shall have
24 interest holder liability with respect to the converting or converted entity.

SENATE BILL 566**SECTION 143**

1 2. If, under the governing law of the converting entity, one or more of the
2 interest holders thereof had interest holder liability prior to the conversion with
3 respect to the converting entity, such interest holder or holders shall continue to have
4 such liability and any associated contribution and other rights to the extent provided
5 in such governing law with respect to the debts, obligations, and other liabilities of
6 the converting entity that accrued during the period or periods in which such interest
7 holder or holders had such interest holder liability.

8 3. If, under the governing law of the converted entity, one or more of the interest
9 holders thereof will have interest holder liability after the conversion with respect
10 to the converted entity, such interest holder or holders will have such liability and
11 any associated contribution and other rights to the extent provided in such governing
12 law with respect to the debts, obligations, and other liabilities of the converted entity
13 that accrue after the conversion.

14 4. This paragraph does not affect liability under any taxation laws.

15 (b) The title to all property owned by the converting entity is vested in the
16 converted entity without transfer, reversion, or impairment.

17 (c) The converted entity has all debts, obligations, and other liabilities of the
18 converting entity.

19 (d) A civil, criminal, or administrative proceeding pending by or against the
20 converting entity may be continued as if the conversion did not occur, or the
21 converted entity may be substituted in the proceeding for the converting entity.

22 (e) The organizational documents of the converted entity are as provided in the
23 plan of conversion and, to the extent such organizational documents are to be
24 reflected in a public record, as provided in the articles of conversion.

SENATE BILL 566**SECTION 143**

1 (f) The interests of the converting entity that are to be converted into interests,
2 securities, or obligations of the surviving entity, rights to acquire such interests or
3 securities, money, other property, or any combination of the foregoing, are converted
4 as provided in the plan of conversion, and the former interest holders of the
5 converting entity are entitled only to the rights provided in the plan of conversion or
6 to their rights, if any, under ss. 178.1161, 179.1161, 180.0301 to 180.1331, 181.1180,
7 or otherwise under the governing law of the converting entity. All other terms and
8 conditions of the conversion also take effect.

9 (g) Except as prohibited by other law or as otherwise provided in the articles
10 and plan of conversion, all of the rights, privileges, immunities, powers, and
11 purposes of the converting entity vest in the converted entity.

12 (h) Except as otherwise provided in the articles and plan of conversion, if the
13 converting entity is a partnership, limited liability company, or other entity subject
14 to dissolution under its governing law, the conversion does not dissolve the
15 converting entity for the purposes of its governing law.

16 **(2)** (a) When a conversion takes effect, the department is an agent of any
17 foreign converted entity for service of process in a proceeding to enforce any
18 obligation or the rights of interest holders, in their capacity as such, of any domestic
19 limited partnership converting entity.

20 (b) When a conversion takes effect, any foreign converted entity shall timely
21 honor the rights and obligations of interest holders under this chapter with respect
22 to any domestic limited partnership converting entity.

23 **(3)** When a conversion takes effect, any foreign converted entity may be served
24 with process in this state for the collection and enforcement of any debts, obligations,
25 or other liabilities of a domestic converting entity in the manner provided in s.

SENATE BILL 566**SECTION 143**

1 179.0121, except that references to the department in that section shall be treated
2 as references to the appropriate authority under the foreign converted entity's
3 governing law for purposes of applying this subsection.

4 **179.1151 Domestication authorized.** A domestic limited partnership may
5 domesticate as a non-United States entity subject to non-United States governing
6 law while continuing to be a domestic limited partnership, and a non-United States
7 entity may domesticate as a domestic limited partnership subject to this chapter
8 while continuing to be an entity subject to its non-United States governing law
9 pursuant to ss. 179.1151 to 179.1155 and a plan of domestication, if the domestication
10 is permitted under the governing law of the domesticating entity and permitted
11 under the governing law of the domesticated entity.

12 **179.1152 Plan of domestication. (1)** A plan of domestication must be in a
13 record and contain all of the following:

14 (a) The name, type of entity, and governing law of the domesticating entity.

15 (b) The name, type of entity, and governing law of the domesticated entity.

16 (c) The terms and conditions of the domestication.

17 (d) The organizational documents of the domesticated entity that are to be in
18 a record immediately after the domestication becomes effective, including any
19 proposed amendments to the organizational documents of the domesticating entity
20 that are to be in a record immediately after the domestication becomes effective.

21 **(2)** In addition to the requirements of sub. (1), a plan of domestication may
22 contain any other provision relating to the domestication and not prohibited by law.

23 **179.1153 Approval of domestication; amendment; abandonment. (1)** (a)
24 Subject to s. 179.1161, a plan of domestication must be approved by a vote or consent
25 of all of the following with respect to a domesticating Wisconsin limited partnership:

SENATE BILL 566**SECTION 143**

1 1. All general partners.

2 2. Partners owning a majority of the rights to receive distributions, whether
3 as a general partner, limited partner, or both.

4 (b) A plan of domestication of a non-United States domesticating entity must
5 be approved pursuant to the governing law of the domesticating entity.

6 **(2)** Subject to s. 179.1161 and the governing law of the domesticating entity,
7 after a plan of domestication is approved, and at any time before a domestication
8 becomes effective, except as otherwise provided in the plan of domestication, the
9 domesticating entity may amend the plan of domestication or abandon the
10 domestication as provided in the plan of domestication with the same vote or consent
11 as was required to approve the plan of domestication.

12 **(3)** If, after articles of domestication have been delivered to the department for
13 filing and before the domestication becomes effective, the plan of domestication is
14 amended in a manner that requires an amendment to the articles of domestication
15 or if the domestication is abandoned, a statement of amendment or abandonment,
16 signed by the domesticating entity, must be delivered to the department for filing
17 before the domestication becomes effective. When a statement of abandonment
18 becomes effective, the domestication is abandoned and does not become effective.
19 The statement of amendment or abandonment must contain all of the following:

20 (a) The name of the domesticating entity and the domesticated entity under the
21 plan of domestication.

22 (b) The amendment to or abandonment of the articles of domestication.

23 (c) A statement that the amendment or abandonment was approved in
24 accordance with this section.

SENATE BILL 566**SECTION 143**

1 **179.1154 Filings required for domestication; effective date.** (1) After
2 the domesticating entity has approved a plan of domestication in accordance with its
3 governing law, the domesticating entity shall deliver, or cause to be delivered, to the
4 department for filing articles of domestication setting forth all of the following:

5 (a) The name, type of entity, and governing law of the domesticating entity.

6 (b) The name, type of entity, and governing law of the domesticated entity.

7 (c) A statement that a plan of domestication has been approved and adopted
8 by the domesticating entity in accordance with its governing law.

9 (d) Any amendments to the organizational documents of the domesticating
10 entity and any organizational documents of the domesticated entity that are to be in
11 a public record under their respective governing laws.

12 (e) A statement that the plan of domestication is on file at the principal office
13 of the domesticated entity.

14 (f) A statement that upon request the domesticated entity will provide a copy
15 of the plan of domestication to any interest holder in the domesticated entity.

16 (g) A statement whether s. 179.1161 applies to the domestication.

17 **(2)** In addition to the requirements of sub. (1), the articles of domestication may
18 contain any other provisions relating to the domestication, as determined by the
19 domesticating entity in accordance with the plan of domestication.

20 **(3)** A domestication takes effect at the effective date and time of the articles of
21 domestication.

22 **179.1155 Effect of domestication.** (1) When a domestication becomes
23 effective, all of the following apply:

24 (a) The domesticating entity becomes a domestic entity under and becomes
25 subject to the governing law of the jurisdiction in which it has domesticated while

SENATE BILL 566**SECTION 143**

1 continuing to be a domestic organization under and subject to the governing law of
2 the domesticating entity.

3 (am) 1. Except as provided in this paragraph, no interest holder shall have
4 interest holder liability with respect to the domesticating or domesticated entity.

5 2. If, under the governing law of the domesticating entity, one or more of the
6 interest holders thereof has interest holder liability with respect to the
7 domesticating entity, such interest holder or holders shall continue to have such
8 liability and any associated contribution and other rights to the extent provided in
9 such governing law with respect to the debts, obligations, and other liabilities of the
10 domesticating entity.

11 3. If, under the governing law of the domesticated entity, one or more of the
12 interest holders thereof will have interest holder liability after the domestication
13 with respect to the domesticated entity, such interest holder or holders will have such
14 liability and associated contribution and other rights to the extent provided in such
15 governing law with respect to the debts, obligations, and other liabilities of the
16 domesticated entity that accrue after the domestication.

17 4. This paragraph does not affect liability under any taxation laws.

18 (b) The title to all property owned by the domesticating entity is vested in the
19 domesticated entity without transfer, reversion, or impairment.

20 (c) The domesticated entity has all debts, obligations, or other liabilities of the
21 domesticating entity.

22 (d) A civil, criminal, or administrative proceeding pending by or against the
23 domesticating entity may be continued as if the domestication did not occur, or the
24 domesticated entity may be substituted in the proceeding for the domesticating
25 entity.

SENATE BILL 566**SECTION 143**

1 (e) The organizational documents of the domesticating entity are amended to
2 the extent, if any, provided in the plan of domestication and, to the extent such
3 amendments are to be reflected in a public record, as provided in the articles of
4 domestication.

5 (f) The organizational documents of the domesticated entity are as provided in
6 the plan of domestication and, to the extent such organizational documents are to be
7 reflected in a public record, as provided in the articles of domestication.

8 (g) Except as prohibited by other law or as otherwise provided in the articles
9 and plan of domestication, all of the rights, privileges, immunities, powers, and
10 purposes of the domesticating entity vest in the domesticated entity.

11 (2) Except as otherwise provided in the articles and plan of domestication, if
12 the domesticating entity is a partnership, limited liability company, or other entity
13 subject to dissolution under its governing law, the domestication does not dissolve
14 the domesticating entity for the purposes of its governing law.

15 (3) A domesticated Wisconsin entity consents to the jurisdiction of the courts
16 of this state to enforce any debt, obligation, or other liability owed by the
17 domesticating or domesticated entity.

18 **179.1161 Restrictions on approval of mergers, interest exchanges,**
19 **conversions, and domestications.** (1) This section shall apply with respect to a
20 partner in connection with a merger, interest exchange, conversion, or domestication
21 transaction of a domestic limited partnership if the partner does not vote for or
22 consent to the transaction and the transaction would do any of the following with
23 respect to the partner:

24 (a) Materially increase the current or potential obligations of the partner with
25 respect to any constituent, surviving, acquiring, acquired, converting, converted,

SENATE BILL 566**SECTION 143**

1 domesticating, or domesticated limited partnership, whether as a result of becoming
2 subject to interest holder liability with respect to the entity as a consequence of being
3 an owner of the entity, becoming subject to affirmative or negative obligations under
4 the organizational documents of the entity, becoming subject to tax on the income of
5 the entity, or otherwise.

6 (b) Treat the partner's interests in the limited partnership in a manner
7 different from the interests of the same class held by any other partner.

8 (2) If this section applies with respect to a partner in connection with the
9 transaction, the partnership must offer to purchase the partner's interest in the
10 partnership as provided in sub. (3). Actual or alleged failure to comply with this
11 section shall not have any impact on, and shall not constitute any basis for any
12 person to challenge, the effectiveness of the transaction, and the partner's sole
13 remedy with respect to such failure shall be to commence an action under sub. (4) and
14 otherwise enforce the partner's rights under this section. In order to accept the
15 partnership's offer, a partner must notify the partnership within 60 days of receipt
16 of the offer. Both the offer and the acceptance may be conditioned upon
17 consummation of the transaction.

18 (3) (a) The purchase price of the interest of the partner pursuant to this section
19 is the amount that would be distributable to the partner if, on the date of the
20 transaction, the assets of the partnership were sold and the partnership were wound
21 up, with the sale price equal to the greater of the partnership's liquidation value or
22 the value based on a sale of the partnership's entire activities and affairs as a going
23 concern without the partner.

24 (b) Interest accrues on the purchase price from the date of the transaction to
25 the date of payment. At the option of the partnership, some or all amounts owing,

SENATE BILL 566**SECTION 143**

1 whether or not presently due, from the partner to the partnership may be offset
2 against the purchase price.

3 (c) The partnership shall defend, indemnify, and hold the partner harmless
4 against all liabilities of the surviving, acquiring, converted, or domesticated entity,
5 as the case may be, incurred after the transaction, except liabilities incurred by an
6 act of the partner.

7 (d) If no agreement for the purchase of the interest of the partner pursuant to
8 this section is reached within 120 days of the date of the transaction, the partnership,
9 or the surviving, acquiring, converted, or domesticated entity, as the case may be,
10 shall pay, or cause to be paid, in money to the partner the amount it estimates to be
11 the purchase price and accrued interest, reduced by any offsets under par. (b).

12 (e) The payment required by par. (d) must be accompanied by all of the
13 following:

14 1. A statement of partnership assets and liabilities as of the date of the
15 transaction.

16 2. The latest available partnership balance sheet and income statement, if any.

17 3. An explanation of how the estimated amount of the payment was calculated.

18 4. Written notice that the payment is in full satisfaction of the obligation to
19 purchase unless, not later than 120 days after the written notice, the partner
20 commences an action to determine the purchase price, any offsets and accrued
21 interest under par. (b), or other terms of the obligation to purchase.

22 (4) The partner may maintain an action against the partnership, pursuant to
23 s. 179.0111, to determine the purchase price of the partner's interest, any offsets and
24 accrued interest under sub. (3) (b), or other terms of the obligation to purchase. The
25 action must be commenced not later than 120 days after the partnership has made

SENATE BILL 566**SECTION 143**

1 payment in accordance with sub. (3) (d) or within one year after written demand for
2 payment if no offer is made in accordance with sub. (2). The court shall determine
3 the purchase price of the partner's interest, any offset due under sub. (3) (b), and
4 accrued interest, and enter judgment for any additional payment or refund. The
5 court may assess reasonable attorney fees and the fees and expenses of appraisers
6 or other experts for a party to the action, in amounts the court finds equitable,
7 against a party that the court finds acted arbitrarily, vexatiously, or not in good faith.
8 The finding may be based on the partnership's failure to make an offer or payment
9 or to comply with sub. (3).

10 (5) A partner does not give the consent required by sub. (1) merely by
11 consenting to a provision of the written partnership agreement.

SUBCHAPTER XII**MISCELLANEOUS PROVISIONS**

14 **179.1201 Uniformity of application and construction.** In applying and
15 construing this chapter, consideration must be given to the need to promote
16 uniformity of the law with respect to its subject matter among states that enact the
17 uniform law.

18 **179.1202 Relation to Electronic Signatures in Global and National**
19 **Commerce Act.** This chapter modifies, limits, and supersedes the Electronic
20 Signatures in Global and National Commerce Act, 15 USC 7001 to 7031, but does not
21 modify, limit, or supersede section 101 (c) of that act, 15 USC 7001 (c), or authorize
22 electronic delivery of any of the notices described in section 103 (b) of that act, 15 USC
23 7003 (b).

24 **SECTION 144.** 180.0103 (3m) of the statutes is created to read:

25 180.0103 (3m) "Business" includes every trade, occupation, and profession.

SENATE BILL 566**SECTION 145**

1 **SECTION 145.** 180.0103 (5) of the statutes is amended to read:

2 180.0103 (5) “Corporation” or “domestic corporation,” except as used in sub. (9),
3 means a corporation for profit that is not a foreign corporation and that is
4 incorporated under or becomes subject to this chapter. “Corporation” or “domestic
5 corporation” includes, to the extent provided under s. 180.1703, a corporation with
6 capital stock but not organized for profit.

7 **SECTION 146.** 180.0103 (7d) of the statutes is created to read:

8 180.0103 (7d) “Domestic” means, with respect to an entity, an entity whose
9 governing law is the law of this state.

10 **SECTION 147.** 180.0103 (8) of the statutes is amended to read:

11 180.0103 (8) “Entity” means a person other than an individual and includes
12 a domestic corporation; a foreign corporation; a limited liability company; a nonprofit
13 or nonstock corporation; a limited partnership; a partnership; a stock or nonstock
14 general cooperative association; an unincorporated a limited cooperative
15 association; a profit or nonprofit unincorporated association; a statutory trust; a
16 business trust; a business trust or common-law business trust; an estate; ~~a~~
17 ~~partnership; a trust; 2 or more persons having a joint or common economic interest;~~
18 ~~a state or an agency, commission, department, authority, bureau or other~~
19 ~~instrumentality of a state; a governmental subdivision; the United States; and a~~
20 ~~foreign government~~ an association, joint venture, public corporation, government or
21 governmental subdivision, agency, or instrumentality; or any other legal or
22 commercial entity.

23 **SECTION 148.** 180.0103 (8r) of the statutes is created to read:

24 180.0103 (8r) “Foreign” means, with respect to an entity, an entity whose
25 governing law is other than the law of this state.

SENATE BILL 566**SECTION 149**

1 **SECTION 149.** 180.0103 (9) of the statutes is amended to read:

2 180.0103 (9) “Foreign corporation” means a corporation for profit incorporated
3 under a law other than the law of this state and whose governing law is other than
4 the law of this state, except a railroad corporation, an association created solely for
5 religious or charitable purposes, an insurer or motor club, a savings and loan
6 association, a savings bank or a common law trust.

7 **SECTION 150.** 180.0103 (9m) and (9r) of the statutes are created to read:

8 180.0103 (9m) “General cooperative association” means, with respect to a
9 Wisconsin cooperative, a cooperative organized under ch. 185.

10 (9r) “Governing law” means, with respect to an entity, the law of the
11 jurisdiction that collectively governs its internal affairs and the liability of the
12 persons associated with the entity for a debt, obligation, or other liability of the entity
13 under s. 180.0105 or the corresponding applicable law with respect to entities other
14 than domestic corporations.

15 **SECTION 151.** 180.0103 (11g) and (11i) of the statutes are created to read:

16 180.0103 (11g) “Jurisdiction,” used to refer to a political entity, means the
17 United States, a state, a foreign country, or a political subdivision of a foreign
18 country.

19 (11i) “Limited cooperative association” means, with respect to a Wisconsin
20 cooperative, a cooperative organized under ch. 193.

21 **SECTION 152.** 180.0103 (11m) of the statutes is amended to read:

22 180.0103 (11m) “Person” ~~includes~~ means an individual ~~and an entity, business~~
23 corporation, nonprofit or nonstock corporation, partnership, limited partnership,
24 limited liability company, general cooperative association, limited cooperative
25 association, unincorporated association, statutory trust, business trust,

SENATE BILL 566**SECTION 152**

1 common-law business trust, estate, trust, association, joint venture, public
2 corporation, government or governmental subdivision, agency, or instrumentality, or
3 any other legal or commercial entity.

4 **SECTION 153.** 180.0103 (12g) of the statutes is created to read:

5 180.0103 (12g) "Property" means all property, whether real, personal, or mixed
6 or tangible or intangible, or any right or interest therein.

7 **SECTION 154.** 180.0103 (12r) of the statutes is created to read:

8 180.0103 (12r) "Record," used as a noun, means information that is inscribed
9 on a tangible medium or that is stored in an electronic or other medium and is
10 retrievable in perceivable form.

11 **SECTION 155.** 180.0103 (13m) of the statutes is created to read:

12 180.0103 (13m) "Registered agent" means an agent of a corporation or foreign
13 corporation that is authorized to receive service of any process, notice, or demand
14 required or permitted by law to be served on the corporation or foreign corporation.

15 **SECTION 156.** 180.0103 (16m) of the statutes is created to read:

16 180.0103 (16m) "State" means a state of the United States, the District of
17 Columbia, Puerto Rico, the U.S. Virgin Islands, or any territory or insular possession
18 subject to the jurisdiction of the United States.

19 **SECTION 157.** 180.0103 (17g) of the statutes is created to read:

20 180.0103 (17g) "Transfer" includes all of the following:

21 (a) An assignment.

22 (b) A conveyance.

23 (c) A sale.

24 (d) A lease.

25 (e) An encumbrance, including a mortgage or security interest.

SENATE BILL 566**SECTION 157**

1 (f) A gift.

2 (g) A transfer by operation of law.

3 **SECTION 158.** 180.0105 of the statutes is created to read:

4 **180.0105 Governing law. (1)** The law of this state governs all of the internal
5 affairs of a corporation.

6 **(2)** The fact that one or more shareholders of a corporation are, or are not,
7 subject to tax on the income of the corporation shall have no effect on the application
8 of the law of this state under sub. (1) other than as a fact to be taken into account in
9 the application of such law.

10 **SECTION 159.** 180.0112 of the statutes is created to read:

11 **180.0112 Delivery of a record. (1)** Except as otherwise provided in this
12 chapter, permissible means of delivery of a record include delivery by hand, mail,
13 conventional commercial practice, and electronic transmission.

14 **(2)** Delivery to the department is effective only when a record is received by the
15 department.

16 **SECTION 160.** 180.0120 (1) (intro.) of the statutes is amended to read:

17 180.0120 **(1)** (intro.) ~~Except as provided in~~ Subject to sub. (4), a document
18 ~~required or permitted to be filed under by the department pursuant to this chapter~~
19 ~~with the department must, a record must be received by the department, comply with~~
20 ~~this chapter, and~~ satisfy all of the following requirements ~~to be filed under s.~~
21 ~~180.0125 (2) (a):~~

22 **SECTION 161.** 180.0120 (1) (g) of the statutes is amended to read:

23 180.0120 **(1)** (g) Be delivered to the department for filing and be accompanied
24 by one exact or conformed copy ~~and the filing fee required by s. 180.0122 unless and~~
25 to the extent the department permits electronic delivery of records.

SENATE BILL 566**SECTION 162**

1 **SECTION 162.** 180.0120 (3) (a) (intro.) of the statutes is amended to read:

2 180.0120 (3) (a) (intro.) Any of the following persons may execute a document
3 described in ~~s. 180.0122 (1) (a), (b), (h) to (j), (Lg), (m) to (r) and (u) to (ym)~~ par. (am):

4 **SECTION 163.** 180.0120 (3) (am) of the statutes is created to read:

5 180.0120 (3) (am) The documents to which par. (a) applies are the following:

- 6 1. Articles of incorporation.
- 7 2. An application for use of indistinguishable name.
- 8 3. An application for registered name or renewal of registered name.
- 9 4. A statement of change of registered office.
- 10 5. A director or principal officer statement under s. 180.0860 (1).
- 11 6. Amendment of articles of incorporation.
- 12 7. Restatement of articles of incorporation with or without amendment of
13 articles.
- 14 8. Articles of merger, conversion, interest exchange, or domestication.
- 15 9. Articles of dissolution.
- 16 10. Articles of revocation of dissolution.
- 17 11. An application for reinstatement following administrative dissolution.
- 18 12. An application for certificate of authority.
- 19 13. An application for amended certificate of authority.
- 20 14. An application for certificate of withdrawal.
- 21 15. An annual report of a domestic corporation or foreign corporation.
- 22 16. Articles of correction.

23 **SECTION 164.** 180.0120 (5) and (6) of the statutes are created to read:

24 180.0120 (5) If law other than this chapter prohibits the disclosure by the
25 department of information contained in a document delivered to the department for

SENATE BILL 566**SECTION 164**

1 filing, the department shall file the document if the document otherwise complies
2 with this chapter but may redact the information.

3 **(6)** When a document is delivered to the department for filing, any fee required
4 under s. 180.0122 and any fee, interest, or penalty required to be paid to the
5 department must be paid in a manner permitted by the department.

6 **SECTION 165.** 180.0121 (1) (a) 4. of the statutes is amended to read:

7 180.0121 **(1)** (a) 4. An application for ~~a certificate~~ articles of conversion under
8 s. 180.1161 (5).

9 **SECTION 166.** 180.0122 (1) (intro.) of the statutes is renumbered 180.0122 (1m)
10 (intro.) and amended to read:

11 180.0122 **(1m)** (intro.) Except as provided under sub. (5), the department shall
12 collect the following fees when the documents records described in this subsection
13 are delivered to the department for filing or, under pars. (e) and (f), the telephone
14 applications are made:

15 **SECTION 167.** 180.0122 (1) (a) to (ym) of the statutes are renumbered 180.0122
16 (1m) (a) to (ym).

17 **SECTION 168.** 180.0122 (1) (yr) of the statutes is renumbered 180.0122 (1m) (yr)
18 and amended to read:

19 180.0122 **(1m)** (yr) ~~A certificate~~ Articles of conversion, \$150.

20 **SECTION 169.** 180.0122 (1) (z) of the statutes is repealed.

21 **SECTION 170.** 180.0122 (1g) of the statutes is created to read:

22 180.0122 **(1g)** Subject to subs. (1m) and (3), the department may collect a fee
23 for filing, or providing a certified copy of, a record under this chapter. Any fee under
24 this subsection shall be established by the department by rule. The department may
25 also collect the fee established under s. 182.01 (4) (b) in connection with any request

SENATE BILL 566**SECTION 170**

1 for a certificate of status under s. 180.0128 (1) to (3) or a statement of status under
2 s. 180.0128 (4).

3 **SECTION 171.** 180.0122 (4) of the statutes is amended to read:

4 180.0122 (4) In addition to the fees required under sub. ~~(1)~~ (1m) or permitted
5 under sub. (1g), the department shall may collect the expedited service fee
6 established under s. 182.01 (4) (d) for processing in an expeditious manner a
7 ~~document record~~ required or permitted to be filed with the department under this
8 chapter and shall may collect the fee established under s. 182.01 (4) (f) for preparing
9 in an expeditious manner a certificate of status under s. 180.0128 (1) to (3) or a
10 statement of status under s. 180.0128 (4).

11 **SECTION 172.** 180.0122 (5) of the statutes is amended to read:

12 180.0122 (5) The department, by rule, may specify a larger fee for filing
13 ~~documents records~~ described in sub. ~~(1)~~ (1m) in paper format.

14 **SECTION 173.** 180.0123 (title) of the statutes is amended to read:

15 **180.0123** (title) **Effective date and time of document.**

16 **SECTION 174.** 180.0123 (1) (a) (intro.) of the statutes is amended to read:

17 180.0123 (1) (a) (intro.) Except as provided in sub. (2) or s. 180.0124 (3),
18 180.1622 (5) or 180.1921 (4), a ~~document record~~ filed by the department under this
19 chapter is effective on the date that it is received by the department for filing and at
20 any of the following times on that date:

21 **SECTION 175.** 180.0124 (1) of the statutes is renumbered 180.0124 (1) (intro.)
22 and amended to read:

23 180.0124 (1) (intro.) A domestic corporation or foreign corporation may correct
24 a document that is filed by the department ~~before, on or after January 1, 1991~~, if the
25 any of the following applies:

SENATE BILL 566**SECTION 175**

1 (a) The document contains a statement that was incorrect at the time of filing
2 or,

3 (b) The document was defectively executed, including defects in any
4 attestation, seal, verification, or acknowledgment.

5 **SECTION 176.** 180.0124 (1) (c) of the statutes is created to read:

6 180.0124 (1) (c) The electronic transmission of the document to the department
7 was defective.

8 **SECTION 177.** 180.0124 (2) (d) of the statutes is created to read:

9 180.0124 (2) (d) Are signed by the person correcting the filed document.

10 **SECTION 178.** 180.0125 (1) of the statutes is amended to read:

11 180.0125 (1) Upon receipt of a document by the department for filing, the
12 department shall stamp or otherwise endorse the date of receipt on the original, the
13 document copy and, upon request, any additional document copy received. The
14 department shall return any additional document copy to the person delivering it,
15 as confirmation of the date of receipt. The duty of the department under this section
16 is ministerial.

17 **SECTION 179.** 180.0125 (2) (b) of the statutes is renumbered 180.0125 (2) (b)
18 (intro.) and amended to read:

19 180.0125 (2) (b) (intro.) If a domestic corporation or foreign corporation is in
20 default in the payment of any fee required under s. 180.0122 (1) ~~(a) to (j) or (m) to (yr)~~
21 with respect to any of the following documents, the department shall refuse to file
22 any document relating to the domestic corporation or foreign corporation until all
23 delinquent fees are paid by the domestic corporation or foreign corporation.;

24 **SECTION 180.** 180.0125 (2) (b) 1. to 19. of the statutes are created to read:

25 180.0125 (2) (b) 1. Articles of incorporation.

SENATE BILL 566**SECTION 180**

- 1 2. An application for use of indistinguishable name.
- 2 3. A written application for reserved name or renewal of reserved name.
- 3 4. A notice of transfer of reserved name or of registered name.
- 4 5. An application for registered name or renewal of registered name.
- 5 6. A statement of change of registered office.
- 6 7. Amendment of articles of incorporation.
- 7 8. Restatement of articles of incorporation with or without amendment of
- 8 articles.
- 9 9. Articles of merger, conversion, interest exchange, or domestication.
- 10 10. Articles of dissolution.
- 11 11. Articles of revocation of dissolution.
- 12 12. An application for reinstatement following administrative dissolution.
- 13 13. Certificate of reinstatement.
- 14 14. Certificate of judicial dissolution.
- 15 15. An application for certificate of authority.
- 16 16. An application for amended certificate of authority.
- 17 17. An application for certificate of withdrawal.
- 18 18. An annual report of a domestic corporation or foreign corporation.
- 19 19. Articles of correction.

20 **SECTION 181.** 180.0125 (4) (intro.) and (a) of the statutes are consolidated,
21 renumbered 180.0125 (4) (intro.) and amended to read:

22 180.0125 (4) (intro.) Except as provided in s. 180.0203 (2), the department's
23 filing of ~~a document,~~ or refusal to file, a document does not ~~do any of the following:~~
24 ~~(a) Affect~~ affect the validity or invalidity of the document in whole or part. and does
25 not create a presumption of any of the following:

SENATE BILL 566**SECTION 182**

1 **SECTION 182.** 180.0125 (4) (am) of the statutes is created to read:

2 180.0125 (4) (am) That the document does or does not conform to the
3 requirements of this chapter.

4 **SECTION 183.** 180.0125 (4) (b) of the statutes is repealed.

5 **SECTION 184.** 180.0125 (4) (c) of the statutes is amended to read:

6 180.0125 (4) (c) ~~Create a presumption that the document is valid or invalid or~~
7 ~~that~~ That the information contained in the document is correct or incorrect.

8 **SECTION 185.** 180.0128 (2) (b) 5. of the statutes is amended to read:

9 180.0128 (2) (b) 5. The foreign corporation has not applied for a certificate of
10 withdrawal under s. 180.1520 and is not the subject of a proceeding under s. 180.1531
11 ~~to revoke, if not, the effective date of~~ its certificate of authority.

12 **SECTION 186.** 180.0141 (title), (1), (2) and (3) of the statutes are repealed and
13 recreated to read:

14 **180.0141 (title) Knowledge; notice. (1)** A person knows a fact if any of the
15 following applies:

16 (a) The person has actual knowledge of the fact.

17 (b) The person is deemed to know the fact under law other than this chapter.

18 **(2)** A person has notice of a fact if the person has reason to know the fact from
19 all the facts known to the person at the time in question.

20 **(3)** Subject to s. 180.0504 or the law other than this chapter, a person notifies
21 another person of a fact by taking steps reasonably required to inform the other
22 person in ordinary course, whether or not those steps cause the other person to know
23 the fact.

24 **SECTION 187.** 180.0141 (5) (a) (intro.) of the statutes is amended to read:

SENATE BILL 566**SECTION 187**

1 180.0141 (5) (a) (intro.) This subsection applies to notice that is required under
2 this chapter and that is made subject to this subsection by express reference to this
3 subsection. Except as provided in par. (b) and ~~ss. 180.0807 (2) and 180.0843 (1),~~
4 written notice is effective at the earliest of the following:

5 **SECTION 188.** 180.0141 (5) (a) 4. of the statutes is repealed and recreated to
6 read:

7 180.0141 (5) (a) 4. For notices from the department, upon successful
8 transmission by e-mail as provided in this chapter.

9 **SECTION 189.** 180.0141 (6) and (7) of the statutes are created to read:

10 180.0141 (6) (a) A person shall give notice in writing, except as provided in par.

11 (b). For purposes of this section, notice by electronic transmission is written notice.

12 (b) A person may give oral notice if oral notice is permitted by the articles of
13 incorporation or bylaws and not otherwise prohibited by this chapter.

14 (7) Except as provided in s. 180.0721 (4) or unless otherwise provided in the
15 articles of incorporation or bylaws, notice may be communicated in person; by mail
16 or other method of delivery; by telephone, including voice mail, answering machine
17 or answering service; or by any other electronic means. If these forms of personal
18 notice are impracticable, notice may be communicated by a newspaper of general
19 circulation in the area where published, or by radio, television, or other form of public
20 broadcast communication.

21 **SECTION 190.** 180.0143 of the statutes is created to read:

22 **180.0143 Withdrawal of filed documents before effectiveness. (1)**

23 Except as otherwise provided in ss. 180.11031 (2) and (3) and 180.1173 (2), a
24 document delivered to the department for filing may be withdrawn before it takes
25 effect by delivering to the department for filing a statement of withdrawal.

SENATE BILL 566**SECTION 190**

1 **(2)** A statement of withdrawal must satisfy all of the following:

2 (a) It must be signed by each person that signed the document being
3 withdrawn, except as otherwise agreed by those persons.

4 (b) It must identify the document to be withdrawn.

5 (c) If signed by fewer than all the persons that signed the document being
6 withdrawn, it must state that the document is withdrawn in accordance with the
7 agreement of all the persons that signed the document.

8 **(3)** On filing by the department of a statement of withdrawal, the action or
9 transaction evidenced by the original document does not take effect.

10 **SECTION 191.** 180.0144 of the statutes is created to read:

11 **180.0144 Relation to electronic signatures in global and national**
12 **commerce act.** This chapter modifies, limits, and supersedes the Electronic
13 Signatures in Global and National Commerce Act, 15 USC 7001 to 7031, but does not
14 modify, limit, or supersede section 101 (c) of that act, 15 USC 7001 (c), or authorize
15 electronic delivery of any of the notices described in section 103 (b) of that act, 15 USC
16 7003 (b).

17 **SECTION 192.** 180.0145 of the statutes is created to read:

18 **180.0145 Forum selection provisions.** The articles of incorporation or the
19 bylaws may require, consistent with applicable jurisdictional requirements, that
20 any or all claims pertaining to the internal affairs of the corporation shall be brought
21 solely and exclusively in the courts in this state.

22 **SECTION 193.** 180.0202 (1) (h) of the statutes is amended to read:

23 180.0202 (1) (h) The street address of the corporation's initial registered office
24 and the name and e-mail address of its initial registered agent at that office.

25 **SECTION 194.** 180.0401 (1) (a) 3. of the statutes is created to read:

SENATE BILL 566**SECTION 194**

1 180.0401 (1) (a) 3. May not contain language stating or implying that the entity
2 is organized for a purpose subject to regulation under another statute of this state,
3 unless its purpose is not prohibited by, and the entity is subject to all the limitations
4 of, the other statute.

5 **SECTION 195.** 180.0401 (2) (a) 1. of the statutes is repealed and recreated to
6 read:

7 180.0401 (2) (a) 1. Any name of an existing person whose formation required
8 the filing of a record by the department and which is not at the time administratively
9 dissolved.

10 **SECTION 196.** 180.0401 (2) (a) 2. of the statutes is amended to read:

11 180.0401 (2) (a) 2. ~~A corporate~~ Any name reserved or registered under s.
12 178.0906, 178.0907, 179.0115, 179.0116, 180.0402, 180.0403, 181.0402 or, 181.0403
13 183.0113, or 183.0114 or other law of this state providing for the reservation or
14 registration of a name by a filing of a record by the department.

15 **SECTION 197.** 180.0401 (2) (a) 5., 6., 7. and 8. of the statutes are repealed.

16 **SECTION 198.** 180.0401 (2) (a) 9. of the statutes is amended to read:

17 180.0401 (2) (a) 9. ~~The~~ Any name of a limited liability partnership ~~formed~~
18 ~~under the laws of, or registered in, this state~~ whose statement of qualification is in
19 effect.

20 **SECTION 199.** 180.0401 (3) (a) of the statutes is amended to read:

21 180.0401 (3) (a) The other corporation or the foreign corporation, limited
22 liability company, nonprofit or nonstock corporation, limited partnership, limited
23 liability partnership, foreign limited partnership, general cooperative association, or
24 ~~unincorporated~~ limited cooperative association consents to the use in writing and
25 submits an undertaking in a form satisfactory to the department to change its name

SENATE BILL 566**SECTION 199**

1 to a name that is distinguishable upon the records of the department from the name
2 of the applicant, or to cancel the registration or reservation.

3 **SECTION 200.** 180.0401 (3m) of the statutes is created to read:

4 180.0401 (3m) In determining whether a name is the same as or not
5 distinguishable on the records of the department from the name of another person,
6 words, phrases, or abbreviations indicating a type of entity, such as “corporation,”
7 “Corp.,” “incorporated,” “Inc.,” “service corporation,” “SC,” “Limited,” “Ltd.,” “limited
8 partnership,” “LP,” “limited liability partnership,” “LLP,” “limited liability limited
9 partnership,” “LLLLP,” “registered limited liability limited partnership,” “RLLLLP,”
10 “limited liability company,” “LLC,” “cooperative association,” or “cooperative,” or a
11 variation of these abbreviations that differs only with respect to capitalization of
12 letters or punctuation, may not be taken into account.

13 **SECTION 201.** 180.0401 (4) (intro.), (a) and (b) of the statutes are amended to
14 read:

15 180.0401 (4) (intro.) A corporation may use in this state the name, including
16 the fictitious name, that is used in this state by another domestic corporation or a
17 foreign corporation authorized to transact business in this state, or by a limited
18 liability company, nonprofit or nonstock corporation, limited partnership, limited
19 liability partnership, foreign limited liability partnership, general cooperative
20 association, or limited cooperative association, if the corporation proposing to use the
21 name has done any of the following:

22 (a) Merged with the other ~~domestic corporation or foreign corporation~~ entity.

23 (b) Been formed by reorganization of the other ~~domestic corporation or foreign~~
24 corporation entity.

25 **SECTION 202.** 180.0402 of the statutes is amended to read:

SENATE BILL 566**SECTION 202**

1 **180.0402 Reserved Reservation of name.** (1) A person may reserve the
2 exclusive use of a corporate name, including a fictitious name for a foreign
3 corporation whose corporate name is not available, by delivering an application to
4 the department for filing ~~or by making a telephone application.~~ The application shall
5 include the name and address of the applicant and the name proposed to be reserved.
6 If the department finds that the corporate name applied for under this subsection is
7 available, the department shall reserve the name for the applicant's exclusive use for
8 a 120-day period, which may be renewed by the applicant or a transferee under sub.
9 (2) from time to time.

10 (2) A person who has the right to exclusive use of a reserved corporate name
11 under sub. (1) may transfer the reservation to another person by delivering to the
12 department a ~~written and signed notice~~ in a record of the transfer that states the
13 name and address of the ~~transferee~~ person to which the reservation is being
14 transferred.

15 **SECTION 203.** 180.0403 (title) of the statutes is amended to read:

16 **180.0403 (title) Registered Registration of name.**

17 **SECTION 204.** 180.0403 (1) (a) of the statutes is amended to read:

18 180.0403 (1) (a) A foreign corporation that has not obtained a certificate of
19 authority to transact business in this state under subch. XV may register its
20 corporate name, or a fictitious name adopted pursuant to s. 180.1506 (1), if the name
21 is distinguishable ~~upon~~ on the records of the department from the names described
22 in that are not available under s. 180.1506 (2) (a) 1. to 7. and if the foreign corporation
23 delivers to the department for filing an application complying with par. (b) 4.

24 **SECTION 205.** 180.0403 (1) (b) of the statutes is repealed and recreated to read:

SENATE BILL 566**SECTION 205**

1 180.0403 (1) (b) To register its name or a fictitious name adopted pursuant to
2 s. 180.1506 (1), a foreign corporation must deliver to the department for filing an
3 application stating the foreign corporation's name, the jurisdiction and the date of
4 its formation, and any fictitious name adopted pursuant to s. 180.1506 (1). If the
5 department finds that the name applied for is available, the department shall
6 register the name for the applicant's exclusive use.

7 **SECTION 206.** 180.0403 (1) (c) of the statutes is amended to read:

8 180.0403 (1) (c) The registration of a name under this section expires annually
9 on December 31. The

10 (d) A foreign corporation whose name registration is effective may renew its the
11 registration by delivering to the department for filing ~~a renewal application, which~~
12 ~~complies with par. (b),~~ between October 1 and December 31 of each year that the
13 registration is in effect. ~~The, a renewal application that complies with this section.~~
14 When filed, the renewal application ~~when filed~~ renews the registration for the next
15 year.

16 **SECTION 207.** 180.0501 of the statutes is renumbered 180.0501 (1m), and
17 180.0501 (1m) (intro.), (b) and (c), as renumbered, are amended to read:

18 180.0501 (1m) (intro.) Each corporation shall continuously designate and
19 ~~maintain in this state~~ a registered office and registered agent in this state. The
20 designation of a registered agent is an affirmation of the fact by the corporation that
21 the agent has consented to serve. The registered office may, but need not, be the same
22 as any of its the corporation's places of business. The registered office must be an
23 actual physical location with a street address and not solely a post office box, mailbox
24 service, or telephone answering service. The registered agent shall be any of the
25 following:

SENATE BILL 566**SECTION 207**

1 (b) A domestic corporation, ~~a nonprofit or nonstock corporation, a limited~~
2 ~~liability company, limited partnership, a or limited liability partnership, or a limited~~
3 ~~liability company, incorporated or organized in this state or that has in effect a~~
4 ~~statement of qualification under s. 178.0901, whose business office is identical with~~
5 the registered office.

6 (c) A foreign corporation, nonprofit or nonstock corporation, limited
7 partnership, registered limited liability partnership, or limited liability company if
8 that entity is authorized to transact business in this state whose and the entity's
9 business office is identical with the registered office.

10 **SECTION 208.** 180.0501 (2m) and (3m) of the statutes are created to read:

11 180.0501 **(2m)** A registered agent for a corporation must have an e-mail
12 address and a place of business or activity in this state.

13 **(3m)** The only duties under this chapter of a registered agent that has complied
14 with this chapter are the following:

15 (a) To forward to the corporation at the address most recently supplied to the
16 agent by the corporation any process, notice, or demand pertaining to the corporation
17 which is served on or received by the agent.

18 (b) If the registered agent resigns, to provide the notice required by s. 180.0503
19 to the corporation at the address most recently supplied to the agent by the
20 corporation.

21 (c) To keep current the information with respect to the agent in the articles of
22 incorporation.

23 **SECTION 209.** 180.0502 (1) (intro.) of the statutes is amended to read:

SENATE BILL 566**SECTION 209**

1 180.0502 (1) (intro.) A corporation may change its registered office or
2 registered agent, or both, by ~~doing any~~ delivering to the department for filing a
3 statement of change that states all of the following:

4 **SECTION 210.** 180.0502 (1) (a) of the statutes is repealed and recreated to read:

5 180.0502 (1) (a) The name of the corporation or foreign corporation.

6 **SECTION 211.** 180.0502 (1) (b) of the statutes is repealed and recreated to read:

7 180.0502 (1) (b) The information that is to be in effect as a result of the filing
8 of the statement of change.

9 **SECTION 212.** 180.0502 (1) (c) of the statutes is repealed.

10 **SECTION 213.** 180.0502 (1m) and (1r) of the statutes are created to read:

11 180.0502 (1m) A statement of change under this section designating a new
12 registered agent is an affirmation of fact by the corporation that the agent has
13 consented to serve.

14 (1r) As an alternative to using the procedure in this section, a corporation may
15 amend or restate its articles of incorporation.

16 **SECTION 214.** 180.0502 (2) of the statutes is repealed.

17 **SECTION 215.** 180.0502 (3) of the statutes is renumbered 180.0502 (3) (intro.)
18 and amended to read:

19 180.0502 (3) (intro.) If the name or e-mail address of a registered agent
20 changes or if the street address of a registered agent's business office changes, the
21 registered agent may change the name or e-mail address of the registered agent or
22 street address of the registered office of any corporation for which he, she, or it is the
23 registered agent. To make a change under this subsection, the registered agent shall
24 notify the corporation in writing of the change and deliver to the department for filing

SENATE BILL 566**SECTION 215**

1 a signed statement of change that ~~complies with sub. (2) and~~ recites that the
2 corporation has been notified of the change. and states all of the following:

3 **SECTION 216.** 180.0502 (3) (a), (b) and (c) of the statutes are created to read:

4 180.0502 (3) (a) The name of the corporation represented by the registered
5 agent.

6 (b) The name, e-mail address, and street address of the agent as currently
7 shown in the records of the department for the corporation.

8 (c) The new name, new e-mail address, or new street address of the agent.

9 **SECTION 217.** 180.0502 (5) of the statutes is created to read:

10 180.0502 (5) A registered agent promptly shall furnish notice to the
11 represented corporation of the filing by the department of the statement of change
12 and the changes made by the statement.

13 **SECTION 218.** 180.0503 (1) (intro.), (a), (b), (c) and (d) of the statutes are
14 amended to read:

15 180.0503 (1) (intro.) The A registered agent of a corporation may resign as
16 agent for a corporation by signing and delivering to the department for filing a
17 statement of resignation that includes states all of the following information:

18 (a) The name of the corporation ~~for which the registered agent is acting.~~

19 (b) The name of the registered agent.

20 (c) The ~~street~~ address of the corporation's current registered office and its
21 principal office to which the department will send the notice required by sub. (2).

22 (d) ~~A statement that~~ That the registered agent resigns from serving as
23 registered agent for the corporation.

24 **SECTION 219.** 180.0503 (4) and (5) of the statutes are created to read:

SENATE BILL 566**SECTION 219**

1 180.0503 (4) When a statement of resignation takes effect, the registered agent
2 ceases to have responsibility under this chapter for any matter thereafter tendered
3 to it as agent for the corporation. The resignation does not affect any contractual
4 rights the corporation has against the agent or that the agent has against the
5 corporation.

6 (5) A registered agent may resign with respect to a corporation whether or not
7 the corporation is in good standing.

8 **SECTION 220.** 180.0504 (1) of the statutes is repealed and recreated to read:

9 180.0504 (1) A corporation may be served with any process, notice, or demand
10 required or permitted by law by serving its registered agent. The department may
11 serve any written notice required or authorized under this chapter by e-mailing it
12 to the registered agent's e-mail address on file with the department, and such notice
13 shall be effective as provided in s. 180.0141.

14 **SECTION 221.** 180.0504 (2) (intro.), (a) and (c) of the statutes are amended to
15 read:

16 180.0504 (2) (intro.) Except as provided in sub. (3), if a corporation has no
17 registered agent or ~~the~~ its registered agent cannot with reasonable diligence be
18 served, the corporation may be served by registered or certified mail, return receipt
19 requested, or by similar delivery service, addressed to the corporation at its principal
20 office. ~~Service is perfected under this subsection, as shown on the records of the~~
21 department on the date of sending. Service is perfected under this subsection at the
22 earliest of the following:

23 (a) The date on which the corporation receives the mail or delivery by the
24 commercial delivery service.

SENATE BILL 566**SECTION 221**

1 (c) Five days after its ~~deposit~~ it is deposited in the U.S. mail, or with the
2 commercial delivery service, if mailed postpaid and correctly addressed and with
3 sufficient postage or payment.

4 **SECTION 222.** 180.0504 (3) of the statutes is amended to read:

5 180.0504 (3) If process, notice, or demand in an action cannot be served on a
6 corporation pursuant to sub. (1) or (2), service may be made by handing a copy to the
7 individual in charge of any regular place of business or activity of the corporation if
8 the individual served is not a plaintiff in the action. Except as provided in s. 180.1421
9 (2m) (b), if the address of the corporation's principal office cannot be determined from
10 the records held by of the department, the corporation may be served by publishing
11 a class 3 notice, under ch. 985, in the community where the corporation's principal
12 office or registered office, as most recently designated in the records of the
13 department, is located. If the address of the corporation's principal office cannot be
14 determined from the records of the department, the corporation may be served by
15 publishing a class 3 notice, under ch. 985, in the community where the corporation's
16 principal office or registered office, as most recently designated in the records of the
17 department, is located.

18 **SECTION 223.** 180.0504 (3m) of the statutes is created to read:

19 180.0504 (3m) Service of process, notice, or demand on a registered agent must
20 be in a written record.

21 **SECTION 224.** 180.0504 (4) of the statutes is repealed and recreated to read:

22 180.0504 (4) Service of process, notice, or demand on a registered agent may
23 be made by other means under law other than this chapter.

24 **SECTION 225.** 180.0624 of the statutes is amended to read:

SENATE BILL 566**SECTION 225**

1 **180.0624 Share rights, options and warrants.** Unless the articles of
2 incorporation provide otherwise before the issuance of the rights, options or
3 warrants, a corporation may issue rights, options or warrants for the purchase of
4 shares of the corporation. The rights, options or warrants may contain provisions
5 that adjust the rights, options or warrants in the event of an acquisition of shares or
6 a reorganization, merger, share interest exchange, sale of assets or other occurrence.
7 Subject to the articles of incorporation, the board of directors shall determine the
8 terms on which the rights, options or warrants are issued, their form and content,
9 and the consideration for which the shares are to be issued. Notwithstanding s.
10 180.0601 (1) and any other provision of this chapter, and unless otherwise provided
11 in the articles of incorporation before issuance of the rights, options or warrants, a
12 corporation may before, on or after April 30, 1972, issue rights, options or warrants
13 that include conditions that prevent the holder of a specified percentage of the
14 outstanding shares of the corporation, including subsequent transferees of the
15 holder, from exercising those rights, options or warrants.

16 **SECTION 226.** 180.0704 (7) of the statutes is created to read:

17 180.0704 (7) Any person executing a consent may provide, whether through
18 instruction to an agent or otherwise, that a consent to action will be effective at a
19 future time, including a time determined upon the happening of an event, and, for
20 purposes of this section, if evidence of such instruction or provision is provided to the
21 corporation, such later effective time shall serve as of the date of signature. Unless
22 otherwise provided, any such consent shall be revocable prior to its becoming
23 effective.

24 **SECTION 227.** 180.0821 (4) of the statutes is created to read:

SENATE BILL 566**SECTION 227**

1 180.0821 (4) Any person, whether or not then a director, may provide, whether
2 through instruction to an agent or otherwise, that a consent to action will be effective
3 at a future time, including a time determined upon the happening of an event, and
4 such consent shall be considered to have been given for purposes of this section at
5 such effective time so long as the person is then a director and did not revoke the
6 consent prior to that time. Any such consent shall be revocable prior to its becoming
7 effective.

8 **SECTION 228.** Subchapter XI (title) of chapter 180 [precedes 180.1100] of the
9 statutes is amended to read:

10 **CHAPTER 180**

11 SUBCHAPTER XI

12 MERGER, SHARE INTEREST EXCHANGE,
13 AND CONVERSION, AND DOMESTICATION

14 **SECTION 229.** 180.1100 (1) of the statutes is renumbered 180.1100 (1g).

15 **SECTION 230.** 180.1100 (1c) and (1e) of the statutes are created to read:

16 180.1100 (1c) "Acquired entity" means the entity all of one or more classes or
17 series of interests of which are acquired in an interest exchange.

18 (1e) "Acquiring entity" means the entity that acquires all of one or more classes
19 or series of interests of the acquired entity in an interest exchange.

20 **SECTION 231.** 180.1100 (1j), (1m), (1o), (1q), (1s), (1u) and (1w) of the statutes
21 are created to read:

22 180.1100 (1j) "Constituent entity" means a merging entity or a surviving entity
23 in a merger.

24 (1m) "Conversion" means a transaction authorized by s. 180.1161.

SENATE BILL 566**SECTION 231**

1 **(1o)** “Converted entity” means the converting entity as it continues in existence
2 after a conversion.

3 **(1q)** “Converting entity” means an entity that engages in a conversion.

4 **(1s)** “Domesticated entity” means the domesticating entity as it continues in
5 existence after a domestication.

6 **(1u)** “Domesticating entity” means either a non-United States entity or a
7 Wisconsin corporation that engages in a domestication.

8 **(1w)** “Domestication” means a transaction authorized by ss. 180.1171 to
9 180.1175.

10 **SECTION 232.** 180.1100 (2) and (3) of the statutes are amended to read:

11 180.1100 **(2)** “Domestic business entity” means a corporation, a limited liability
12 company, as defined in s. 183.0102 ~~(10)~~ (8), a partnership, as defined in s. 178.0102
13 (11), a limited partnership, as defined in s. ~~179.01 (7)~~ 179.0102 (12), or a corporation,
14 as defined in s. 181.0103 (5).

15 **(3)** “Foreign business entity” means a foreign limited liability company, as
16 defined in s. 183.0102 ~~(8)~~ (5), a foreign partnership, as defined in s. 178.0102 (6), a
17 foreign limited partnership, as defined in s. ~~179.01 (4)~~ 179.0102 (6), a foreign
18 corporation, as defined in s. 180.0103 (9), or a foreign corporation, as defined in s.
19 181.0103 (13).

20 **SECTION 233.** 180.1100 (4) to (14) of the statutes are created to read:

21 180.1100 **(4)** “Interest” means any of the following:

22 (a) A share in a business corporation.

23 (b) A membership in a nonprofit or nonstock corporation.

24 (c) A partnership interest in a general partnership.

25 (d) A partnership interest in a limited partnership.

SENATE BILL 566**SECTION 233**

- 1 (e) A membership interest in a limited liability company.
- 2 (f) A membership interest or stock in a general cooperative association.
- 3 (g) A membership interest in a limited cooperative association.
- 4 (h) A membership in an unincorporated association.
- 5 (i) A beneficial interest in a statutory trust, business trust, or common-law
6 business trust.
- 7 (j) A comparable interest in any other type of unincorporated entity.
- 8 **(5)** “Interest exchange” means a transaction authorized by s. 180.1102.
- 9 **(6)** “Interest holder” means any of the following:
- 10 (a) A shareholder of a business corporation.
- 11 (b) A member of a nonprofit or nonstock corporation.
- 12 (c) A general partner of a general partnership.
- 13 (d) A general partner of a limited partnership.
- 14 (e) A limited partner of a limited partnership.
- 15 (f) A member of a limited liability company.
- 16 (g) A member or stockholder of a general cooperative association.
- 17 (h) A member of a limited cooperative association.
- 18 (i) A member of an unincorporated association.
- 19 (j) A beneficiary or beneficial owner of a statutory trust, business trust, or
20 common-law business trust.
- 21 (k) Any other direct holder of an interest.
- 22 **(7)** “Interest holder liability” means any of the following:
- 23 (a) Personal liability for a debt, obligation, or other liability of an entity which
24 is imposed on a person under any of the following circumstances:

SENATE BILL 566**SECTION 233**

1 1. Solely by reason of the status of the person as an interest holder of the entity
2 under its governing law.

3 2. Under the organizational documents of the entity in accordance with its
4 governing law which make one or more specified interest holders or categories of
5 interest holders liable in their capacity as interest holders for all or specified
6 liabilities of the entity.

7 (b) An obligation of an interest holder of an entity under its organizational
8 documents to contribute to the entity.

9 **(8)** “Merger” means a transaction authorized by s. 180.1101.

10 **(9)** “Merging entity” means an entity that is a party to a merger and exists
11 immediately before the merger becomes effective.

12 **(10)** “Non-United States entity” means an entity whose governing law is the
13 law of any jurisdiction other than the United States or any state, but does not include
14 an entity that has domesticated under the law of any other state.

15 **(11)** “Organizational documents” means, with respect to an entity, whether in
16 a record or, to the extent permitted under the entity’s governing law, other than in
17 a record, the following or its equivalent under the entity’s governing law:

18 (a) For a domestic or foreign corporation, whether or not for profit or stock or
19 nonstock, its articles of incorporation and bylaws.

20 (b) For a domestic or foreign partnership, its partnership agreement and, in the
21 case of a domestic or foreign limited liability partnership, its statement of
22 qualification as a limited liability partnership or foreign limited liability
23 partnership.

24 (c) For a domestic or foreign limited partnership, its certificate of limited
25 partnership and partnership agreement.

SENATE BILL 566**SECTION 233**

1 (d) For a domestic or foreign limited liability company, its certificate or articles
2 of organization and operating agreement.

3 (e) For a business trust, its agreement of trust and declaration of trust.

4 (f) For any other entity, the basic records, agreements, or other items that
5 create the entity and control its internal governance and the relations among its
6 interest holders.

7 **(12)** “Plan” means a plan of merger under s. 180.11012, a plan of interest
8 exchange under s. 180.11021, a plan of conversion under s. 180.1161, or a plan of
9 domestication under s. 180.1172.

10 **(13)** “Surviving entity” means the entity that continues in existence after or is
11 created by a merger.

12 **(14)** “Type of entity” means a generic form of entity that is any of the following:

13 (a) Recognized at common law.

14 (b) Recognized under a governing law.

15 **SECTION 234.** 180.11001 of the statutes is created to read:

16 **180.11001 Relationship of subchapter to other laws. (1)** This subchapter
17 does not authorize an act prohibited by, and does not affect the application or
18 requirements of, law other than this subchapter.

19 **(2)** A transaction effected under this subchapter may not create or impair a
20 right, duty, or obligation of a person under the law of this state, other than this
21 subchapter, relating to a change in control, takeover, business combination,
22 control-share acquisition, or similar transaction involving a domestic constituent,
23 acquired, or converting entity.

24 **SECTION 235.** 180.11002 of the statutes is created to read:

SENATE BILL 566**SECTION 235**

1 **180.11002 Existing purpose.** (1) Property held for a charitable purpose
2 under the law of this state by a domestic or foreign entity immediately before a
3 transaction under this subchapter becomes effective may not, as a result of the
4 transaction, be diverted from the objects for which it was donated, granted, devised,
5 or otherwise transferred. An entity that is or plans to be engaged in a transaction
6 covered by this subchapter may apply to the circuit court for a determination
7 regarding the transaction's compliance with cy pres or other law dealing with
8 nondiversion of charitable assets.

9 (2) A bequest, devise, gift, grant, or promise contained in a will or other
10 instrument of donation, subscription, or conveyance that is made to a merging entity
11 which is not the surviving entity and that takes effect or remains payable after the
12 merger inures to the surviving entity.

13 (3) A trust obligation that would govern property if transferred to a
14 nonsurviving entity applies to property that is transferred to the surviving entity
15 under this section.

16 **SECTION 236.** 180.11003 of the statutes is created to read:

17 **180.11003 Nonexclusivity.** The fact that a transaction under this subchapter
18 produces a certain result does not preclude the same result from being accomplished
19 in any other manner permitted by law other than this subchapter.

20 **SECTION 237.** 180.11004 of the statutes is created to read:

21 **180.11004 Reference to external facts.** A plan may refer to facts
22 ascertainable outside the plan if the manner in which the facts will operate upon the
23 plan is specified in the plan. The facts may include the occurrence of an event or a
24 determination or action by a person, whether or not the event, determination, or
25 action is within the control of a party to the transaction.

SENATE BILL 566**SECTION 238**

1 **SECTION 238.** 180.1101 (title) of the statutes is amended to read:

2 **180.1101** (title) **Merger authorized.**

3 **SECTION 239.** 180.1101 (1) of the statutes is amended to read:

4 180.1101 (1) One or more domestic corporations may merge with or into one
5 or more other business constituent entities if the board of directors of each
6 corporation, by resolution adopted by each board, approves a plan of merger and, if
7 required by s. 180.1103, its shareholders also approve the plan of merger, and
8 pursuant to ss. 180.1101, 180.11012, and 180.11031 to 180.1106 and a plan of merger
9 if the merger is permitted under the applicable governing law of the jurisdiction that
10 governs each other business constituent entity that is a party to the merger and each
11 such business constituent entity approves the plan of merger in the manner required
12 by the laws applicable to the business entity its governing law.

13 **SECTION 240.** 180.1101 (2) of the statutes is renumbered 180.11012 (1), and
14 180.11012 (1) (intro.), (a) and (c), as renumbered, are amended to read:

15 180.11012 (1) (intro.) The A plan of merger shall set forth must be in a record
16 and contain all of the following:

17 (a) The As to each constituent entity, its name, form type of business entity, and
18 identity of the jurisdiction governing each business entity planning to merge and the
19 name, form of business entity, and identity of the jurisdiction of the surviving
20 business entity into which each other business entity plans to merge law.

21 (c) The manner and basis of converting the shares or other interests in each
22 business constituent entity that is a party to the merger into shares, interests,
23 securities, or obligations, or other securities of the surviving business entity or any
24 other business entity or into cash or other property in whole or part, rights to acquire

SENATE BILL 566**SECTION 240**

1 such interests or securities, money, other property, or any combination of the
2 foregoing.

3 **SECTION 241.** 180.1101 (2m) of the statutes is created to read:

4 180.1101 (2m) One or more other domestic or foreign entities may merge with
5 or into a domestic corporation pursuant to ss. 180.1101, 180.11012, and 180.11031
6 to 180.1106 and a plan of merger if the merger is permitted under the governing law
7 of each constituent entity and each constituent entity approves the plan of merger
8 in the manner required by its governing law.

9 **SECTION 242.** 180.1101 (3) (intro.) and (b) of the statutes are consolidated,
10 renumbered 180.11012 (2) and amended to read:

11 180.11012 (2) The In addition to the requirements of sub. (1), a plan of merger
12 may set forth any of the following: (b) Other provisions contain any other provision
13 relating to the merger and not prohibited by law.

14 **SECTION 243.** 180.1101 (3) (a) of the statutes is repealed.

15 **SECTION 244.** 180.11012 (title) of the statutes is created to read:

16 **180.11012 (title) Plan of merger.**

17 **SECTION 245.** 180.11012 (1) (d), (e) and (f) of the statutes are created to read:

18 180.11012 (1) (d) If the surviving entity preexists the merger, any proposed
19 amendments to its organizational documents that are to be in a record immediately
20 after the merger becomes effective.

21 (e) If the surviving entity is to be created in the merger, any of its organizational
22 documents that are to be in a record immediately after the merger becomes effective.

23 (f) Any other matters required under the governing law of any constituent
24 entity.

25 **SECTION 246.** 180.1102 (title) of the statutes is amended to read:

SENATE BILL 566**SECTION 246**

1 **180.1102** (title) **Share Interest exchange authorized.**

2 **SECTION 247.** 180.1102 (1) of the statutes is amended to read:

3 180.1102 (1) A domestic corporation may acquire all of the outstanding shares
4 of one or more classes or series of interests of another business constituent entity if
5 ~~the board of directors of each corporation, by resolution adopted by each board,~~
6 ~~approves a plan of share exchange and, if required by s. 180.1103, its shareholders~~
7 ~~also approve the~~ pursuant to ss. 180.1102, 180.11021, 180.11032, 180.1105, and
8 180.1106 and a plan of share interest exchange, and if the share interest exchange
9 is permitted under the applicable governing law of the jurisdiction that governs the
10 other business entity and the other business entity approves the plan of share
11 exchange in the manner required by the laws of the jurisdiction that governs the
12 other business entity applicable to the corporation and the acquired entity.

13 **SECTION 248.** 180.1102 (1m) of the statutes is created to read:

14 180.1102 (1m) All of one or more classes or series of interests of a domestic
15 corporation may be acquired by another constituent entity pursuant to ss. 180.1102,
16 180.11021, 180.11032, 180.1105, and 180.1106 and a plan of interest exchange if the
17 interest exchange is permitted under the governing law applicable to the acquiring
18 entity and the corporation.

19 **SECTION 249.** 180.1102 (2) of the statutes is renumbered 180.11021 (1), and
20 180.11021 (1) (intro.), (a) and (c), as renumbered, are amended to read:

21 180.11021 (1) (intro.) The plan of share interest exchange shall set forth must
22 be in a record and contain all of the following:

23 (a) The As to both the acquiring and the acquired entity, its name, form type
24 of business entity, and identity of the jurisdiction governing the business entity
25 whose shares will be acquired and the name of the acquiring business entity law.

SENATE BILL 566**SECTION 249**

1 (c) The manner and basis of exchanging the ~~shares or other ownership~~ interests
2 to be acquired for shares, obligations or other securities of the acquiring or any other
3 business or for cash or other property in whole or part interests, securities, or
4 obligations of the surviving entity, rights to acquire such interests or securities,
5 money, other property, or any combination of the foregoing.

6 **SECTION 250.** 180.1102 (2m) of the statutes is created to read:

7 180.1102 (2m) A domestic or foreign entity may exchange interests with a
8 domestic corporation pursuant to ss. 180.1102, 180.11021, 180.11032, 180.1105, and
9 180.1106 and a plan of interest exchange if the interest exchange is permitted under
10 the governing law of each constituent entity and each constituent entity approves the
11 plan of interest exchange in the manner required by its governing law.

12 **SECTION 251.** 180.1102 (3) of the statutes is renumbered 180.11021 (3) and
13 amended to read:

14 180.11021 (3) The In addition to the requirements of sub. (1), a plan of share
15 interest exchange may set forth other provisions contain any other provision relating
16 to the exchange and not prohibited by law.

17 **SECTION 252.** 180.1102 (4) of the statutes is renumbered 180.11021 (4) and
18 amended to read:

19 180.11021 (4) This section does not limit the power of a corporation to acquire
20 all or part of the ~~shares~~ interests of one or more classes or series of another
21 ~~corporation~~ constituent entity through a voluntary exchange or otherwise.

22 **SECTION 253.** 180.11021 (title) of the statutes is created to read:

23 **180.11021 (title) Plan of interest exchange.**

24 **SECTION 254.** 180.11021 (1) (d) and (e) of the statutes are created to read:

SENATE BILL 566**SECTION 254**

1 180.11021 (1) (d) Any proposed amendments to the organizational documents
2 of the acquiring or acquired entity that will take effect when the interest exchange
3 becomes effective.

4 (e) Any other matters required under the governing law of any constituent
5 entity.

6 **SECTION 255.** 180.1103 (title) of the statutes is repealed.

7 **SECTION 256.** 180.1103 (1) of the statutes is renumbered 180.11032 (1) and
8 amended to read:

9 180.11032 (1) ~~SUBMIT TO SHAREHOLDERS. After adopting and approving~~ a plan
10 of merger or share interest exchange is approved, the board of directors of each
11 domestic corporation that is party to the merger, and the board of directors of the
12 domestic corporation whose shares will be acquired in the share interest exchange,
13 shall submit the plan of merger, except as provided in sub. (5) and s. 180.11045 (2),
14 or share interest exchange for approval by its shareholders.

15 **SECTION 257.** 180.1103 (2) of the statutes is renumbered 180.11032 (2) and
16 amended to read:

17 180.11032 (2) **MEETING NOTICE.** ~~The~~ A domestic corporation shall notify each
18 shareholder, whether or not entitled to vote, of the proposed shareholders' meeting
19 in accordance with s. 180.0705, except that the notice shall be given at least 20 days
20 before the meeting date. The notice shall also state that the purpose, or one of the
21 purposes, of the meeting is to consider the plan of merger or share interest exchange
22 and shall contain or be accompanied by a copy or summary of the plan.

23 **SECTION 258.** 180.1103 (3) of the statutes is renumbered 180.11032 (3) and
24 amended to read:

SENATE BILL 566**SECTION 258**

1 180.11032 (3) REQUIRED VOTE. Unless this chapter, the articles of incorporation
2 or bylaws adopted under authority granted in the articles of incorporation require
3 a greater vote or a vote by voting groups, the plan of merger or ~~share~~ interest
4 exchange to be authorized shall be approved by each voting group entitled to vote
5 separately on the plan by a majority of all the votes entitled to be cast on the plan
6 by that voting group.

7 **SECTION 259.** 180.1103 (4) (intro.) and (a) of the statutes are renumbered
8 180.11032 (4) (intro.) and (a).

9 **SECTION 260.** 180.1103 (4) (b) of the statutes is renumbered 180.11032 (4) (b)
10 and amended to read:

11 180.11032 (4) (b) A plan of ~~share~~ interest exchange by each class or series of
12 shares of the domestic corporation included in the exchange, with each class or series
13 constituting a separate voting group.

14 **SECTION 261.** 180.1103 (5) (title) and (a) of the statutes are renumbered
15 180.11032 (5) (title) and (a).

16 **SECTION 262.** 180.1103 (5) (b) of the statutes is renumbered 180.11032 (5) (b)
17 and amended to read:

18 180.11032 (5) (b) Action by the shareholders of the surviving domestic
19 corporation on a plan of merger is not required if all of the following conditions are
20 satisfied:

21 1. The articles of incorporation of the surviving domestic corporation will not
22 differ, except for amendments enumerated in s. 180.1002, from its articles of
23 incorporation before the merger.

24 2. Each shareholder of the surviving domestic corporation whose shares were
25 outstanding immediately before the effective date of the merger will hold the same

SENATE BILL 566**SECTION 262**

1 number of shares, with identical designations, preferences, limitations and relative
2 rights, immediately after.

3 3. The number of voting shares outstanding immediately after the merger, plus
4 the number of voting shares issuable as a result of the merger, either by the
5 conversion of securities issued pursuant to the merger or the exercise of rights or
6 warrants issued pursuant to the merger, will not exceed by more than 20 percent the
7 total number of voting shares of the surviving domestic corporation outstanding
8 immediately before the merger.

9 4. The number of participating shares outstanding immediately after the
10 merger, plus the number of participating shares issuable as a result of the merger,
11 either by the conversion of securities issued pursuant to the merger or the exercise
12 of rights or warrants issued pursuant to the merger, will not exceed by more than 20
13 percent the total number of participating shares of the surviving domestic
14 corporation outstanding immediately before the merger.

15 **SECTION 263.** 180.1103 (6) of the statutes is repealed.

16 **SECTION 264.** 180.11031 of the statutes is created to read:

17 **180.11031 Approval of merger or interest exchange; amendment;**
18 **abandonment.** (1) Subject to the governing law of each constituent, acquiring, or
19 acquired entity, a plan of merger or interest exchange must be approved by a vote or
20 consent of the board of directors of each domestic corporation that is a constituent
21 entity and, if required by s. 180.11032 (1), its shareholders.

22 (2) Subject to the governing law of each constituent, acquiring, or acquired
23 entity, after a plan of merger or interest exchange is approved, and at any time before
24 a merger or interest exchange becomes effective, the constituent entities may amend
25 the plan of merger or interest exchange or abandon the merger or interest exchange

SENATE BILL 566**SECTION 264**

1 as provided in the plan of merger or interest exchange or, except as otherwise
2 provided in the plan of merger or interest exchange, with the same vote or consent
3 as was required to approve the plan of merger or interest exchange.

4 (3) If, after articles of merger or interest exchange have been delivered to the
5 department for filing and before the merger or interest exchange becomes effective,
6 the plan of merger or interest exchange is amended in a manner that requires an
7 amendment to the articles of merger or interest exchange or if the merger or interest
8 exchange is abandoned, a statement of amendment or abandonment, signed by a
9 constituent entity, must be delivered to the department for filing before the merger
10 or interest exchange becomes effective. When the statement of abandonment
11 becomes effective, the merger or interest exchange is abandoned and does not become
12 effective. The statement of amendment or abandonment must contain all of the
13 following:

14 (a) The name of each constituent entity.

15 (b) The amendment to or the abandonment of the articles of merger or interest
16 exchange.

17 (c) A statement that the amendment or abandonment was approved in
18 accordance with this section.

19 (4) In addition to approval under sub. (1), a plan of merger or interest exchange
20 must be approved by each constituent entity that is not a domestic partnership in
21 accordance with any requirements of its governing law.

22 **SECTION 265.** 180.11032 (title) of the statutes is created to read:

23 **180.11032 (title) Approval requirements and procedures applicable to**
24 **domestic corporations in mergers and interest exchanges.**

25 **SECTION 266.** 180.1104 (1) of the statutes is amended to read:

SENATE BILL 566**SECTION 266**

1 180.1104 (1) A domestic parent corporation owning at least 90 percent of the
2 outstanding shares of each class of a subsidiary corporation or at least 90 percent of
3 the outstanding interests of each class of any other subsidiary business entity may
4 merge the subsidiary into the domestic parent or the domestic parent into the
5 subsidiary without approval of the shareholders or other owners of the subsidiary
6 and, if the conditions specified in s. 180.1302 (1) (a) 3. a. to d. are satisfied, without
7 approval of the shareholders of the domestic parent.

8 **SECTION 267.** 180.1104 (2) (intro.) and (b) of the statutes are amended to read:

9 180.1104 (2) (intro.) The board of directors of the domestic parent corporation
10 shall adopt a plan of merger that sets forth all of the following:

11 (b) The manner and basis of converting the shares or other interests of the
12 subsidiary or domestic parent into shares, interests, obligations, or other securities
13 of the surviving business entity or any other business entity or into cash or other
14 property in whole or part.

15 **SECTION 268.** 180.1104 (3) of the statutes is amended to read:

16 180.1104 (3) The domestic parent shall mail a copy or summary of the plan of
17 merger to each shareholder or other owner of the merging business entity who does
18 not waive the mailing requirement in writing.

19 **SECTION 269.** 180.1104 (4) of the statutes is amended to read:

20 180.1104 (4) The domestic parent may not deliver articles of merger to the
21 department for filing until at least 10 days after the date on which it mailed a copy
22 of the plan of merger to each shareholder or other owner of the merging business
23 entity who did not waive the mailing requirement.

24 **SECTION 270.** 180.11045 (1) (a) of the statutes is amended to read:

SENATE BILL 566**SECTION 270**

1 180.11045 (1) (a) “Holding company” means a domestic corporation that issues
2 shares under sub. (2) (b) and that, during the period beginning with its incorporation
3 and ending with the effective time of a merger under this section, was at all times
4 a wholly owned subsidiary of the parent corporation that is party to the merger.

5 **SECTION 271.** 180.1105 (title) of the statutes is amended to read:

6 **180.1105 (title) Articles of merger or share interest exchange.**

7 **SECTION 272.** 180.1105 (1) (intro.) of the statutes is amended to read:

8 180.1105 (1) (intro.) Except as provided in s. 180.1104 (4), after a plan of merger
9 or share interest exchange is has been approved by the shareholders of the
10 corporation, or adopted by the board of directors if shareholder approval is not
11 required, and by each other business entity that is a party to the merger in the
12 manner required by the laws applicable to the business entity, the surviving or
13 acquiring business entity with respect to each constituent entity in accordance with
14 its governing law, the constituent entities shall deliver, or cause to be delivered, to
15 the department for filing articles of merger or share interest exchange setting forth
16 all of the following:

17 **SECTION 273.** 180.1105 (1) (am) of the statutes is amended to read:

18 180.1105 (1) (am) The effective date and time of the merger or share interest
19 exchange, if the merger or share interest exchange is to take effect at a time other
20 than the close of business on the date of filing the articles of merger, as provided
21 under s. 180.0123.

22 **SECTION 274.** 180.1105 (1) (bm) of the statutes is amended to read:

23 180.1105 (1) (bm) ~~The name and state of incorporation of each corporation that~~
24 ~~is a party to the merger or share exchange, type of entity, and governing law of each~~

SENATE BILL 566**SECTION 274**

1 constituent entity of the merger, or, if an interest exchange, the name of the acquiring
2 and acquired entities.

3 **SECTION 275.** 180.1105 (1) (cm) of the statutes is amended to read:

4 180.1105 (1) (cm) ~~A~~ In the case of a merger, a statement that a plan of merger
5 or share exchange has been approved and adopted by each corporation that is a party
6 to the merger or share exchange as required under s. 180.1103 or 180.1104, as
7 applicable constituent entity in accordance with its governing law, and, in the case
8 of an interest exchange, a statement that a plan of interest exchange has been
9 approved by the acquired and acquiring entities in accordance with their respective
10 governing laws.

11 **SECTION 276.** 180.1105 (1) (dm) of the statutes is amended to read:

12 180.1105 (1) (dm) ~~The~~ In the case of a merger, the name, type of entity, and
13 governing law of the surviving or acquiring corporation entity and, if the surviving
14 entity is created by the merger, a statement to that effect, and, in the case of an
15 interest exchange, the name, type of entity, and governing law of the acquiring entity.

16 **SECTION 277.** 180.1105 (1) (e) of the statutes is amended to read:

17 180.1105 (1) (e) In the case of a merger, if the surviving entity preexists the
18 merger, any amendments in the articles of incorporation of the surviving corporation
19 that are intended by the parties to the merger to take effect upon the merger or, if
20 there are no such amendments, a statement that the articles of incorporation of the
21 surviving corporation or another corporation that is a party to the merger will be the
22 articles of incorporation of the surviving corporation to its organizational documents
23 that are to be in a public record under its governing law immediately after the merger
24 becomes effective or, if there are no such amendments, a statement to that effect.

25 **SECTION 278.** 180.1105 (1) (em) and (er) of the statutes are created to read:

SENATE BILL 566**SECTION 278**

1 180.1105 (1) (em) In the case of a merger, if the surviving entity is to be created
2 in the merger, any of its organizational documents under s. 180.11012 (1) (d) that are
3 to be in a public record under its governing law or, if there are no such amendments,
4 a statement to that effect.

5 (er) In the case of an interest exchange, any amendments to the organizational
6 documents of the acquired or acquiring entity under s. 180.11021 (1) (a) to (e) that
7 are to be in a public record under their respective governing laws or, if there are no
8 such amendments, a statement to that effect.

9 **SECTION 279.** 180.1105 (1) (f) of the statutes is amended to read:

10 180.1105 (1) (f) A statement that the executed plan of merger or share interest
11 exchange is on file at the principal place of business of the surviving or acquiring
12 corporation entity.

13 **SECTION 280.** 180.1105 (1) (g) of the statutes is amended to read:

14 180.1105 (1) (g) A statement that upon request the surviving or acquiring
15 corporation entity will provide a copy of the plan of merger or share interest
16 exchange, ~~upon request and without cost, to any shareholder of a corporation that~~
17 ~~was a party to the merger or share exchange or, upon payment to the surviving or~~
18 ~~acquiring corporation of an amount equal to the cost of producing the copy, to any~~
19 ~~other interested person that, in the case of a merger, is an interest holder of a~~
20 constituent entity or, in the case of an interest exchange, was an interest holder of
21 the acquired entity immediately prior to the interest exchange.

22 **SECTION 281.** 180.1105 (1) (h) of the statutes is repealed.

23 **SECTION 282.** 180.1105 (1) (i) of the statutes is renumbered 180.1105 (1m) and
24 amended to read:

SENATE BILL 566**SECTION 282**

1 180.1105 (1m) ~~Other~~ In addition to the requirements of sub. (1), articles of
2 merger or interest exchange may contain any other provisions relating to the merger
3 or interest exchange, as determined by the surviving business entity constituent
4 entities in accordance with the plan of merger, in the case of a merger, or the
5 acquiring entity in accordance with the plan of interest exchange, in the case of an
6 interest exchange.

7 **SECTION 283.** 180.1105 (1g) of the statutes is created to read:

8 180.1105 (1g) In the case of a merger, if the surviving entity is a foreign entity
9 that will be required to obtain authorization to transact business in this state
10 immediately after the merger and it has not previously been authorized to do so, it
11 shall obtain such authorization.

12 **SECTION 284.** 180.1105 (2) of the statutes is amended to read:

13 180.1105 (2) A merger or ~~share~~ interest exchange takes effect upon the effective
14 date of the articles of merger or ~~share~~ interest exchange.

15 **SECTION 285.** 180.1106 (title) of the statutes is amended to read:

16 **180.1106 (title) Effect of merger or share interest exchange.**

17 **SECTION 286.** 180.1106 (1) (intro.) of the statutes is amended to read:

18 180.1106 (1) (intro.) ~~All of the following occur when~~ When a merger takes effect
19 becomes effective, all of the following apply:

20 **SECTION 287.** 180.1106 (1) (a) of the statutes is amended to read:

21 180.1106 (1) (a) ~~Every other business~~ Each merging entity that is party to the
22 ~~merger~~ merges into the surviving business entity, and the separate existence of every
23 ~~business~~ constituent entity that is a party to the merger, except the surviving
24 business entity, ceases.

SENATE BILL 566**SECTION 288**

1 **SECTION 288.** 180.1106 (1) (am) 1. of the statutes is renumbered 180.1106 (1)
2 (am) 1m. and amended to read:

3 180.1106 (1) (am) 1m. If, under the laws ~~applicable to a business governing law~~
4 ~~of the constituent~~ entity that is a party to the merger, one or more of the owners
5 thereof is liable for the debts and obligations of such business entity, such owner or
6 owners shall continue to be liable for the debts and obligations of the business entity,
7 but only for such debts and obligations interest holders thereof had interest holder
8 liability prior to the merger with respect to the entity, such interest holder or holders
9 shall continue to have such liability and any associated contribution or other rights
10 to the extent provided in such governing law with respect to debts, obligations, and
11 other liabilities of the entity that accrued during the period or periods in which such
12 laws are applicable to such owner or owners interest holder or holders had such
13 interest holder liability.

14 **SECTION 289.** 180.1106 (1) (am) 1g. of the statutes is created to read:

15 180.1106 (1) (am) 1g. Except as provided in this paragraph, no interest holder
16 shall have interest holder liability with respect to any of the constituent entities.

17 **SECTION 290.** 180.1106 (1) (am) 2. of the statutes is amended to read:

18 180.1106 (1) (am) 2. If, under the laws ~~applicable to governing law of the~~
19 surviving business entity, one or more of the owners thereof is liable for the debts and
20 obligations of such business entity, the owner or owners of a business entity that is
21 party to the merger, other than the surviving business entity, who become subject to
22 such laws shall be liable for the debts and obligations of the surviving business entity
23 interest holders thereof will have interest holder liability after the merger with
24 respect to the surviving entity, such interest holder or holders will have such liability
25 and any associated contribution and other rights to the extent provided in such laws,

SENATE BILL 566**SECTION 290**

1 ~~but only for such governing law with respect to the debts and, obligations accrued,~~
2 ~~and other liabilities of the surviving entity that accrue~~ after the merger. The owner
3 or owners of the surviving business entity prior to the merger shall continue to be
4 liable for the debts and obligations of the surviving business entity to the extent
5 provided in subd. 1.

6 **SECTION 291.** 180.1106 (1) (b) of the statutes is amended to read:

7 180.1106 (1) (b) The title to all property owned by each business constituent
8 entity ~~that is party to the merger~~ is vested in the surviving business entity without
9 transfer, reversion, or impairment.

10 **SECTION 292.** 180.1106 (1) (c) of the statutes is amended to read:

11 180.1106 (1) (c) The surviving business entity has all debts, obligations, and
12 other liabilities of each business constituent entity ~~that is party to the merger.~~

13 **SECTION 293.** 180.1106 (1) (d) of the statutes is amended to read:

14 180.1106 (1) (d) A civil, criminal, administrative, or investigatory proceeding
15 pending by or against any business constituent entity ~~that is a party to the merger~~
16 may be continued as if the merger did not occur, or the surviving business entity may
17 be substituted in the proceeding for the business constituent entity whose existence
18 ceased.

19 **SECTION 294.** 180.1106 (1) (e) of the statutes is renumbered 180.1106 (1) (e) 1.
20 and amended to read:

21 180.1106 (1) (e) 1. ~~The articles of incorporation, articles of organization,~~
22 ~~certificate of limited partnership, or other similar governing document, whichever~~
23 ~~is applicable, of the surviving business entity shall be~~ If the surviving entity
24 preexists the merger, its organizational documents are amended to the extent, if any,

SENATE BILL 566**SECTION 294**

1 provided in the plan of merger and, to the extent such amendments are to be reflected
2 in a public record, as provided in the articles of merger.

3 **SECTION 295.** 180.1106 (1) (e) 2. of the statutes is created to read:

4 180.1106 (1) (e) 2. If the surviving entity is created in the merger, its
5 organizational documents are as provided in the plan of merger and, to the extent
6 such organizational documents are to be reflected in a public record, as provided in
7 the articles of merger.

8 **SECTION 296.** 180.1106 (1) (f) of the statutes is amended to read:

9 180.1106 (1) (f) The shares ~~or other~~ interests of each business constituent
10 entity that is party to the merger that are to be converted into shares, interests,
11 obligations, or other securities, or other obligations of the surviving business entity
12 ~~or any other business entity or into cash or, rights to acquire such interests or~~
13 securities, money, other property, or any combination of the foregoing, are converted,
14 ~~and the former holders of the shares or interests are entitled only to the rights as~~
15 ~~provided in the articles~~ plan of merger, and the former interest holders of the
16 interests are entitled only to the rights provided to them in the plan of merger or to
17 their rights, ~~if any,~~ under s. 178.1161 or 179.1161, ss. 180.1301 to 180.1331, or s.
18 181.1180 or 183.1061 or otherwise under the laws ~~applicable to each business~~
19 governing law of the constituent entity that is party to the merger. All other terms
20 and conditions of the merger also take effect.

21 **SECTION 297.** 180.1106 (1) (g) of the statutes is created to read:

22 180.1106 (1) (g) Except as prohibited by other law or as otherwise provided in
23 the articles and plan of merger, all of the rights, privileges, immunities, powers, and
24 purposes of each constituent entity vest in the surviving entity.

25 **SECTION 298.** 180.1106 (1m) of the statutes is created to read:

SENATE BILL 566**SECTION 298**

1 180.1106 **(1m)** When an interest exchange becomes effective, all of the
2 following apply:

3 (a) 1. The interests in the acquired entity which are the subject of the interest
4 exchange are exchanged as provided in the plan of interest exchange, and the former
5 interest holders of those interests are entitled only to the rights provided to them
6 under the plan of interest exchange or to their rights, if any, under s. 178.1161 or
7 179.1161, ss. 180.1301 to 180.1331, or s. 181.1180 or 183.1061 or otherwise under the
8 governing law of the acquired entity. All other terms and conditions of the interest
9 exchange also take effect.

10 2. The acquiring entity becomes the interest holder of the interests which are
11 the subject of the interest exchange as provided in the plan of interest exchange.

12 3. The provisions of the organizational documents of the acquiring and
13 acquired entity are amended to the extent, if any, provided in the plan of interest
14 exchange and to the extent such amendments are to be reflected in a public record,
15 as provided in the articles of interest exchange.

16 (b) Except as otherwise provided in the articles and plan of interest exchange,
17 if the acquired entity is a domestic or foreign partnership, limited liability company,
18 or other organization subject to dissolution under its governing law, the interest
19 exchange does not dissolve the acquired entity.

20 (c) 1. Except as provided in this paragraph, no interest holder shall have
21 interest holder liability with respect to either the acquiring or acquired entity.

22 2. If, under the governing law of either entity, one or more of the interest holders
23 thereof had interest holder liability prior to the interest exchange with respect to the
24 entity, such interest holder or holders shall continue to have such liability and any
25 associated contribution and other rights to the extent provided in such governing law

SENATE BILL 566**SECTION 298**

1 with respect to debts, obligations, and other liabilities of the entity that accrued
2 during the period or periods in which such interest holder or holders had such
3 interest holder liability.

4 3. If, under the governing law of either entity, one or more of the interest holders
5 thereof will have interest holder liability after the interest exchange with respect to
6 the entity, such interest holder or holders shall have such liability and any associated
7 contribution and other rights to the extent provided in such governing law with
8 respect to the debts, obligations, and other liabilities of the entity that accrue on or
9 after the interest exchange.

10 4. This paragraph does not affect liability under any taxation laws.

11 **SECTION 299.** 180.1106 (2) of the statutes is amended to read:

12 180.1106 (2) When ~~a share~~ an interest exchange takes effect, the shares
13 interests of each acquired ~~corporation~~ constituent entity are exchanged as provided
14 in the plan of interest exchange, and the former holders of the shares interests are
15 entitled only to the exchange rights provided in the articles of ~~share~~ interest
16 exchange or to their rights under ss. 180.1301 to 180.1331.

17 **SECTION 300.** 180.1106 (3) of the statutes is amended to read:

18 180.1106 (3) (a) When a merger or share interest exchange ~~under this section~~
19 takes effect, the department is ~~the~~ an agent of any foreign surviving ~~foreign business~~
20 entity of a merger or any acquiring foreign business entity in ~~a share~~ an interest
21 exchange, for service of process in a proceeding to enforce any obligation or the rights
22 of ~~dissenting shareholders or other owners~~ interest holders, in their capacity as such,
23 of each domestic business constituent entity ~~that is a party to the merger or share~~
24 exchange.

SENATE BILL 566**SECTION 300**

1 (b) When a merger or share interest exchange under this section takes effect,
2 any foreign surviving foreign business entity of a merger or any acquiring foreign
3 business constituent entity in a share an interest exchange shall promptly pay to the
4 dissenting shareholders of timely honor the rights and obligations of interest holders
5 under this chapter with respect to each domestic corporation or dissenting owners
6 of each other domestic business entity that is a party to the merger or share exchange
7 the amount, if any, to which they are entitled under ss. 180.1301 to 180.1331 or under
8 any law applicable to such other domestic business constituent or acquired entity, as
9 applicable.

10 **SECTION 301.** 180.1130 (2) (a) of the statutes is amended to read:

11 180.1130 (2) (a) The existence of an agreement by or on behalf of the person and
12 by or on behalf of a record or beneficial owner of securities under which the owner
13 agrees to vote the securities in favor of a proposed merger, share interest exchange
14 or sale, lease, exchange or other disposition of assets.

15 **SECTION 302.** 180.1130 (3) (a) (intro.) of the statutes is amended to read:

16 180.1130 (3) (a) (intro.) Unless the merger or share interest exchange is subject
17 to s. 180.1104 or s. 180.11045, does not alter the contract rights of the shares as set
18 forth in the articles of incorporation or does not change or convert in whole or in part
19 the outstanding shares of the resident domestic corporation, a merger or share
20 interest exchange of the resident domestic corporation or a subsidiary of the resident
21 domestic corporation with any of the following:

22 **SECTION 303.** 180.1130 (3) (a) 2. of the statutes is amended to read:

23 180.1130 (3) (a) 2. Any other corporation, whether or not itself a significant
24 shareholder, which is, or after the merger or share interest exchange would be, an

SENATE BILL 566**SECTION 303**

1 affiliate of a significant shareholder that was a significant shareholder before the
2 transaction.

3 **SECTION 304.** 180.1140 (4) (a) (intro.) of the statutes is amended to read:

4 180.1140 (4) (a) (intro.) A merger, including a merger under s. 180.1104, or
5 ~~share~~ interest exchange of the resident domestic corporation or any subsidiary of the
6 resident domestic corporation with any of the following:

7 **SECTION 305.** 180.1140 (4) (a) 2. of the statutes is amended to read:

8 180.1140 (4) (a) 2. A corporation, whether or not it is an interested stockholder,
9 which is, or after a merger or ~~share~~ interest exchange would be, an affiliate or
10 associate of an interested stockholder.

11 **SECTION 306.** 180.1140 (4) (e) 3. of the statutes is amended to read:

12 180.1140 (4) (e) 3. A merger or ~~share~~ interest exchange of the resident domestic
13 corporation with a subsidiary of the resident domestic corporation.

14 **SECTION 307.** 180.1150 (3) (e) of the statutes is amended to read:

15 180.1150 (3) (e) Shares acquired under s. ~~ss.~~ 180.1101, ~~180.1102,~~ or 180.1104
16 to 180.1106 if the resident domestic corporation is a party to the merger or ~~share~~
17 interest exchange.

18 **SECTION 308.** 180.1150 (4) (f) of the statutes is amended to read:

19 180.1150 (4) (f) If shares representing in excess of 20 percent of the voting
20 power were acquired or are proposed to be acquired for the purpose of gaining control
21 of the resident domestic corporation, the terms of the proposed acquisition, including
22 but not limited to the source of funds or other consideration and the material terms
23 of the financial arrangements for the acquisition, any plans or proposals of the
24 person to liquidate the resident domestic corporation, to sell all or substantially all
25 of its assets, or merge it or exchange its ~~shares~~ interests with any other person, to

SENATE BILL 566**SECTION 308**

1 change the location of its principal office or of a material portion of its business
2 activities, to change materially its management or policies of employment, to alter
3 materially its relationship with suppliers or customers or the communities in which
4 it operates, or make any other material change in its business, corporate structure,
5 management or personnel, and such other material information as would affect the
6 decision of a shareholder with respect to voting on the resolution.

7 **SECTION 309.** 180.1161 (1) of the statutes is amended to read:

8 180.1161 (1) (a) A domestic corporation may convert to another form type of
9 business domestic entity if it satisfies the requirements under this section and, or to
10 any type of foreign entity, pursuant to this section and a plan of conversion if the
11 conversion is permitted under the applicable governing law of the jurisdiction that
12 governs the organization of the business entity into which the domestic corporation
13 is converting entity and the governing law that is to apply to the converted entity.

14 (b) In addition to satisfying any applicable legal requirements of the
15 jurisdiction that governs the organization of the business entity into which the
16 domestic corporation is governing law of the converting entity and that relate to the
17 submission and approval of a plan of conversion, the domestic corporation shall
18 comply with the procedures that govern a plan of merger under s. ~~180.1103~~ ss.
19 180.11031 and 180.11032 for the submission and approval of a plan of conversion.

20 **SECTION 310.** 180.1161 (2) of the statutes is amended to read:

21 180.1161 (2) (a) A business foreign or domestic entity, other than a domestic
22 corporation, may convert to a domestic corporation if it satisfies the requirements
23 under this section and pursuant to this section and a plan of conversion if the
24 conversion is permitted under the applicable governing law of the jurisdiction that

SENATE BILL 566**SECTION 310**

1 ~~governs the business~~ converting entity and the converted entity will satisfy the
2 definition of a corporation under this chapter immediately after the conversion.

3 (b) ~~A business~~ An entity converting into a domestic corporation shall comply
4 with the procedures that govern the submission and approval of a plan of conversion
5 of the ~~jurisdiction that governs the business~~ governing law of such entity.

6 **SECTION 311.** 180.1161 (3) (intro.), (a), (b), (d) and (e) of the statutes are
7 amended to read:

8 180.1161 (3) (intro.) A plan of conversion ~~shall set forth~~ must be in a record and
9 contain all of the following:

10 (a) The name, ~~form type of business~~ entity, and the ~~identity of the jurisdiction~~
11 governing the business ~~law of the converting~~ entity that is to be converted.

12 (b) The name, ~~form type of business~~ entity, and the ~~identity of the jurisdiction~~
13 ~~that will govern the business~~ governing law of the converted ~~entity after conversion.~~

14 (d) The manner and basis of ~~converting the shares or other ownership interests,~~
15 securities, or obligations of the ~~business~~ converting ~~entity that is to be converted into~~
16 ~~the shares or other ownership interests,~~ securities, or obligations of the ~~new form of~~
17 ~~business~~ converted ~~entity, rights to acquire such interests or securities, money, other~~
18 property, or any combination of the foregoing.

19 (e) The effective date and time of the conversion, if the conversion is to be
20 effective other than at the close of business on the date of filing the ~~certificate~~ articles
21 of conversion, as provided under s. 180.0123.

22 **SECTION 312.** 180.1161 (3) (f) and (g) of the statutes are repealed and recreated
23 to read:

24 180.1161 (3) (f) The organizational documents of the converted entity that are
25 to be in a record immediately after the conversion becomes effective.

SENATE BILL 566**SECTION 312**

1 (g) Any other matters required by the governing law of the converting entity.

2 **SECTION 313.** 180.1161 (3m) of the statutes is created to read:

3 180.1161 (**3m**) In addition to the requirements of sub. (3), a plan of conversion
4 may contain any other provision relating to the conversion and not prohibited by law.

5 **SECTION 314.** 180.1161 (4) (intro.) and (a) 1. of the statutes are amended to
6 read:

7 180.1161 (**4**) (intro.) When a conversion is effective, all of the following ~~shall~~
8 ~~occur~~ apply:

9 (a) 1. ~~Except with respect to taxation laws of each jurisdiction that are~~
10 ~~applicable upon the conversion of the business entity, the business~~ The converting
11 ~~entity that was~~ continues its existence in the form of the converted entity and is the
12 same entity that existed before the conversion, except that the converting entity is
13 ~~no longer subject to the applicable governing law of the jurisdiction that governed the~~
14 ~~organization of the prior form of business entity~~ that applied prior to the conversion
15 ~~and is subject to the applicable governing law of the jurisdiction that governs the new~~
16 ~~form of business~~ converted entity.

17 **SECTION 315.** 180.1161 (4) (a) 2. of the statutes is repealed and recreated to
18 read:

19 180.1161 (**4**) (a) 2. a. Except as provided in this subdivision, no interest holder
20 shall have interest holder liability with respect to the converting or converted entity.

21 b. If, under the governing law of the converting entity, one or more of the
22 interest holders thereof had interest holder liability prior to the conversion with
23 respect to the converting entity, such interest holder or holders shall continue to have
24 such liability and any associated contribution and other rights to the extent provided
25 in such governing law with respect to the debts, obligations, and other liabilities of

SENATE BILL 566**SECTION 315**

1 the converting entity that accrued during the period or periods in which such interest
2 holder or holders had such interest holder liability.

3 c. If, under the governing law of the converted entity, one or more of the interest
4 holders thereof will have interest holder liability after the conversion with respect
5 to the converted entity, such interest holder or holders will have such liability and
6 any associated contribution and other rights to the extent provided in such governing
7 law with respect to the debts, obligations, and other liabilities of the converted entity
8 that accrue after the conversion.

9 d. This subdivision does not affect liability under any taxation laws.

10 **SECTION 316.** 180.1161 (4) (b), (c) and (d) of the statutes are amended to read:

11 180.1161 (4) (b) ~~The business converted entity continues to have has all debts,~~
12 ~~obligations, and other liabilities of the business converting entity that ~~was~~~~
13 ~~converted.~~

14 (c) ~~The business entity continues to be vested with title to all property owned~~
15 ~~by the business converting entity that was is vested in the converted entity without~~
16 ~~transfer, reversion, or impairment.~~

17 (d) ~~The articles of incorporation, articles of organization, certificate of limited~~
18 ~~partnership, or other similar governing document, whichever is applicable,~~
19 ~~organizational documents of the business converted entity are as provided in the~~
20 ~~plan of conversion and, to the extent such organizational documents are to be~~
21 ~~reflected in a public record, as provided in the articles of conversion.~~

22 **SECTION 317.** 180.1161 (4) (f), (g) and (h) of the statutes are created to read:

23 180.1161 (4) (f) The interests of the converting entity that are to be converted
24 into interests, securities, or obligations of the surviving entity, rights to acquire such
25 interests or securities, money, other property, or any combination of the foregoing,

SENATE BILL 566**SECTION 317**

1 are converted as provided in the plan of conversion, and the former interest holders
2 of the converting entity are entitled only to the rights provided in the plan of
3 conversion or to their rights, if any, under ss. 178.1161, 179.1161, 180.0301 to
4 180.1331, 181.1180, or 183.1061 or otherwise under the governing law of the
5 converting entity. All other terms and conditions of the conversion also take effect.

6 (g) Except as prohibited by other law or as otherwise provided in the articles
7 and plan of conversion, all of the rights, privileges, immunities, powers, and
8 purposes of the converting entity vest in the converted entity.

9 (h) Except as otherwise provided in the articles and plan of conversion, if the
10 converting entity is a partnership, limited liability company, or other entity subject
11 to dissolution under its governing law, the conversion does not dissolve the
12 converting entity for the purposes of its governing law.

13 **SECTION 318.** 180.1161 (5) (intro.) of the statutes is renumbered 180.1161 (5)
14 (am) (intro.) and amended to read:

15 180.1161 (5) (am) (intro.) After the converting entity has approved a plan of
16 conversion ~~is submitted and approved, the business entity that is to be converted in~~
17 accordance with its governing law, the converting entity shall deliver, or cause to be
18 delivered, to the department for filing a ~~certificate~~ articles of conversion that
19 ~~includes~~ include all of the following:

20 **SECTION 319.** 180.1161 (5) (a), (b) and (c) of the statutes are repealed.

21 **SECTION 320.** 180.1161 (5) (am) 1., 2., 3., 4., 5. and 6., (bm) and (cm) of the
22 statutes are created to read:

23 180.1161 (5) (am) 1. The name, type of entity, and governing law of the
24 converting entity.

25 2. The name, type of entity, and governing law of the converted entity.

SENATE BILL 566**SECTION 320**

1 3. A statement that the plan of conversion was approved and approved in
2 accordance with its governing law.

3 4. Any organizational documents of the converted entity that are to be in a
4 public record under its governing law.

5 5. A statement that the plan of conversion is on file at the principal office of the
6 converted entity.

7 6. A statement that upon request the converted entity will provide a copy of the
8 plan of conversion to any interest holder of the converting entity.

9 (bm) In addition to the requirements of par. (am), the articles of conversion may
10 contain any other provisions relating to the conversion, as determined by the
11 converting entity in accordance with the plan of conversion.

12 (cm) A conversion takes effect at the effective date and time of the articles of
13 conversion.

14 **SECTION 321.** 180.1161 (6) of the statutes is amended to read:

15 180.1161 (6) Any civil, criminal, administrative, or investigatory proceeding
16 that is pending by or against ~~a business~~ the converting entity that is converted may
17 be continued by or against the business entity after the effective date of conversion
18 as if the conversion did not occur, or the converted entity may be substituted in the
19 proceeding for the converting entity.

20 **SECTION 322.** 180.1161 (7) of the statutes is created to read:

21 180.1161 (7) (a) When a conversion takes effect, the department is an agent of
22 any foreign converted entity for service of process in a proceeding to enforce any
23 obligation or the rights of interest holders, in their capacity as such, of any converting
24 entity.

SENATE BILL 566**SECTION 322**

1 (b) When a conversion takes effect, any foreign converted entity shall timely
2 honor the rights and obligations of interest holders, in their capacity as such, under
3 this chapter with respect to any converting entity.

4 **SECTION 323.** 180.1161 (8) of the statutes is created to read:

5 180.1161 (8) When a conversion takes effect, any foreign converted entity may
6 be served with process in this state for the collection and enforcement of any debts,
7 obligations, or other liabilities of a domestic converting entity in the manner
8 provided in s. 180.0504 or 180.1510, as applicable, except that references to the
9 department in each section shall be treated as references to the appropriate
10 authority under the foreign converted entity's governing law for purposes of applying
11 this provision.

12 **SECTION 324.** 180.1171 of the statutes is created to read:

13 **180.1171 Domestication authorized.** A domestic corporation may
14 domesticate as a non-United States entity subject to non-United States governing
15 law while continuing to be a domestic corporation, and a non-United States entity
16 may domesticate as a domestic corporation subject to this chapter while continuing
17 to be an entity subject to its non-United States governing law pursuant to ss.
18 180.1171 to 180.1175 and a plan of domestication, if the domestication is permitted
19 under the governing law of the domesticating entity and permitted under the
20 governing law of the domesticated entity.

21 **SECTION 325.** 180.1172 of the statutes is created to read:

22 **180.1172 Plan of domestication. (1)** A plan of domestication must be in a
23 record and contain all of the following:

24 (a) The name, type of entity, and governing law of the domesticating entity.

25 (b) The name, type of entity, and governing law of the domesticated entity.

SENATE BILL 566**SECTION 325**

1 (c) The terms and conditions of the domestication.

2 (d) The organizational documents of the domesticated entity that are to be in
3 a record immediately after the domestication becomes effective, including any
4 proposed amendments to the organizational documents of the domesticating entity
5 that are to be in a record immediately after the domestication becomes effective.

6 (2) In addition to the requirements of sub. (1), a plan of domestication may
7 contain any other provision relating to the domestication and not prohibited by law.

8 **SECTION 326.** 180.1173 of the statutes is created to read:

9 **180.1173 Approval of domestication; amendment; abandonment. (1)**
10 Subject to the governing law of each of the domesticating and domesticated entity,
11 a plan of domestication must be approved by the shareholders of a domesticating
12 Wisconsin corporation. A plan of domestication of a domesticating non-United
13 States entity must be approved pursuant to the governing law of the domesticating
14 entity.

15 (2) Subject to the governing law of each of the domesticating and domesticated
16 entity, after a plan of domestication is approved, and at any time before a
17 domestication becomes effective, the domesticating entity may amend the plan of
18 domestication or abandon the domestication as provided in the plan of domestication
19 or, except as otherwise provided in the plan of domestication, with the same vote or
20 consent as was required to approve the plan of domestication.

21 (3) If, after articles of domestication have been delivered to the department for
22 filing and before the domestication becomes effective, the plan of domestication is
23 amended in a manner that requires an amendment to the articles of domestication
24 or if the domestication is abandoned, a statement of amendment or abandonment,
25 signed by the domesticating entity, must be delivered to the department for filing

SENATE BILL 566**SECTION 326**

1 before the domestication becomes effective. When a statement of abandonment
2 becomes effective, the domestication is abandoned and does not become effective.

3 The statement of amendment or abandonment must contain all of the following:

4 (a) The name of the domesticating entity and the domesticated entity under the
5 plan of domestication.

6 (b) The amendment to or abandonment of the articles of domestication.

7 (c) A statement that the amendment or abandonment was approved in
8 accordance with this section.

9 **SECTION 327.** 180.1174 of the statutes is created to read:

10 **180.1174 Filings required for domestication; effective date. (1)** After
11 the domesticating entity has approved a plan of domestication in accordance with its
12 governing law, the domesticating entity shall deliver, or cause to be delivered, to the
13 department for filing articles of domestication setting forth all of the following:

14 (a) The name, type of entity, and governing law of the domesticating entity.

15 (b) The name, type of entity, and governing law of the domesticated entity.

16 (c) A statement that a plan of domestication has been approved and adopted
17 by the domesticating entity in accordance with its governing law.

18 (d) Any amendments to the organizational documents of the domesticating
19 entity and any organizational documents of the domesticated entity under s.
20 180.1172 (1) (d) that are to be in a public record under their respective governing
21 laws.

22 (e) A statement that the plan of domestication is on file at the principal office
23 of the domesticated entity.

SENATE BILL 566**SECTION 327**

1 (f) A statement that upon request the domesticated entity will provide a copy
2 of the plan of domestication to any person that was an interest holder in the
3 domesticating entity at the time of the domestication.

4 (2) In addition to the requirements of sub. (1), the articles of domestication may
5 contain any other provisions relating to the domestication, as determined by the
6 domesticating entity in accordance with the plan of domestication.

7 (3) A domestication takes effect at the effective date and time of the articles of
8 domestication.

9 **SECTION 328.** 180.1175 of the statutes is created to read:

10 **180.1175 Effect of domestication.** (1) When a domestication becomes
11 effective, all of the following apply:

12 (a) The domesticating entity becomes a domestic entity under and becomes
13 subject to the governing law of the jurisdiction in which it has domesticated while
14 continuing to be a domestic organization under and subject to the governing law of
15 the domesticating entity.

16 (am) 1. Except as provided in this paragraph, no interest holder shall have
17 interest holder liability with respect to the domesticating or domesticated entity.

18 2. If, under the governing law of the domesticating entity, one or more of the
19 interest holders thereof has interest holder liability with respect to the
20 domesticating entity, such interest holder or holders shall continue to have such
21 liability and any associated contribution and other rights to the extent provided in
22 such governing law with respect to the debts, obligations, and other liabilities of the
23 domesticating entity.

24 3. If, under the governing law of the domesticated entity, one or more of the
25 interest holders thereof will have interest holder liability after the domestication

SENATE BILL 566**SECTION 328**

1 with respect to the domesticated entity, such interest holder or holders will have such
2 liability and associated contribution and other rights to the extent provided in such
3 governing law with respect to the debts, obligations, and other liabilities of the
4 domesticated entity that accrue after the domestication.

5 4. This paragraph does not affect liability under any taxation laws.

6 (b) The title to all property owned by the domesticating entity is vested in the
7 domesticated entity without transfer, reversion, or impairment.

8 (c) The domesticated entity has all debts, obligations, or other liabilities of the
9 domesticating entity.

10 (d) A civil, criminal, or administrative proceeding pending by or against the
11 domesticating entity may be continued as if the domestication did not occur, or the
12 domesticated entity may be substituted in the proceeding for the domesticating
13 entity.

14 (e) The non-United States organizational documents of the domesticated
15 entity are amended to the extent, if any, provided in the plan of domestication and,
16 to the extent such amendments are to be reflected in a public record, as provided in
17 the articles of domestication.

18 (f) The United States organizational documents of the domesticated entity are
19 as provided in the plan of domestication and, to the extent such organizational
20 documents are to be reflected in a public record, as provided in the articles of
21 domestication.

22 (g) Except as prohibited by other law or as otherwise provided in the articles
23 and plan of domestication, all of the rights, privileges, immunities, powers, and
24 purposes of the domesticating entity vest in the domesticated entity.

SENATE BILL 566**SECTION 328**

1 **(2)** Except as otherwise provided in the articles and plan of domestication, if
2 the domesticating entity is a partnership, limited liability company, or other entity
3 subject to dissolution under its governing law, the domestication does not dissolve
4 the domesticating entity for the purposes of its governing law.

5 **(3)** A domesticated Wisconsin entity consents to the jurisdiction of the courts
6 of this state to enforce any debt, obligation, or other liability owed by the
7 domesticating or domesticated entity.

8 **SECTION 329.** 180.1301 (2) of the statutes is amended to read:

9 180.1301 **(2)** “Corporation” means the issuer corporation or, if the corporate
10 action giving rise to dissenters’ rights under s. 180.1302 is a merger or share interest
11 exchange that has been effectuated, the surviving domestic corporation or foreign
12 corporation of the merger or the acquiring domestic corporation or foreign
13 corporation of the share interest exchange.

14 **SECTION 330.** 180.1302 (1) (a) 1. of the statutes is amended to read:

15 180.1302 **(1)** (a) 1. Shareholder approval is required for the merger by s.
16 ~~180.1103~~ 180.11032 or by the articles of incorporation.

17 **SECTION 331.** 180.1302 (1) (a) 3. c. of the statutes is amended to read:

18 180.1302 **(1)** (a) 3. c. The number of voting shares, as defined in s. ~~180.1103~~
19 180.11032 (5) (a) 2., outstanding immediately after the merger, plus the number of
20 voting shares issuable as a result of the merger, either by the conversion of securities
21 issued pursuant to the merger or the exercise of rights or warrants issued pursuant
22 to the merger, do not exceed by more than 20 percent the total number of voting
23 shares of the parent outstanding immediately before the merger.

24 **SECTION 332.** 180.1302 (1) (a) 3. d. of the statutes is amended to read:

SENATE BILL 566**SECTION 332**

1 180.1302 (1) (a) 3. d. The number of participating shares, as defined in s.
2 ~~180.1103~~ 180.11032 (5) (a) 1., outstanding immediately after the merger, plus the
3 number of participating shares issuable as a result of the merger, either by the
4 conversion of securities issued pursuant to the merger or the exercise of rights or
5 warrants issued pursuant to the merger, do not exceed by more than 20 percent the
6 total number of participating shares of the parent outstanding immediately before
7 the merger.

8 **SECTION 333.** 180.1302 (1) (b) of the statutes is amended to read:

9 180.1302 (1) (b) Consummation of a plan of ~~share~~ interest exchange if the
10 issuer corporation's shares will be acquired, and the shareholder or the shareholder
11 holding shares on behalf of the beneficial shareholder is entitled to vote on the plan.

12 **SECTION 334.** 180.1330 (2) of the statutes is amended to read:

13 180.1330 (2) The corporation shall bring the special proceeding in the circuit
14 court for the county where its principal office or, if none in this state, its registered
15 office is located. If the corporation is a foreign corporation without a registered office
16 in this state, it shall bring the special proceeding in the county in this state in which
17 was located the registered office of the issuer corporation that merged with or whose
18 shares interests were acquired by the foreign corporation.

19 **SECTION 335.** 180.1407 (1) (intro.) and (b) of the statutes are amended to read:

20 180.1407 (1) (intro.) A dissolved corporation may publish notice of its
21 dissolution and request that persons with claims, whether known or unknown,
22 against the corporation or its directors, officers or shareholders, in their capacities
23 as such, present them in accordance with the notice. The notice shall be published
24 as a class 1 notice, under ch. 985, in a newspaper of general circulation in the county
25 in this state where the dissolved corporation's principal office or, if none in this state,

SENATE BILL 566**SECTION 335**

1 in the county where its registered office is or was last located. The notice shall
2 include all of the following:

3 (b) A statement that the claim must be in writing and provide a mailing address
4 where the claim ~~may~~ is to be sent.

5 **SECTION 336.** 180.1421 (1) of the statutes is amended to read:

6 180.1421 (1) If the department determines that one or more grounds exist
7 under s. 180.1420 for dissolving a corporation, the department shall ~~may~~ give the
8 corporation ~~under s. 180.0141~~ notice of the determination. ~~Notwithstanding s.~~
9 ~~180.0141 (2) (b), (3), and (4), the~~ The notice shall be in writing and addressed to the
10 ~~registered office agent~~ of the corporation.

11 **SECTION 337.** 180.1421 (2) of the statutes is amended to read:

12 180.1421 (2) (a) Within 60 days after the notice takes effect under s. 180.0141
13 (5) (a), the corporation shall, with respect to each ground for dissolution, either
14 correct ~~each~~ such ground ~~for dissolution~~ or demonstrate to the reasonable
15 satisfaction of the department that each such ground determined by the department
16 does not exist.

17 (b) If the corporation fails to satisfy par. (a), the department shall ~~may~~
18 administratively dissolve the corporation. ~~The department shall enter~~ by entering
19 a notation in its the department's records to reflect each ground for dissolution and
20 the effective date of the dissolution and. The department shall give the corporation
21 under s. 180.0141 notice of those facts. ~~Notwithstanding s. 180.0141 (2) (b), (3), and~~
22 ~~(4), the~~ each ground for dissolution and the effective date of the dissolution. The
23 notice shall be in writing and addressed to the ~~registered office agent~~ of the
24 corporation.

25 **SECTION 338.** 180.1421 (2m) (a) of the statutes is amended to read:

SENATE BILL 566**SECTION 338**

1 180.1421 **(2m)** (a) If a notice under sub. (1) or (2) (b) is returned to the
2 department as undeliverable, the department shall again give notice to the
3 corporation under s. 180.0141. ~~Notwithstanding s. 180.0141 (2) (b), (3), and (4) and~~
4 ~~except~~ Except as provided under par. (b), the notice under this paragraph shall be in
5 writing and addressed to the principal office of the corporation.

6 **SECTION 339.** 180.1421 (5) of the statutes is created to read:

7 180.1421 **(5)** The administrative dissolution of a corporation does not
8 terminate the authority of its registered agent.

9 **SECTION 340.** 180.1422 (3) of the statutes is amended to read:

10 180.1422 **(3)** When the reinstatement becomes effective, it shall, except as
11 provided in sub. (4) (b), relate back to and take effect as of the effective date of the
12 administrative dissolution, and the corporation may resume carrying on its business
13 as if the administrative dissolution had never occurred.

14 **SECTION 341.** 180.1422 (4) of the statutes is created to read:

15 180.1422 **(4)** When reinstatement under this section is effective, all of the
16 following rules apply:

17 (a) Except as provided in par. (b), the corporation's period of duration continues
18 as if the dissolution had never occurred.

19 (b) The rights of a person arising out of an act or omission in reliance on the
20 dissolution before the person knew or had notice of the reinstatement are not
21 affected.

22 **SECTION 342.** 180.1423 (2) of the statutes is amended to read:

23 180.1423 **(2)** The corporation may appeal the denial of reinstatement to the
24 circuit court for the county where the corporation's principal office or, if none in this
25 state, its registered office is located, within 30 days after service of the notice of denial

SENATE BILL 566**SECTION 342**

1 is ~~perfected~~ effective under s. 180.0141 (5) (a). The corporation shall appeal by
2 petitioning the court to set aside the dissolution and attaching to the petition copies
3 of the department's certificate of dissolution, the corporation's application for
4 reinstatement and the department's notice of denial.

5 **SECTION 343.** 180.1503 (1) (e) of the statutes is amended to read:

6 180.1503 (1) (e) The address of its registered office in this state and the name
7 and e-mail address of its registered agent at that office.

8 **SECTION 344.** 180.1506 (2) (a) 1. of the statutes is repealed and recreated to
9 read:

10 180.1506 (2) (a) 1. Any name of an existing person whose formation required
11 the filing of a record by the department and which is not at the time administratively
12 dissolved.

13 **SECTION 345.** 180.1506 (2) (a) 2. of the statutes is amended to read:

14 180.1506 (2) (a) 2. ~~A corporate~~ Any name reserved or registered under s.
15 178.0906, 178.0907, 179.0115, 179.0116, 180.0402, 180.0403, 181.0402 or, 181.0403,
16 183.0113, or 183.0114 or other law of this state providing for the reservation or
17 registration of a name by a filing of a record by the department.

18 **SECTION 346.** 180.1506 (2) (a) 5., 6., 7. and 8. of the statutes are repealed.

19 **SECTION 347.** 180.1506 (2) (a) 9. of the statutes is amended to read:

20 180.1506 (2) (a) 9. ~~The~~ Any name of a limited liability partnership ~~formed~~
21 ~~under the laws of, or registered in, this state~~ whose statement of qualification is in
22 effect.

23 **SECTION 348.** 180.1506 (2) (b) of the statutes is amended to read:

24 180.1506 (2) (b) The corporate name of a foreign corporation is not
25 distinguishable from a name referred to in par. (a) 1. to 9. if the only difference

SENATE BILL 566**SECTION 348**

1 between it and the other name is the inclusion or absence of a word or words referred
2 to in s. 180.0401 (1) (a) 1. or of the words “limited partnership”, “registered limited
3 liability partnership,” “limited liability partnership”, “cooperative” or “limited
4 liability company” or an abbreviation of these words.

5 **SECTION 349.** 180.1506 (3) (a) of the statutes is amended to read:

6 180.1506 (3) (a) The other foreign corporation or the domestic corporation,
7 limited liability company, nonprofit or nonstock corporation, limited partnership,
8 limited liability partnership, registered foreign limited liability partnership, general
9 cooperative association, or unincorporated limited cooperative association consents
10 to the use in writing and submits an undertaking in a form satisfactory to the
11 department to change its name to a name that is distinguishable upon the records
12 of the department from the name of the applicant, or to cancel the registration or
13 reservation.

14 **SECTION 350.** 180.1506 (3m) of the statutes is created to read:

15 180.1506 (3m) In determining whether a name is the same as or not
16 distinguishable on the records of the department from the name of another person,
17 words, phrases, or abbreviations indicating a type of entity, such as “corporation,”
18 “Corp.,” “incorporated,” “Inc.,” “service corporation,” “SC,” “Limited,” “Ltd.,” “limited
19 partnership,” “LP,” “limited liability partnership,” “LLP,” “limited liability limited
20 partnership,” “LLLLP,” “registered limited liability limited partnership,” “RLLLLP,”
21 “limited liability company,” “LLC,” “cooperative association,” or “cooperative,” or a
22 variation of these abbreviations that differs only with respect to capitalization of
23 letters or punctuation, may not be taken into account.

24 **SECTION 351.** 180.1506 (4) (intro.), (a) and (b) of the statutes are amended to
25 read:

SENATE BILL 566**SECTION 351**

1 180.1506 (4) (intro.) A foreign corporation may use in this state the name,
2 including the fictitious name, that is used in this state by a domestic corporation or
3 another foreign corporation authorized to transact business in this state, or by a
4 limited liability company, nonprofit or nonstock corporation, limited partnership,
5 limited liability partnership, foreign limited liability partnership, general
6 cooperative association, or limited cooperative association, if the foreign corporation
7 proposing to use the name has done any of the following:

8 (a) Merged with the other ~~domestic corporation or foreign corporation~~ entity.

9 (b) Been formed by reorganization of the other ~~domestic corporation or foreign~~
10 ~~corporation~~ entity.

11 **SECTION 352.** 180.1507 of the statutes is renumbered 180.1507 (1m), and
12 180.1507 (1m) (intro.) and (c), as renumbered, are amended to read:

13 180.1507 (1m) (intro.) Each foreign corporation authorized to transact
14 business in this state shall continuously designate and ~~maintain in this state~~ a
15 registered office agent and registered agent office in this state. The designation of
16 a registered agent is an affirmation of the fact by the corporation that the agent has
17 consented to serve. The registered office may, but need not, be the same as any of its
18 the corporation's places of business. The registered office must be an actual physical
19 location with a street address and not solely a post office box, mailbox service, or
20 telephone answering service. The registered agent shall be any of the following:

21 (c) A foreign corporation, nonprofit or nonstock corporation, limited
22 partnership, registered limited liability partnership, or limited liability company if
23 that entity is authorized to transact business in this state, whose and the entity's
24 business office is identical with the registered office.

25 **SECTION 353.** 180.1507 (2m) and (3m) of the statutes are created to read:

SENATE BILL 566**SECTION 353**

1 180.1507 **(2m)** A registered agent for a foreign corporation must have an
2 e-mail address and a place of business in this state.

3 **(3m)** The only duties under this chapter of a registered agent that has complied
4 with this chapter are the following:

5 (a) To forward to the foreign corporation at the address most recently supplied
6 to the agent by the foreign corporation any process, notice, or demand pertaining to
7 the foreign corporation which is served on or received by the agent.

8 (b) If the registered agent resigns, to provide the notice required by s. 180.1509
9 to the foreign corporation at the address most recently supplied to the agent by the
10 foreign corporation.

11 (c) To keep current the information with respect to the agent in the foreign
12 corporation's certificate of authority.

13 **SECTION 354.** 180.1508 (1) (intro.) of the statutes is amended to read:

14 180.1508 **(1)** (intro.) A foreign corporation authorized to transact business in
15 this state may change its registered office or registered agent, or both, by delivering
16 to the department for filing a statement of change that, ~~except as provided in sub-~~
17 ~~(2), includes~~ states all of the following:

18 **SECTION 355.** 180.1508 (1) (a) and (b) of the statutes are repealed.

19 **SECTION 356.** 180.1508 (1) (d) of the statutes is amended to read:

20 180.1508 **(1)** (d) The name of its registered agent, ~~as changed~~ the e-mail
21 address, and the street address of its registered office, as changed.

22 **SECTION 357.** 180.1508 (1) (e) of the statutes is created to read:

23 180.1508 **(1)** (e) The information that is to be in effect as a result of the filing
24 of the statement of change.

25 **SECTION 358.** 180.1508 (1) (f) of the statutes is repealed.

SENATE BILL 566**SECTION 359**

1 **SECTION 359.** 180.1508 (1g) of the statutes is created to read:

2 180.1508 **(1g)** A foreign corporation authorized to transact business in this
3 state may also change its registered office or registered agent, or both, by doing any
4 of the following:

5 (a) Including the name of its registered agent, the e-mail address, and the
6 street address of its registered office, as changed, in an amended certificate of
7 authority.

8 (b) Including the name of its registered agent, the e-mail address, and the
9 street address of its registered office, as changed, in its annual report under s.
10 180.1622 or 180.1921. A change under this paragraph is effective on the date the
11 annual report is filed by the department.

12 **SECTION 360.** 180.1508 (1m) and (1r) of the statutes are created to read:

13 180.1508 **(1m)** A statement of change under this section designating a new
14 registered agent is an affirmation of fact by the foreign corporation that the agent
15 has consented to serve.

16 **(1r)** As an alternative to using the procedure in this section, a foreign
17 corporation may amend its certificate of authority.

18 **SECTION 361.** 180.1508 (2) of the statutes is renumbered 180.1508 (2) (intro.)
19 and amended to read:

20 180.1508 **(2)** (intro.) If a registered agent changes the street address of his or
21 her business office, he or she may change the street address of the registered office
22 of any foreign corporation for which he or she is the registered agent by notifying the
23 foreign corporation in writing of the change and by signing, ~~either manually or in~~
24 ~~facsimile, and~~ delivering to the department for filing a statement of change that

SENATE BILL 566**SECTION 361**

1 ~~complies with sub. (1) and recites that the foreign corporation has been notified of~~
2 ~~the change. and states all of the following:~~

3 **SECTION 362.** 180.1508 (2) (a), (b) and (c) of the statutes are created to read:

4 180.1508 (2) (a) The name of the foreign corporation represented by the
5 registered agent.

6 (b) The name, e-mail address, and street address of the agent as currently
7 shown in the records of the department for the foreign corporation.

8 (c) The new name, new e-mail address, or new street address of the agent.

9 **SECTION 363.** 180.1508 (4) of the statutes is created to read:

10 180.1508 (4) A registered agent promptly shall furnish notice to the
11 represented foreign corporation of the filing by the department of the statement of
12 change and the changes made by the statement.

13 **SECTION 364.** 180.1509 (1) (intro.), (a), (b), (c) and (d) of the statutes are
14 amended to read:

15 180.1509 (1) (intro.) ~~The A registered agent of a foreign corporation may resign~~
16 ~~as agent for a foreign corporation by signing and delivering to the department for~~
17 ~~filing a statement of resignation that includes states all of the following information:~~

18 (a) ~~The name of the foreign corporation for which the registered agent is acting.~~

19 (b) The name of the registered agent.

20 (c) ~~The street address of the foreign corporation's current registered office and~~
21 ~~its principal office to which the department will send the notice required by sub. (2).~~

22 (d) ~~A statement that That the registered agent resigns from serving as~~
23 ~~registered agent for the foreign corporation.~~

24 **SECTION 365.** 180.1509 (4) and (5) of the statutes are created to read:

SENATE BILL 566**SECTION 365**

1 180.1509 (4) When a statement of resignation takes effect, the registered agent
2 ceases to have responsibility under this chapter for any matter thereafter tendered
3 to it as agent for the foreign corporation. The resignation does not affect any
4 contractual rights the foreign corporation has against the agent or that the agent has
5 against the foreign corporation.

6 (5) A registered agent may resign with respect to a foreign corporation whether
7 or not the foreign corporation is in good standing.

8 **SECTION 366.** 180.1510 (4) (a) (intro.) of the statutes is amended to read:

9 180.1510 (4) (a) (intro.) With respect to a foreign corporation described in sub.
10 (2) or (3), except as provided in par. (b), the foreign corporation may be served by
11 registered or certified mail, return receipt requested, addressed to the foreign
12 corporation at its principal office, as shown on the records of the department, except
13 as provided in par. (b). ~~Service is perfected under this paragraph at the earliest of~~
14 the following:

15 **SECTION 367.** 180.1520 (2) (c) of the statutes is amended to read:

16 180.1520 (2) (c) A statement ~~that~~ whether it revokes the authority of its
17 registered agent to accept service on its behalf and, in any event, that it consents to
18 service of process under s. 180.1510 (3) and (4) in any civil, criminal, administrative
19 or investigatory proceeding based on a cause of action arising while it was authorized
20 to transact business in this state.

21 **SECTION 368.** 180.1530 (1) (a), (d), (e) and (f) of the statutes are amended to
22 read:

23 180.1530 (1) (a) The foreign corporation ~~fails to~~ does not have on file its annual
24 report with the department within 4 months after it is due.

SENATE BILL 566**SECTION 368**

1 (d) The foreign corporation does not ~~inform~~ notify the department under s.
2 180.1508 or 180.1509 within 6 months that its registered agent or registered office
3 has changed, that its registered agent has resigned or that its registered office has
4 been discontinued, ~~within 6 months of the change, resignation or discontinuance.~~

5 (e) The foreign corporation obtained its certificate of authority through fraud
6 or its application for certificate of authority contains fraudulent or materially false
7 information.

8 (f) The department receives a duly authenticated certificate from the secretary
9 of state or other official having custody of corporate records in the state or country
10 under whose law the foreign corporation is incorporated stating that it has been
11 dissolved or disappeared as the result of a merger or other event.

12 **SECTION 369.** 180.1531 (1) of the statutes is amended to read:

13 180.1531 (1) If the department determines that one or more grounds exist
14 under s. 180.1530 (1) for revocation of a certificate of authority, the department shall
15 give the foreign corporation under s. 180.0141 notice of the determination.
16 ~~Notwithstanding s. 180.0141 (2) (b), (3), and (4), the~~ The notice shall be in writing
17 and addressed to the registered office of the foreign corporation.

18 **SECTION 370.** 180.1531 (2) (a) of the statutes is amended to read:

19 180.1531 (2) (a) Within 60 days after the notice takes effect under s. 180.0141
20 (5) (a), the foreign corporation shall, with respect to each ground for revocation,
21 either correct each ground for revocation it or demonstrate to the reasonable
22 satisfaction of the department that ~~each ground determined by the department it~~
23 does not exist.

24 **SECTION 371.** 180.1531 (2) (b) of the statutes is amended to read:

SENATE BILL 566**SECTION 371**

1 180.1531 (2) (b) If the foreign corporation fails to satisfy par. (a), the
2 department may revoke the foreign corporation's certificate of authority ~~by entering.~~
3 The department shall enter a notation in ~~the department's~~ its records to reflect each
4 ground for revocation and the effective date of ~~the revocation~~ and shall give the
5 corporation notice of those facts. The department shall give the foreign corporation
6 under s. 180.0141 notice of each ground for revocation and the effective date of the
7 revocation. ~~Notwithstanding s. 180.0141 (2) (b), (3), and (4), the~~ The notice shall be
8 in writing and addressed to the registered office of the foreign corporation.

9 **SECTION 372.** 180.1531 (2) (c) 1. (intro.) of the statutes is amended to read:

10 180.1531 (2) (c) 1. (intro.) ~~If a foreign corporation's certificate of authority is~~
11 ~~revoked after December 31, 1991, the~~ The department shall reinstate the certificate
12 of authority if the foreign corporation does all of the following within ~~the later of~~
13 ~~October 4, 1993 or~~ 6 months after the effective date of the certificate of revocation:

14 **SECTION 373.** 180.1531 (2) (c) 1m. of the statutes is created to read:

15 180.1531 (2) (c) 1m. Upon reinstatement of a corporation's certificate of
16 authority under subd. 1., the department shall enter a notation in its records revising
17 the notation specified in par. (b) to reflect cancellation of the revocation and
18 reinstatement of the corporation's certificate of authority. The notation shall state
19 the effective date of reinstatement. The department shall provide notice of the
20 reinstatement to the corporation or its registered agent.

21 **SECTION 374.** 180.1531 (2) (c) 2. (intro.) and b. of the statutes are created to
22 read:

23 180.1531 (2) (c) 2. (intro.) When the reinstatement under this section is
24 effective, all of the following shall apply:

SENATE BILL 566**SECTION 374**

1 b. The rights of a person arising out of an act or omission in reliance on the
2 revocation before the person knew or had notice of the reinstatement are unaffected.

3 **SECTION 375.** 180.1531 (2) (c) 2. of the statutes is renumbered 180.1531 (2) (c)
4 2. a. and amended to read:

5 180.1531 (2) (c) 2. a. ~~A Except as provided in subd. 2. b., the reinstatement~~
6 ~~under this paragraph shall relate~~ relates back to and take takes effect as of the
7 effective date of the revocation, and the foreign corporation may resume carrying on
8 its business as if the revocation never occurred.

9 **SECTION 376.** 180.1531 (2m) (a) of the statutes is amended to read:

10 180.1531 (2m) (a) If a notice under sub. (1) or (2) (b) is returned to the
11 department as undeliverable, the department shall again give notice to the
12 corporation under s. 180.0141. ~~Notwithstanding s. 180.0141 (2) (b), (3), and (4) and~~
13 ~~except~~ Except as provided under par. (b), ~~the~~ this notice ~~under this paragraph~~ shall
14 be in writing and addressed to the principal office of the foreign corporation.

15 **SECTION 377.** 180.1532 (1) of the statutes is amended to read:

16 180.1532 (1) A foreign corporation may appeal the department's revocation of
17 its certificate of authority under s. 180.1530 (1) to the circuit court for the county
18 where the foreign corporation's principal office or, if none in this state, its registered
19 office is located, within 30 days after the notice of revocation takes effect under s.
20 180.0141 (5) (a). ~~The~~ To appeal, the foreign corporation shall ~~appeal by petitioning~~
21 petition the court to set aside the revocation and ~~attaching~~ attach to the petition
22 copies of its certificate of authority and the department's notice of revocation.

23 **SECTION 378.** 180.1622 (1) (intro.), (b), (c) and (d) of the statutes are amended
24 to read:

SENATE BILL 566**SECTION 378**

1 180.1622 (1) (intro.) Except as provided in s. 180.1921, each domestic
2 corporation and each foreign corporation authorized to transact business in this
3 state shall ~~file with~~ deliver to the department an annual report that ~~includes~~ states
4 all of the following information:

5 (b) The street address of its registered office in this state and the name and
6 e-mail address of its registered agent at that office ~~in this state~~.

7 (c) The e-mail address and street address of its principal office.

8 (d) The name and business street address of each director and principal officer.

9 **SECTION 379.** 180.1622 (2) of the statutes is amended to read:

10 180.1622 (2) (a) Information in the annual report shall be current as of the date
11 ~~on which the annual report is executed on behalf of a~~ signed by the domestic
12 corporation, except that the information required by sub. (1) (f) and (g) shall be
13 current as of the close of the domestic corporation's fiscal year immediately before the
14 date by which the annual report is required to be delivered to the department.

15 (b) Information in the annual report shall be current as of the date ~~on which~~
16 ~~the annual report is executed on behalf of a~~ signed by the foreign corporation, except
17 that the information required by sub. (1) (f) to (i) shall be current as of the date of the
18 close of the foreign corporation's fiscal year in the 12 months ending on the
19 September 30 immediately before the date by which the annual report is required
20 to be delivered to the department.

21 **SECTION 380.** 180.1622 (6) of the statutes is created to read:

22 180.1622 (6) If an annual report contains a registered office or registered agent
23 which differs from the information shown in the records of the department
24 immediately before the report becomes effective, the differing information is
25 considered a statement of change under s. 180.0502 or 180.1508.

SENATE BILL 566**SECTION 381**

1 **SECTION 381.** 180.1706 (1) of the statutes is amended to read:

2 180.1706 (1) Except to the extent that the corporation's articles of
3 incorporation are amended to provide that the voting requirements of s. 180.1003 (3),
4 ~~180.1103~~ 180.11032 (3), 180.1202 (3), 180.1402 (3) or 180.1404 (2) apply, subs. (2) and
5 (3) govern the shareholder vote required on a proposal concerning a subject covered
6 by s. 180.1003 (3), ~~180.1103~~ 180.11032 (3), 180.1202 (3), 180.1402 (3) or 180.1404 (2)
7 if the corporation was organized before January 1, 1973, and has not expressly
8 elected, before January 1, 1991, majority or greater affirmative voting requirements
9 under s. 180.25 (2) (a), 1987 stats., with respect to the subject matter of the proposal.

10 **SECTION 382.** 180.1706 (2) (intro.) of the statutes is amended to read:

11 180.1706 (2) (intro.) Except as provided in sub. (3), in lieu of the vote required
12 by s. 180.1003 (3), ~~180.1103~~ 180.11032 (3), 180.1202 (3), 180.1402 (3) or 180.1404 (2),
13 whichever is applicable to the subject matter of a proposal, a proposal described in
14 sub. (1) must be approved as follows:

15 **SECTION 383.** 180.1707 (1) of the statutes is amended to read:

16 180.1707 (1) Sections 180.1004 and ~~180.1103 (4) (a)~~ 180.11032 (4) do not apply
17 to shares of a preexisting class if a corporation in existence on January 1, 1991
18 provides in its articles of incorporation that subs. (2) and (3), in lieu of ss. 180.1004
19 and ~~180.1103~~ 180.11032 (4), govern whether shares of a preexisting class are entitled
20 to vote as a class on a proposed amendment to the articles of incorporation or plan
21 of merger.

22 **SECTION 384.** 180.1708 (5) of the statutes is amended to read:

23 180.1708 (5) **MERGERS.** Sections 180.1101 ~~and 180.1103, 180.11012, and~~
24 180.11031 to 180.1106 apply to a merger, and ss. 180.1301 to 180.1331 apply to

SENATE BILL 566**SECTION 384**

1 dissenters' rights arising from a merger, for which a plan of merger is approved by
2 the board of directors on or after January 1, 1991.

3 **SECTION 385.** 180.1805 (5) of the statutes is amended to read:

4 180.1805 (5) By merger or share interest exchange that becomes effective
5 under ss. 180.1101 to 180.1106 or ~~a share~~ an interest exchange of existing shares for
6 other shares of a different class or series in the corporation.

7 **SECTION 386.** 180.1813 (title) of the statutes is amended to read:

8 **180.1813 (title) Merger, share interest exchange, and sale of assets.**

9 **SECTION 387.** 180.1813 (1) of the statutes is amended to read:

10 180.1813 (1) (a) Notwithstanding ss. ~~180.1103~~ 180.11032 (3) to (5) and
11 180.1104, a plan of merger or share interest exchange that will terminate the status
12 of the corporation as a statutory close corporation must be approved by the holders
13 of at least two-thirds of the votes of each class or series of shares of the statutory close
14 corporation, voting as separate voting groups, whether or not the holders are
15 otherwise entitled to vote on the plan.

16 (b) Notwithstanding ss. ~~180.1103~~ 180.11032 (3) to (5) and 180.1104, a plan of
17 merger under which the surviving corporation will become a statutory close
18 corporation must be approved by the holders of at least two-thirds of the votes of each
19 class or series of shares of the surviving corporation, voting as separate voting
20 groups, whether or not the holders are otherwise entitled to vote on the plan.

21 (c) Notwithstanding s. ~~180.1103~~ 180.11032 (3) and (4), if under a plan of share
22 interest exchange the corporation whose shares will be acquired in the ~~share~~ interest
23 exchange will become a statutory close corporation, the ~~share~~ interest exchange
24 must be approved by the holders of at least two-thirds of the votes of each class or

SENATE BILL 566**SECTION 387**

1 series of shares of the corporation whose shares will be acquired, voting as separate
2 voting groups, whether or not the holders are otherwise entitled to vote on the plan.

3 (d) If a plan of merger or ~~share~~ interest exchange is approved, a shareholder
4 who did not vote in favor of the plan is entitled to assert dissenters' rights under ss.
5 180.1301 to 180.1331.

6 **SECTION 388.** 181.0103 (5) of the statutes is amended to read:

7 181.0103 (5) "Corporation" or "domestic corporation" means, except as used in
8 subs. (13) and (18), a nonstock corporation, including a nonprofit corporation, that
9 is incorporated under or becomes subject to the provisions of this chapter, except a
10 foreign corporation.

11 **SECTION 389.** 181.0103 (10g) of the statutes is created to read:

12 181.0103 (10g) "Domestic" means, with respect to an entity, an entity whose
13 governing law is the law of this state.

14 **SECTION 390.** 181.0103 (12) of the statutes is amended to read:

15 181.0103 (12) "Entity" means any person other than ~~a natural person~~ an
16 individual and includes a domestic corporation; a foreign corporation; a limited
17 liability company; a stock corporation; a partnership; a limited partnership; a
18 general cooperative association; a limited cooperative association; a profit or
19 nonprofit unincorporated association; a statutory trust; a business trust; a
20 common-law business trust; an estate; a trust; an association, joint venture, public
21 corporation, government or governmental subdivision, agency, or instrumentality;
22 or any other legal or commercial entity.

23 **SECTION 391.** 181.0103 (12g) of the statutes is created to read:

24 181.0103 (12g) "Foreign" means, with respect to an entity, an entity whose
25 governing law is other than the law of this state.

SENATE BILL 566**SECTION 392**

1 **SECTION 392.** 181.0103 (13) of the statutes is amended to read:

2 181.0103 (13) “Foreign corporation” means a nonprofit or nonstock corporation
3 organized under a law other than the law of this state and whose governing law is
4 other than the law of this state.

5 **SECTION 393.** 181.0103 (13g) and (13m) of the statutes are created to read:

6 181.0103 (13g) “General cooperative association” means, with respect to a
7 Wisconsin cooperative, a cooperative organized under ch. 185.

8 (13m) “Governing law” means, with respect to an entity, the law of the
9 jurisdiction that collectively governs its internal affairs and the liability of the
10 persons associated with the entity for a debt, obligation, or other liability of the entity
11 under s. 181.0107 or the corresponding applicable law with respect to entities other
12 than domestic corporations.

13 **SECTION 394.** 181.0103 (14g) and (14m) of the statutes are created to read:

14 181.0103 (14g) “Jurisdiction,” used to refer to a political entity, means the
15 United States, a state, a foreign country, or a political subdivision of a foreign
16 country.

17 (14m) “Limited cooperative association” means, with respect to a Wisconsin
18 cooperative, a cooperative organized under ch. 193.

19 **SECTION 395.** 181.0103 (18m) of the statutes is created to read:

20 181.0103 (18m) “Person” means an individual, business corporation, nonprofit
21 or nonstock corporation, partnership, limited partnership, limited liability company,
22 general cooperative association, limited cooperative association, unincorporated
23 association, statutory trust, business trust, common-law business trust, estate,
24 trust, association, joint venture, public corporation, government or governmental
25 subdivision, agency, or instrumentality, or any other legal or commercial entity.

SENATE BILL 566**SECTION 396**

1 **SECTION 396.** 181.0103 (19) of the statutes is amended to read:

2 181.0103 **(19)** “Principal office” means the office, whether in or outside this
3 state, of a domestic corporation or foreign corporation in which are located its
4 principal executive offices and, if the domestic corporation or foreign corporation has
5 filed an annual report under s. ~~181.1622~~ 181.0214, that is designated as the principal
6 office in its most recent annual report.

7 **SECTION 397.** 181.0103 (20m) and (20r) of the statutes are created to read:

8 181.0103 **(20m)** “Property” means all property, whether real, personal, or
9 mixed or tangible or intangible, or any right or interest therein.

10 **(20r)** “Record,” used as a noun, means information that is inscribed on a
11 tangible medium or that is stored in an electronic or other medium and is retrievable
12 in perceivable form.

13 **SECTION 398.** 181.0103 (21m) of the statutes is created to read:

14 181.0103 **(21m)** “Registered agent” means an agent of a corporation or foreign
15 corporation that is authorized to receive service of any process, notice, or demand
16 required or permitted by law to be served on the corporation or foreign corporation.

17 **SECTION 399.** 181.0103 (23m) of the statutes is created to read:

18 181.0103 **(23m)** “State” means a state of the United States, the District of
19 Columbia, Puerto Rico, the U.S. Virgin Islands, or any territory or insular possession
20 subject to the jurisdiction of the United States.

21 **SECTION 400.** 181.0103 (24m) of the statutes is created to read:

22 181.0103 **(24m)** “Transfer” includes all of the following:

23 (a) An assignment.

24 (b) A conveyance.

25 (c) A sale.

SENATE BILL 566**SECTION 400**

1 (d) A lease.

2 (e) An encumbrance, including a mortgage or security interest.

3 (f) A gift.

4 (g) A transfer by operation of law.

5 **SECTION 401.** 181.0105 of the statutes is created to read:

6 **181.0105 Knowledge; notice. (1)** A person knows a fact if any of the
7 following applies:

8 (a) The person has actual knowledge of the fact.

9 (b) The person is deemed to know the fact under law other than this chapter.

10 **(2)** A person has notice of a fact if the person has reason to know the fact from
11 all the facts known to the person at the time in question.

12 **(3)** Subject to s. 181.0212 (7) or the law other than this chapter, a person notifies
13 another person of a fact by taking steps reasonably required to inform the other
14 person in ordinary course, whether or not those steps cause the other person to know
15 the fact.

16 **(4)** This subsection applies to notice that is required under this chapter and
17 that is made subject to this subsection by express reference to this subsection.

18 Written notice is effective at the earliest of the following:

19 (a) When received.

20 (b) Five days after its deposit in the U.S. mail, if mailed postpaid and correctly
21 addressed.

22 (c) On the date shown on the return receipt, if sent by registered or certified
23 mail, return receipt requested, and the receipt is signed by or on behalf of the
24 addressee.

SENATE BILL 566**SECTION 401**

1 (d) For notices from the department, upon successful transmission by e-mail
2 as provided in this chapter.

3 **SECTION 402.** 181.0107 of the statutes is created to read:

4 **181.0107 Governing law.** The law of this state governs all of the following:

5 (1) The internal affairs of a corporation.

6 (2) The liability of a member as member and a director as director for a debt,
7 obligation, or other liability of a corporation.

8 **SECTION 403.** 181.0120 of the statutes is repealed.

9 **SECTION 404.** 181.0121 (1) (a) 3. of the statutes is amended to read:

10 181.0121 (1) (a) 3. A domestic corporation's or foreign corporation's annual
11 report under s. ~~181.1622~~ 181.0214.

12 **SECTION 405.** 181.0121 (1) (a) 4. of the statutes is repealed.

13 **SECTION 406.** 181.0121 (1) (b) of the statutes is amended to read:

14 181.0121 (1) (b) The forms prescribed by the department under par. (a) 1. and
15 2. shall require disclosure of only the information required under ss. 181.1503,
16 181.1520, and ~~181.1622~~ 181.0214, respectively.

17 **SECTION 407.** 181.0122 of the statutes is repealed.

18 **SECTION 408.** 181.0123 of the statutes is renumbered 181.0209, and 181.0209
19 (title), (1) (a) (intro.) and (b) and (2), as renumbered, are amended to read:

20 **181.0209 (title) Effective date and time of document.** (1) (a) (intro.)
21 Except as provided in sub. (2) ~~or s. 181.0124 (3) or 181.1622 (5)~~, a document record
22 filed by the department under this chapter is effective on the date that it is received
23 by the department for filing and at any of the following times on that date:

SENATE BILL 566**SECTION 408**

1 (b) The date that a document is received by the department is determined by
2 the department's endorsement on the original document under s. 181.0125 (1)
3 181.0212 (2).

4 (2) DELAYED EFFECTIVE DATE AND TIME. A document may specify a delayed
5 effective date and time, except that the effective date may not be more than 90 days
6 after the date that it is received for filing. If a document specifies a delayed effective
7 date and time in accordance with this subsection, the document is effective at the
8 time and date specified. If a delayed effective date, but no time, is specified, the
9 document is effective at the close of business on that date.

10 **SECTION 409.** 181.0124 of the statutes is repealed.

11 **SECTION 410.** 181.0125 of the statutes is repealed.

12 **SECTION 411.** 181.0126 of the statutes is repealed.

13 **SECTION 412.** 181.0128 (title) of the statutes is renumbered 181.0213 (title) and
14 amended to read:

15 **181.0213** (title) **Confirmation Certificate of status.**

16 **SECTION 413.** 181.0128 (1) (title) of the statutes is repealed.

17 **SECTION 414.** 181.0128 (1) of the statutes is renumbered 181.0213 (1) and
18 amended to read:

19 181.0213 (1) Any person may obtain from the department, upon request, a
20 certificate of status for a domestic corporation or a foreign corporation.

21 **SECTION 415.** 181.0128 (2) (title) of the statutes is repealed.

22 **SECTION 416.** 181.0128 (2) of the statutes is renumbered 181.0213 (2), and
23 181.0213 (2) (b) 1., 3. and 5. and (c), as renumbered, are amended to read:

SENATE BILL 566**SECTION 416**

1 181.0213 (2) (b) 1. The domestic corporation is ~~incorporated under the laws a~~
2 ~~corporation whose governing law is the law of this state~~, or the foreign corporation
3 is authorized to transact business in this state.

4 3. The domestic corporation or foreign corporation has, during its most recently
5 completed report year, filed with the department an annual report required by s.
6 ~~181.1622~~ 181.0214.

7 5. The foreign corporation has not ~~applied~~ filed an application for a certificate
8 of withdrawal under s. 181.1520 and is ~~not the subject of a proceeding under s.~~
9 ~~181.1531 to revoke its certificate of authority~~ (2).

10 (c) The domestic corporation's effective date of incorporation and the period of
11 ~~its duration if less than perpetual~~ its articles of incorporation or the foreign
12 corporation's effective date of its certificate of authority.

13 **SECTION 417.** 181.0128 (3) (title) of the statutes is repealed.

14 **SECTION 418.** 181.0128 (3) of the statutes is renumbered 181.0213 (3).

15 **SECTION 419.** 181.0128 (4) of the statutes is repealed.

16 **SECTION 420.** 181.0128 (5) (title) of the statutes is repealed.

17 **SECTION 421.** 181.0128 (5) of the statutes is renumbered 181.0213 (5) and
18 amended to read:

19 181.0213 (5) Subject to any qualification stated in a certificate ~~or statement~~ of
20 status issued by the department, the certificate ~~or statement~~ is conclusive evidence
21 that the domestic corporation or foreign corporation is in existence or is authorized
22 to transact business in this state.

23 **SECTION 422.** 181.0128 (6) (title) of the statutes is repealed.

24 **SECTION 423.** 181.0128 (6) of the statutes is renumbered 181.0213 (6).

25 **SECTION 424.** 181.0141 (4) of the statutes is amended to read:

SENATE BILL 566**SECTION 428**ARTICLES OF INCORPORATIONAND OTHER FILINGS

SECTION 429. 181.0202 (1) (d) of the statutes is amended to read:

181.0202 (1) (d) The street address of the corporation's initial registered office and the name and e-mail address of its initial registered agent at that office.

SECTION 430. 181.0203 (1) of the statutes is amended to read:

181.0203 (1) WHEN CORPORATE EXISTENCE BEGINS. The corporate existence begins when the articles of incorporation become effective under s. ~~181.0123~~ 181.0209.

SECTION 431. 181.0208 of the statutes is created to read:

181.0208 Filing requirements. (1) Subject to sub. (1m), to be filed by the department pursuant to this chapter, a record must be received by the department, comply with this chapter, and satisfy all of the following:

(a) The filing of the record must be required or permitted by this chapter.

(b) The record must be physically delivered in written form unless and to the extent the department permits electronic delivery of records.

(c) The words in the record must be in English, and numbers must be in Arabic or Roman numerals, but the name of an entity need not be in English if written in English letters or Arabic or Roman numerals.

(d) The record must be signed by a person authorized or required under this chapter to sign the record.

(e) The record must state the name and capacity, if any, of each individual who signed it, either on behalf of the individual or the person authorized or required to sign the record, but need not contain a seal, attestation, acknowledgment, or verification.

SENATE BILL 566**SECTION 431**

1 (f) The record must contain the name of the drafter, if required by s. 182.01 (3).

2 (1m) The department may waive any of the requirements of sub. (1) (a) to (f)
3 if it appears from the face of the document that the document's failure to satisfy the
4 requirement is immaterial.

5 (2) If law other than this chapter prohibits the disclosure by the department
6 of information contained in a record delivered to the department for filing, the
7 department shall file the record if the record otherwise complies with this chapter
8 but may redact the information.

9 (3) When a record is delivered to the department for filing, any fee required
10 under this chapter and any fee, interest, or penalty required to be paid to the
11 department must be paid in a manner permitted by the department.

12 **SECTION 432.** 181.0210 of the statutes is created to read:

13 **181.0210 Withdrawal of filed record before effectiveness.** (1) Except as
14 otherwise provided in ss. 181.1103 (2m) and (3m), 181.1133 (2), 181.1163 (2), and
15 181.1173 (2), a record delivered to the department for filing may be withdrawn before
16 it takes effect by delivering to the department for filing a statement of withdrawal.

17 (2) A statement of withdrawal must satisfy all of the following:

18 (a) It must be signed by each person that signed the record being withdrawn,
19 except as otherwise agreed by those persons.

20 (b) It must identify the record to be withdrawn.

21 (c) If signed by fewer than all the persons that signed the record being
22 withdrawn, it must state that the record is withdrawn in accordance with the
23 agreement of all the persons that signed the record.

24 (3) On filing by the department of a statement of withdrawal, the action or
25 transaction evidenced by the original record does not take effect.

SENATE BILL 566**SECTION 433**

1 **SECTION 433.** 181.0211 of the statutes is created to read:

2 **181.0211 Correcting filed record. (1)** A person on whose behalf a filed
3 record was delivered to the department for filing may correct the record if any of the
4 following applies:

5 (a) The record at the time of filing was inaccurate.

6 (b) The record was defectively signed.

7 (c) The electronic transmission of the record to the department was defective.

8 **(2)** To correct a filed record, a person on whose behalf the record was delivered
9 to the department must deliver to the department for filing a statement of correction.

10 **(3)** (a) A statement of correction may not state a delayed effective date.

11 (b) A statement of correction must satisfy all of the following:

12 1. It must be signed by the person correcting the filed record.

13 2. It must identify the filed record to be corrected.

14 3. It must specify the inaccuracy or defect to be corrected.

15 4. It must correct the inaccuracy or defect.

16 **(4)** A statement of correction is effective as of the effective date of the filed
17 record that it corrects except as to persons relying on the uncorrected filed record and
18 adversely affected by the correction. For those purposes and as to those persons, the
19 statement of correction is effective when filed.

20 **SECTION 434.** 181.0212 of the statutes is created to read:

21 **181.0212 Duty of department to file; review of refusal to file; delivery**
22 **of record by department. (1)** The department shall file a record delivered to the
23 department for filing which satisfies this chapter. The duty of the department under
24 this section is ministerial.

SENATE BILL 566**SECTION 434**

1 **(2)** When the department files a record, the department shall record it as filed
2 on the date of its delivery. After filing a record, the department shall deliver to the
3 person that submitted the record a copy of the record with an acknowledgment of the
4 date of filing.

5 **(3)** If the department refuses to file a record, the department shall, not later
6 than 5 business days after the record is delivered, do all of the following:

7 (a) Return the record or notify the person that submitted the record of the
8 refusal.

9 (b) Provide a brief explanation in a record of the reason for the refusal.

10 **(4)** If the department refuses to file a record, the person that submitted the
11 record may petition the circuit court to compel filing of the record. The record and
12 the explanation of the department of the refusal to file must be attached to the
13 petition. The court may decide the matter in a summary proceeding.

14 **(5)** If a record that has been refused for filing by the department is resubmitted
15 and filed by the department, the effective date of the filed record is the date that the
16 resubmitted record is received by the department for filing or a delayed effective date
17 specified in the resubmitted record in accordance with s. 181.0209 (2).

18 **(6)** The filing of or refusal to file a record does not create a presumption of any
19 of the following:

20 (a) That the record does or does not conform to the requirements of this chapter.

21 (b) That the information contained in the record is correct or incorrect.

22 **(7)** Except as otherwise provided by s. 181.0504 or 181.1510 or by law other
23 than this chapter, the department may deliver any record to a person by delivering
24 it in any of the following ways:

25 (a) In person to the person that submitted it.

SENATE BILL 566**SECTION 434**

1 (b) To the e-mail or street address of the person's registered agent.

2 (c) To the principal office of the person.

3 (d) To another address the person provides to the department for delivery.

4 **SECTION 435.** 181.0214 (1) of the statutes is created to read:

5 181.0214 (1) A corporation or foreign corporation authorized to transact
6 business in this state shall deliver to the department for filing an annual report that
7 states all of the following:

8 (a) The name of the corporation or foreign corporation.

9 (b) The street and e-mail address of its registered office in this state and the
10 name of its registered agent at that office.

11 (c) The street address of its principal office.

12 (d) The name and address of each director and principal officer.

13 (e) In the case of a foreign corporation, the jurisdiction of its governing law and
14 any fictitious name adopted under s. 181.1506 (1).

15 **SECTION 436.** 181.0214 (5) of the statutes is created to read:

16 181.0214 (5) If an annual report contains a registered office or registered agent
17 which differs from the information shown in the records of the department
18 immediately before the report becomes effective, the differing information is
19 considered a statement of change under s. 181.0502 or 181.1508.

20 **SECTION 437.** 181.0401 (1) (a) 1. of the statutes is amended to read:

21 181.0401 (1) (a) 1. ~~Shall Must~~ contain the word "corporation", "incorporated",
22 "company" or "limited" or the abbreviation "corp.", "inc.", "co." or "ltd." or a variation
23 of these words or abbreviations, of like import in another language, except as
24 provided in par. (b), or that differs only with respect to capitalization of letters or
25 punctuation.

SENATE BILL 566**SECTION 438**

1 **SECTION 438.** 181.0401 (1) (a) 3. of the statutes is created to read:

2 181.0401 (1) (a) 3. May not contain language stating or implying that the entity
3 is organized for a purpose subject to regulation under another statute of this state,
4 unless its purpose is not prohibited by, and the entity is subject to all the limitations
5 of, the other statute.

6 **SECTION 439.** 181.0401 (2) (a) 1. of the statutes is repealed and recreated to
7 read:

8 181.0401 (2) (a) 1. Any name of an existing person whose formation required
9 the filing of a record by the department and which is not at the time administratively
10 dissolved.

11 **SECTION 440.** 181.0401 (2) (a) 3. of the statutes is amended to read:

12 181.0401 (2) (a) 3. ~~A~~ Any name reserved or registered under this chapter or
13 ch. 178, 179, 180, 183, 185, or 193 or other law of this state providing for the
14 reservation or registration of a name by a filing of a record by the department.

15 **SECTION 441.** 181.0401 (2) (a) 6., 7. and 8. of the statutes are repealed.

16 **SECTION 442.** 181.0401 (2) (a) 9. of the statutes is amended to read:

17 181.0401 (2) (a) 9. ~~The~~ Any name of a limited liability partnership ~~formed~~
18 ~~under the laws of, or registered in, this state~~ whose statement of qualification is in
19 effect.

20 **SECTION 443.** 181.0401 (3) (a) of the statutes is amended to read:

21 181.0401 (3) (a) The other corporation or the foreign corporation, limited
22 liability company, stock corporation, limited partnership, limited liability
23 partnership, foreign limited liability partnership, general cooperative association, or
24 ~~unincorporated~~ limited cooperative association consents to the use in writing and
25 submits an undertaking in a form satisfactory to the department to change its name

SENATE BILL 566**SECTION 443**

1 to a name that is distinguishable upon the records of the department from the name
2 of the applicant or to cancel the registration or reservation.

3 **SECTION 444.** 181.0401 (3m) of the statutes is created to read:

4 181.0401 (3m) In determining whether a name is the same as or not
5 distinguishable on the records of the department from the name of another person,
6 words, phrases, or abbreviations indicating a type of entity, such as “corporation,”
7 “Corp.,” “incorporated,” “Inc.,” “service corporation,” “SC,” “Limited,” “Ltd.,” “limited
8 partnership,” “LP,” “limited liability partnership,” “LLP,” “limited liability limited
9 partnership,” “LLLLP,” “registered limited liability limited partnership,” “RLLLLP,”
10 “limited liability company,” “LLC,” “cooperative association,” or “cooperative,” or a
11 variation of these abbreviations that differs only with respect to capitalization of
12 letters or punctuation, may not be taken into account.

13 **SECTION 445.** 181.0401 (4) (intro.), (a) and (b) of the statutes are amended to
14 read:

15 181.0401 (4) CORPORATE REORGANIZATIONS. (intro.) A corporation may in this
16 state use the name, including the fictitious name, that is used in this state by another
17 domestic or foreign corporation or stock corporation authorized to transact business
18 in this state, or a limited liability company, limited partnership, limited liability
19 partnership, foreign limited liability partnership, general cooperative association, or
20 limited cooperative association, if the corporation proposing to use the name has
21 done any of the following:

22 (a) Merged with the other ~~domestic or foreign corporation or stock corporation~~
23 entity.

24 (b) Been formed by reorganization of the other ~~domestic or foreign corporation~~
25 or stock corporation entity.

SENATE BILL 566**SECTION 446**

1 **SECTION 446.** 181.0402 (title) of the statutes is amended to read:

2 **181.0402** (title) **Reserved Reservation of name.**

3 **SECTION 447.** 181.0402 (1) (title) of the statutes is repealed.

4 **SECTION 448.** 181.0402 (1) of the statutes is amended to read:

5 181.0402 (1) A person may reserve the exclusive use of a corporate name,
6 including a fictitious name for a foreign corporation whose corporate name is not
7 available, by delivering an application to the department for filing ~~or by making a~~
8 ~~telephone application.~~ The application shall include the name and address of the
9 applicant and the name proposed to be reserved. If the department finds that the
10 corporate name applied for under this subsection is available, the department shall
11 reserve the name for the applicant's exclusive use for a 120-day period, which may
12 be renewed by the applicant or a transferee under sub. (2) from time to time.

13 **SECTION 449.** 181.0402 (2) (title) of the statutes is repealed.

14 **SECTION 450.** 181.0402 (2) of the statutes is amended to read:

15 181.0402 (2) A person who has the right to exclusive use of a reserved corporate
16 name under sub. (1) may transfer the reservation to another person by delivering to
17 the department a ~~written and signed notice~~ in a record of the transfer that states the
18 name and address of the ~~transferee~~ person to which the reservation is being
19 transferred.

20 **SECTION 451.** 181.0403 (title) of the statutes is amended to read:

21 **181.0403** (title) **Registered Registration of name.**

22 **SECTION 452.** 181.0403 (1) (a) of the statutes is amended to read:

23 181.0403 (1) (a) A foreign corporation that has not filed a certificate of
24 authority under s. 181.1503 may register its ~~corporate name, or a fictitious name~~
25 adopted pursuant to s. 181.1506 (1), if the name is distinguishable upon the records

SENATE BILL 566**SECTION 452**

1 of the department from the names ~~described in~~ that are available under s. 181.1506
2 (2) and if the foreign corporation delivers to the department for filing an application
3 ~~complying with par. (b).~~

4 **SECTION 453.** 181.0403 (1) (b) of the statutes is repealed and recreated to read:

5 181.0403 (1) (b) To register its name or a fictitious name adopted pursuant to
6 s. 181.1506 (1), a foreign corporation must deliver to the department for filing an
7 application stating the foreign corporation's name, the jurisdiction and the date of
8 its formation, and any fictitious name adopted pursuant to s. 181.1506 (1). If the
9 department finds that the name applied for is available, the department shall
10 register the name for the applicant's exclusive use.

11 **SECTION 454.** 181.0403 (1) (c) of the statutes is amended to read:

12 181.0403 (1) (c) The registration of a name under this section expires annually
13 on December 31. ~~The~~

14 (d) A foreign corporation whose name registration is effective may renew its the
15 registration by delivering to the department for filing a renewal application, which
16 complies with par. (b), between October 1 and December 31 of each year that the
17 registration is in effect. The, a renewal application that complies with this section.
18 When filed, the renewal application when filed renews the registration for the next
19 year.

20 **SECTION 455.** 181.0403 (1) (e) of the statutes is created to read:

21 181.0403 (1) (e) A foreign corporation whose name registration is effective may
22 apply for and obtain a certificate of authority as a foreign corporation under the
23 registered name or consent in a signed record to the use of that name by another
24 person that is not an individual.

25 **SECTION 456.** 181.0501 (title) of the statutes is amended to read:

SENATE BILL 566**SECTION 456**

1 **181.0501** (title) **Registered office agent and registered agent office.**

2 **SECTION 457.** 181.0501 (intro.) of the statutes is renumbered 181.0501 (1m)
3 and amended to read:

4 181.0501 **(1m)** Each corporation shall designate and continuously maintain in
5 this state a registered office and registered agent in this state. The designation of
6 a registered agent is an affirmation of the fact by the corporation that the agent has
7 consented to serve.

8 **(2m)** The registered office may, but need not, be the same as any of its places
9 of business or activity. The registered office must be an actual physical location with
10 a street address and not solely a post office box, mailbox service, or telephone
11 answering services. The registered agent shall be any of the following:

12 **SECTION 458.** 181.0501 (1) (title) of the statutes is repealed.

13 **SECTION 459.** 181.0501 (1) of the statutes is renumbered 181.0501 (2m) (a) and
14 amended to read:

15 181.0501 **(2m)** (a) ~~An individual~~ A natural person who resides in this state and
16 whose business office is identical with the registered office.

17 **SECTION 460.** 181.0501 (2) (title) of the statutes is repealed.

18 **SECTION 461.** 181.0501 (2) of the statutes is renumbered 181.0501 (2m) (b) and
19 amended to read:

20 181.0501 **(2m)** (b) A domestic corporation, stock corporation, limited
21 partnership, limited liability partnership, or limited liability company, ~~incorporated~~
22 ~~or organized in this state or that has in effect a statement of qualification under s.~~
23 ~~178.0901,~~ whose business office is identical with the registered office.

24 **SECTION 462.** 181.0501 (3) (title) of the statutes is repealed.

SENATE BILL 566**SECTION 463**

1 **SECTION 463.** 181.0501 (3) of the statutes is renumbered 181.0501 (2m) (c) and
2 amended to read:

3 181.0501 **(2m)** (c) A foreign corporation, stock corporation, limited
4 partnership, registered limited liability partnership, or limited liability company, if
5 that entity is authorized to transact business in this state, ~~whose~~ and the entity's
6 business office is identical with the registered office.

7 **SECTION 464.** 181.0501 (3m) and (4m) of the statutes are created to read:

8 181.0501 **(3m)** A registered agent for a corporation must have an e-mail
9 address and a place of business or activity in this state.

10 **(4m)** The only duties under this chapter of a registered agent that has complied
11 with this chapter are the following:

12 (a) To forward to the corporation at the address most recently supplied to the
13 agent by the corporation any process, notice, or demand pertaining to the corporation
14 which is served on or received by the agent.

15 (b) If the registered agent resigns, to provide the notice required by s. 181.0503
16 to the corporation at the address most recently supplied to the agent by the
17 corporation.

18 (c) To keep current the information with respect to the agent in the articles of
19 incorporation.

20 **SECTION 465.** 181.0502 (title) of the statutes is amended to read:

21 **181.0502** (title) **Change of registered office agent or registered agent**
22 **office.**

23 **SECTION 466.** 181.0502 (1) of the statutes is repealed and recreated to read:

SENATE BILL 566**SECTION 466**

1 181.0502 (1) A corporation may change its registered agent or registered office
2 as provided in s. 181.0214 (5) or by delivering to the department for filing a statement
3 of change that states all of the following:

4 (a) The name of the corporation.

5 (b) The information that is to be in effect as a result of the filing of the statement
6 of change.

7 **SECTION 467.** 181.0502 (1m) and (1r) of the statutes are created to read:

8 181.0502 (1m) A statement of change under this section designating a new
9 registered agent is an affirmation of fact by the corporation that the agent has
10 consented to serve.

11 (1r) As an alternative to using the procedure in this section, a corporation may
12 amend its articles of incorporation.

13 **SECTION 468.** 181.0502 (2) of the statutes is repealed.

14 **SECTION 469.** 181.0502 (3) (title) of the statutes is repealed.

15 **SECTION 470.** 181.0502 (3) of the statutes is renumbered 181.0502 (3) (intro.)
16 and amended to read:

17 181.0502 (3) (intro.) If the name or e-mail address of a registered agent
18 changes or if the street address of a registered agent's business office changes, the
19 registered agent may change the name or e-mail address of the registered agent or
20 street address of the registered office of any corporation for which he, she, or it is the
21 registered agent. To make a change under this subsection, the registered agent shall
22 notify the corporation in writing of the change and deliver to the department for filing
23 a signed statement of change that ~~complies with sub. (2)~~ and recites that the
24 corporation has been notified of the change. and states all of the following:

25 **SECTION 471.** 181.0502 (3) (a), (b) and (c) of the statutes are created to read:

SENATE BILL 566**SECTION 471**

1 181.0502 (3) (a) The name of the corporation represented by the registered
2 agent.

3 (b) The name, e-mail address, and street address of the agent as currently
4 shown in the records of the department for the corporation.

5 (c) Any new name, new e-mail address, or new street address of the agent.

6 **SECTION 472.** 181.0502 (5) of the statutes is created to read:

7 181.0502 (5) A registered agent promptly shall furnish notice to the
8 represented corporation of the filing by the department of the statement of change
9 and the changes made by the statement.

10 **SECTION 473.** 181.0503 (1) (title) of the statutes is repealed.

11 **SECTION 474.** 181.0503 (1) (intro.), (a) and (b) of the statutes are amended to
12 read:

13 181.0503 (1) (intro.) ~~The A registered agent of a corporation~~ may resign as
14 agent for a corporation by ~~signing and~~ delivering to the department for filing a
15 statement of resignation that includes states all of the following information:

16 (a) The name of the corporation ~~for which the registered agent is acting.~~

17 (b) The name of the registered agent.

18 **SECTION 475.** 181.0503 (1) (bm) of the statutes is created to read:

19 181.0503 (1) (bm) That the agent resigns from serving as registered agent for
20 the corporation.

21 **SECTION 476.** 181.0503 (1) (c) of the statutes is amended to read:

22 181.0503 (1) (c) ~~The street address of the corporation's current registered office~~
23 and its principal office corporation to which the agent will send the notice required
24 by sub. (4).

25 **SECTION 477.** 181.0503 (1) (d) and (e) of the statutes are repealed.

SENATE BILL 566**SECTION 478**

1 **SECTION 478.** 181.0503 (2) of the statutes is repealed.

2 **SECTION 479.** 181.0503 (3) (title) of the statutes is repealed.

3 **SECTION 480.** 181.0503 (3) (intro.) of the statutes is amended to read:

4 181.0503 (3) (intro.) The resignation under sub. (1) is effective and, if
5 applicable, the registered office is discontinued on the earlier of the following:

6 **SECTION 481.** 181.0503 (4), (5) and (6) of the statutes are created to read:

7 181.0503 (4) A registered agent promptly shall furnish to the corporation
8 notice in a record of the date on which a statement of resignation was filed.

9 (5) When a statement of resignation takes effect, the registered agent ceases
10 to have responsibility under this chapter for any matter thereafter tendered to it as
11 agent for the corporation. The resignation does not affect any contractual rights the
12 corporation has against the agent or that the agent has against the corporation.

13 (6) A registered agent may resign with respect to a corporation whether or not
14 the corporation is in good standing.

15 **SECTION 482.** 181.0504 (title) of the statutes is amended to read:

16 **181.0504** (title) **Service on corporation of process, notice, or demand.**

17 **SECTION 483.** 181.0504 (1) (title) of the statutes is repealed.

18 **SECTION 484.** 181.0504 (1) of the statutes is amended to read:

19 181.0504 (1) ~~A corporation's registered agent is the corporation's agent for~~
20 ~~service of corporation may be served with any process, notice, or demand required~~
21 ~~or permitted by law to be served on the corporation by serving its registered agent.~~
22 The department may serve any written notice required or authorized under this
23 chapter by e-mailing it to the registered agent's e-mail address on file with the
24 department, and such notice shall be effective as provided in s. 181.0105 (4).

25 **SECTION 485.** 181.0504 (2) (title) of the statutes is repealed.

SENATE BILL 566**SECTION 486**

1 **SECTION 486.** 181.0504 (2) (intro.), (a) and (c) of the statutes are amended to
2 read:

3 181.0504 (2) (intro.) Except as provided in sub. (3), if a corporation has no
4 registered agent, or the its registered agent cannot with reasonable diligence be
5 served, the corporation may be served by registered or certified mail, return receipt
6 requested, or by similar commercial delivery service, addressed to the corporation at
7 its principal office, as shown on the records of the department on the date of sending.
8 Service is perfected under this subsection at the earliest of the following:

9 (a) The date ~~on which~~ the corporation receives the mail or delivery by
10 commercial delivery service.

11 (c) Five days after ~~its deposit~~ it is deposited in the U.S. mail, ~~if mailed postpaid~~
12 ~~and correctly addressed~~ or with the commercial delivery service, if correctly
13 addressed and with sufficient postage or payment.

14 **SECTION 487.** 181.0504 (3) (title) of the statutes is repealed.

15 **SECTION 488.** 181.0504 (3) of the statutes is amended to read:

16 181.0504 (3) ~~Except as provided in s. 181.1421 (2) (b), if~~ If process, notice, or
17 demand in an action cannot be served on a corporation pursuant to sub. (1) or (2),
18 service may be made by handing a copy to the individual in charge of any regular
19 place of business or activity of the corporation if the individual served is not a
20 plaintiff in the action. If the address of the corporation's principal office cannot be
21 determined from the records held by of the department, the corporation may be
22 served by publishing a class 3 notice, under ch. 985, in the community where the
23 corporation's principal office or registered office, as most recently designated in the
24 records of the department, is located.

25 **SECTION 489.** 181.0504 (3m) of the statutes is created to read:

SENATE BILL 566**SECTION 489**

1 181.0504 **(3m)** Service of process, notice, or demand on a registered agent must
2 be in a written record.

3 **SECTION 490.** 181.0504 (4) of the statutes is repealed and recreated to read:

4 181.0504 **(4)** Service of process, notice, or demand may be made by other means
5 under law other than this chapter.

6 **SECTION 491.** 181.0505 of the statutes is created to read:

7 **181.0505 Change of name or address by registered agent. (1)** If the name
8 or e-mail address of a registered agent changes or if the street address of a registered
9 agent's office changes, the registered agent may change the name or e-mail address
10 of the registered agent or street address of the registered office of any corporation or
11 foreign corporation for which he, she, or it is the registered agent. To make the
12 change under this subsection, the registered agent shall notify the corporation or
13 foreign corporation in writing of the change and deliver to the department for filing
14 a statement of change that recites that the corporation or foreign corporation has
15 been notified of the change and states all of the following:

16 (a) The name of the corporation or foreign corporation represented by the
17 registered agent.

18 (b) The name, e-mail address, and street address of the agent as currently
19 shown in the records of the department for the corporation or foreign corporation.

20 (c) Any new name, new e-mail address, or new street address of the agent.

21 **(2)** A registered agent promptly shall furnish notice to the represented
22 corporation or foreign corporation of the filing by the department of the statement
23 of change and the changes made by the statement.

24 **SECTION 492.** 181.0506 of the statutes is created to read:

SENATE BILL 566**SECTION 492**

1 **181.0506 Delivery of record.** (1) Except as otherwise provided in this
2 chapter, permissible means of delivery of a record include delivery by hand, mail,
3 conventional commercial practice, and electronic transmission.

4 (2) Delivery to the department is effective only when a record is received by the
5 department.

6 **SECTION 493.** 181.0507 of the statutes is created to read:

7 **181.0507 Filing fees; certified copies.** (1) Subject to sub. (2) (a), the
8 department may collect a fee for filing, or providing a certified copy of, a record under
9 this chapter. The department may charge a fee for providing a certified copy of any
10 record, or for filing any record not identified in sub. (2) (a), pursuant to a rule
11 promulgated under this subsection or s. 182.01 (4).

12 (2) (a) Except as provided under par. (c), the department shall collect the
13 following fees when the records described in this paragraph are delivered to the
14 department for filing:

- 15 1. Articles of incorporation, \$35.
- 16 2. Application for use of an indistinguishable name, \$10.
- 17 3. Application for a reserved name, \$10.
- 18 4. Application for renewal of a reserved name, \$10.
- 19 5. Notice of transfer of reserved name, \$20.
- 20 6. Application for registered name, \$50.
- 21 7. Application for renewal of registered name, \$50.
- 22 8. Statement of change of registered agent or registered office or registered
23 agent's name, e-mail address, or street address under s. 181.0502, 181.0505, or
24 181.1508, \$10.
- 25 9. Statement of resignation of registered agent, \$10.

SENATE BILL 566**SECTION 493**

- 1 10. Amendment or restatement of articles of incorporation, \$40.
- 2 11. Articles of merger, interest exchange, conversion, or domestication, \$150.
- 3 12. Articles of dissolution, \$20.
- 4 13. Application for certificate of authority, \$100.
- 5 14. Application for amended certificate of authority, \$40.
- 6 15. Application for certificate of withdrawal of foreign corporation, \$40.
- 7 16. Statement of correction, \$40.
- 8 17. Annual report of a domestic corporation, \$25.
- 9 18. Annual report of a foreign corporation, \$65.

10 (b) In addition to the fees required under par. (a) or permitted under sub. (1),
11 the department may collect the expedited service fee established under s. 182.01 (4)
12 (d) for processing in an expeditious manner a record required or permitted to be filed
13 with the department under this chapter and may collect the fee established under
14 s. 182.01 (4) (f) for preparing in an expeditious manner a certificate of status or
15 certificate of registration under s. 181.0213.

16 (c) The department may, by rule, specify a larger fee for filing records in paper
17 format.

18 **(3)** A certified copy of a record filed by the department is conclusive evidence
19 that the original record is on file with the department.

20 **(4)** A person may not sign a document with intent that it be delivered to the
21 department for filing, or deliver a document or cause a document to be delivered to
22 the department for filing, if the person knows that the document is false in any
23 material respect at the time of its delivery. Whoever violates this subsection is guilty
24 of a Class I felony.

25 **SECTION 494.** 181.0670 (2) (d) of the statutes is amended to read:

SENATE BILL 566**SECTION 494**

1 181.0670 (2) (d) An act or omission for which the volunteer received
2 compensation or ~~any thing~~ anything of substantial value instead of compensation.

3 **SECTION 495.** 181.0704 (5) of the statutes is created to read:

4 181.0704 (5) CONSENT EFFECTIVE AT FUTURE TIME. Any person executing a
5 consent may provide, whether through instruction to an agent or otherwise, that a
6 consent to action will be effective at a future time, including a time determined upon
7 the happening of an event, and, for purposes of this section, if evidence of such
8 instruction or provision is provided to the corporation, such later effective time shall
9 serve as of the date of signature. Unless otherwise provided, any such consent shall
10 be revocable prior to its becoming effective.

11 **SECTION 496.** 181.0705 (2) of the statutes is amended to read:

12 181.0705 (2) IN GENERAL. Any notice that conforms to the requirements of sub.
13 (3) is fair and reasonable. Except for matters referred to in sub. (3) (b), other means
14 of giving notice may also be fair and reasonable when all of the circumstances are
15 considered. ~~Section~~ Sections 181.0105 (4) and 181.0141 ~~applies~~ apply to notices
16 provided under this section.

17 **SECTION 497.** 181.0705 (3) (b) of the statutes is amended to read:

18 181.0705 (3) (b) Notice of an annual or regular meeting includes a description
19 of any matter or matters that must be approved by the members under s. 181.0723
20 (2), 181.0831, 181.0873 (4), 181.1003, 181.1021, ~~181.1105~~ 181.1103, 181.1133,
21 181.1163, 181.1173, 181.1202 or 181.1401.

22 **SECTION 498.** 181.0809 (2) (c) of the statutes is amended to read:

23 181.0809 (2) (c) A removal under this subsection is effective when the notice
24 under par. (b) is effective under s. ~~181.0141~~ 181.0105 (4) unless the notice specifies
25 a future effective date.

SENATE BILL 566**SECTION 499**

1 **SECTION 499.** 181.0821 (4) of the statutes is created to read:

2 181.0821 (4) CONSENT EFFECTIVE AT FUTURE TIME. Any person, whether or not
3 then a director, may provide, whether through instruction to an agent or otherwise,
4 that a consent to action will be effective at a future time, including a time determined
5 upon the happening of an event, and such consent shall be considered to have been
6 given for purposes of this section at such effective time so long as the person is then
7 a director and did not revoke the consent prior to that time. Any such consent shall
8 be revocable prior to its becoming effective.

9 **SECTION 500.** Subchapter XI (title) of chapter 181 [precedes 181.1100] of the
10 statutes is amended to read:

11 **CHAPTER 181**

12 SUBCHAPTER XI

13 MERCER, INTEREST EXCHANGE,

14 CONVERSION, AND DOMESTICATION

15 **SECTION 501.** 181.1100 (1) of the statutes is renumbered 181.1100 (1g).

16 **SECTION 502.** 181.1100 (1c), (1e), (1j), (1m), (1o), (1q), (1s), (1u) and (1w) of the
17 statutes are created to read:

18 181.1100 (1c) “Acquired entity” means the entity all of one or more classes or
19 series of interests of which are acquired in an interest exchange.

20 (1e) “Acquiring entity” means the entity that acquires all of one or more classes
21 or series of interests of the acquired entity in an interest exchange.

22 (1j) “Constituent entity” means a merging entity or a surviving entity in a
23 merger.

24 (1m) “Conversion” means a transaction authorized by ss. 181.1161 to 181.1165.

SENATE BILL 566**SECTION 502**

1 **(1o)** “Converted entity” means the converting entity as it continues in existence
2 after a conversion.

3 **(1q)** “Converting entity” means an entity that engages in a conversion.

4 **(1s)** “Domesticated entity” means the domesticating entity as it continues in
5 existence after a domestication.

6 **(1u)** “Domesticating entity” means either a non-United States entity or a
7 Wisconsin corporation that engages in a domestication.

8 **(1w)** “Domestication” means a transaction authorized by ss. 181.1171 to
9 181.1175.

10 **SECTION 503.** 181.1100 (2) of the statutes is amended to read:

11 181.1100 **(2)** “Domestic business entity” means a corporation, as defined in s.
12 180.0103 (5), a limited liability company, as defined in s. 183.0102 ~~(10)~~ (8), a foreign
13 partnership, as defined in s. 178.0102 (6), a partnership, as defined in s. 178.0102
14 (11), a limited partnership, as defined in s. ~~179.01 (7)~~ 179.0102 (12), or a corporation,
15 as defined in s. 181.0103 (5).

16 **SECTION 504.** 181.1100 (3) of the statutes is amended to read:

17 181.1100 **(3)** “Foreign business entity” means a foreign limited liability
18 company, as defined in s. 183.0102 ~~(8)~~ (5), a foreign partnership, as defined in s.
19 178.0102 (6), a foreign limited partnership, as defined in s. ~~179.01 (4)~~ 179.0102 (6),
20 a foreign corporation, as defined in s. 180.0103 (9), or a foreign corporation, as
21 defined in s. 181.0103 (13).

22 **SECTION 505.** 181.1100 (4) to (14) of the statutes are created to read:

23 181.1100 **(4)** “Interest” means any of the following:

24 (a) A share in a business corporation.

25 (b) A membership in a nonprofit or nonstock corporation.

SENATE BILL 566**SECTION 505**

- 1 (c) A partnership interest in a general partnership.
- 2 (d) A partnership interest in a limited partnership.
- 3 (e) A membership interest in a limited liability company.
- 4 (f) A membership interest or stock in a general cooperative association.
- 5 (g) A membership interest in a limited cooperative association.
- 6 (h) A membership in an unincorporated association.
- 7 (i) A beneficial interest in a statutory trust, business trust, or common-law
- 8 business trust.
- 9 (j) A comparable interest in any other type of unincorporated entity.
- 10 **(5)** “Interest exchange” means a transaction authorized by ss. 181.1131 to
- 11 181.1135.
- 12 **(6)** “Interest holder” means any of the following:
- 13 (a) A shareholder of a business corporation.
- 14 (b) A member of a nonprofit or nonstock corporation.
- 15 (c) A general partner of a general partnership.
- 16 (d) A general partner of a limited partnership.
- 17 (e) A limited partner of a limited partnership.
- 18 (f) A member of a limited liability company.
- 19 (g) A member or stockholder of a general cooperative association.
- 20 (h) A member of a limited cooperative association.
- 21 (i) A member of an unincorporated association.
- 22 (j) A beneficiary or beneficial owner of a statutory trust, business trust, or
- 23 common-law business trust.
- 24 (k) Any other direct holder of an interest.
- 25 **(7)** “Interest holder liability” means any of the following:

SENATE BILL 566**SECTION 505**

1 (a) Personal liability for a debt, obligation, or other liability of an entity which
2 is imposed on a person under any of the following circumstances:

3 1. Solely by reason of the status of the person as an interest holder of the entity
4 under its governing law.

5 2. Under the organizational documents of the entity in accordance with its
6 governing law which make one or more specified interest holders or categories of
7 interest holders liable in their capacity as interest holders for all or specified
8 liabilities of the entity.

9 (b) An obligation of an interest holder of an entity under its organizational
10 documents to contribute to the entity.

11 (8) "Merger" means a transaction authorized by ss. 181.1101 to 181.11055.

12 (9) "Merging entity" means an entity that is a party to a merger and exists
13 immediately before the merger becomes effective.

14 (10) "Non-United States entity" means an entity whose governing law is the
15 law of any jurisdiction other than the United States or any state, but does not include
16 an entity that has domesticated under the law of any other state.

17 (11) "Organizational documents" means, with respect to an entity, whether in
18 a record or, to the extent permitted under the entity's governing law, other than in
19 a record, the following or its equivalent under the entity's governing law:

20 (a) For a domestic or foreign corporation, whether or not for profit or stock or
21 nonstock, its articles of incorporation and bylaws.

22 (b) For a domestic or foreign partnership, its partnership agreement and, in the
23 case of a domestic or foreign limited liability partnership, its statement of
24 qualification as a limited liability partnership or foreign limited liability
25 partnership.

SENATE BILL 566**SECTION 505**

1 (c) For a domestic or foreign limited partnership, its certificate of limited
2 partnership and partnership agreement.

3 (d) For a domestic or foreign limited liability company, its certificate or articles
4 of organization and operating agreement.

5 (e) For a business trust, its agreement of trust and declaration of trust.

6 (f) For any other entity, the basic records, agreements, or other items that
7 create the entity and control its internal governance and the relations among its
8 interest holders.

9 (12) "Plan" means a plan of merger under s. 181.1102, a plan of interest
10 exchange under s. 181.1132, a plan of conversion under s. 181.1162, or a plan of
11 domestication under s. 181.1172.

12 (13) "Surviving entity" means the entity that continues in existence after or is
13 created by a merger.

14 (14) "Type of entity" means a generic form of entity that is any of the following:

15 (a) Recognized at common law.

16 (b) Recognized under a governing law.

17 **SECTION 506.** 181.11001 of the statutes is created to read:

18 **181.11001 Relationship of subchapter to other laws.** (1) This subchapter
19 does not authorize an act prohibited by, and does not affect the application or
20 requirements of, law other than this subchapter.

21 (2) A transaction effected under this subchapter may not create or impair a
22 right, duty, or obligation of a person under the law of this state, other than this
23 subchapter, relating to a change in control, takeover, business combination,
24 control-share acquisition, or similar transaction involving a domestic constituent,
25 acquired, or converting entity.

SENATE BILL 566**SECTION 507**

1 **SECTION 507.** 181.11002 of the statutes is created to read:

2 **181.11002 Existing purpose. (1)** Property held for a charitable purpose
3 under the law of this state by a domestic or foreign entity immediately before a
4 transaction under this subchapter becomes effective may not, as a result of the
5 transaction, be diverted from the objects for which it was donated, granted, devised,
6 or otherwise transferred. An entity that is or plans to be engaged in a transaction
7 covered by this subchapter may apply to the circuit court for a determination
8 regarding the transaction's compliance with cy pres or other law dealing with
9 nondiversion of charitable assets.

10 **(2)** A bequest, devise, gift, grant, or promise contained in a will or other
11 instrument of donation, subscription, or conveyance that is made to a merging entity
12 which is not the surviving entity and that takes effect or remains payable after the
13 merger inures to the surviving entity.

14 **(3)** A trust obligation that would govern property if transferred to a
15 nonsurviving entity applies to property that is transferred to the surviving entity
16 under this section.

17 **SECTION 508.** 181.11003 of the statutes is created to read:

18 **181.11003 Nonexclusivity.** The fact that a transaction under this subchapter
19 produces a certain result does not preclude the same result from being accomplished
20 in any other manner permitted by law other than this subchapter.

21 **SECTION 509.** 181.11004 of the statutes is created to read:

22 **181.11004 Reference to external facts.** A plan may refer to facts
23 ascertainable outside the plan if the manner in which the facts will operate upon the
24 plan is specified in the plan. The facts may include the occurrence of an event or a

SENATE BILL 566**SECTION 509**

1 determination or action by a person, whether or not the event, determination, or
2 action is within the control of a party to the transaction.

3 **SECTION 510.** 181.1101 (title) of the statutes is repealed and recreated to read:

4 **181.1101 (title) Merger authorized.**

5 **SECTION 511.** 181.1101 (1) (title) of the statutes is repealed.

6 **SECTION 512.** 181.1101 (1) of the statutes is amended to read:

7 181.1101 (1) One or more domestic corporations may merge with or into one
8 or more other business constituent entities pursuant to ss. 181.1101 to 181.11055
9 and a plan of merger if the plan of merger is approved as provided in s. 181.1103 and
10 if the merger is permitted under the applicable governing law of the jurisdiction that
11 governs each other business constituent entity that is a party to the merger and each
12 business constituent entity approves the plan of merger in the manner required by
13 the laws applicable to the business entity its governing law.

14 **SECTION 513.** 181.1101 (2) of the statutes is repealed.

15 **SECTION 514.** 181.1101 (2m) of the statutes is created to read:

16 181.1101 (2m) One or more other domestic or foreign entities may merge with
17 or into a domestic corporation pursuant to ss. 181.1101 to 181.11055 and a plan of
18 merger if the merger is permitted under the governing law of each constituent entity
19 and each constituent entity approves the plan of merger in the manner required by
20 its governing law.

21 **SECTION 515.** 181.1101 (3) of the statutes is repealed.

22 **SECTION 516.** 181.1102 of the statutes is created to read:

23 **181.1102 Plan of merger. (1)** A plan of merger must be in a record and
24 contain all of the following:

25 (a) As to each constituent entity, its name, type of entity, and governing law.

SENATE BILL 566**SECTION 516**

1 (b) The terms and conditions of the merger.

2 (c) The manner and basis of converting the interests in each constituent entity
3 into interests, securities, or obligations of the surviving entity, rights to acquire such
4 interests or securities, money, other property, or any combination of the foregoing.

5 (d) If the surviving entity preexists the merger, any proposed amendments to
6 its organizational documents that are to be in a record immediately after the merger
7 becomes effective.

8 (e) If the surviving entity is to be created in the merger, any of its organizational
9 documents that are to be in a record immediately after the merger becomes effective.

10 (f) Any other matters required under the governing law of any constituent
11 entity.

12 **(2)** In addition to the requirements of sub. (1), a plan of merger may contain
13 any other provision relating to the merger and not prohibited by law.

14 **(3)** This section does not limit the power of a corporation to acquire all or part
15 of the interests of one or more classes or series of another constituent entity through
16 a voluntary exchange or otherwise.

17 **SECTION 517.** 181.1103 (title) of the statutes is repealed and recreated to read:

18 **181.1103 (title) Approval of merger; amendment; abandonment.**

19 **SECTION 518.** 181.1103 (1) of the statutes is renumbered 181.1103 (1m) (b) and
20 amended to read:

21 181.1103 (1m) (b) *Corporations* Domestic corporations without members with
22 voting rights. If the domestic corporation does not have members with voting rights,
23 the plan of merger must be approved by a majority of the directors in office at the time
24 the plan of merger is approved. In addition the domestic corporation shall provide
25 notice of any board meeting at which such approval is to be obtained in accordance

SENATE BILL 566**SECTION 518**

1 with s. 181.0822 (3). The notice must also state that the purpose, or one of the
2 purposes, of the meeting is to consider the proposed plan of merger.

3 **SECTION 519.** 181.1103 (1m) (title) of the statutes is created to read:

4 181.1103 **(1m)** (title) MANNER OF APPROVAL OF PLAN OF MERGER.

5 **SECTION 520.** 181.1103 (1m) (a) of the statutes is created to read:

6 181.1103 **(1m)** (a) *In general.* Subject to s. 181.1180, a plan of merger must be
7 approved in the manner provided by this subsection by each domestic corporation
8 that is a constituent entity.

9 **SECTION 521.** 181.1103 (2) of the statutes is renumbered 181.1103 (1m) (c), and
10 181.1103 (1m) (c) (intro.), as renumbered, is amended to read:

11 181.1103 **(1m)** (c) *Corporations Domestic corporations with voting members.*
12 (intro.) Unless this chapter, the articles of incorporation or the bylaws require a
13 greater vote or voting by class, a plan of merger to be adopted by a domestic
14 corporation with voting members shall be approved by all of the following:

15 **SECTION 522.** 181.1103 (2m), (3m) and (4m) of the statutes are created to read:

16 181.1103 **(2m)** AMENDING OR ABANDONING PLAN OF MERGER. Subject to s. 181.1180
17 and the governing law of each constituent entity, after a plan of merger is approved,
18 and at any time before a merger becomes effective, the constituent entities may
19 amend the plan of merger or abandon the merger as provided in the plan of merger
20 or, except as otherwise provided in the plan of merger, with the same vote or consent
21 as was required to approve the plan of merger.

22 **(3m)** STATEMENT OF AMENDMENT OR ABANDONMENT. If, after articles of merger
23 have been delivered to the department for filing and before the merger becomes
24 effective, the plan of merger is amended in a manner that requires an amendment
25 to the articles of merger or if the merger is abandoned, a statement of amendment

SENATE BILL 566**SECTION 522**

1 or abandonment, signed by a constituent entity, must be delivered to the department
2 for filing before the merger becomes effective. When the statement of abandonment
3 becomes effective, the merger is abandoned and does not become effective. The
4 statement of amendment or abandonment must contain all of the following:

5 (a) The name of each constituent entity.

6 (b) The amendment to or the abandonment of the articles of merger.

7 (c) A statement that the amendment or abandonment was approved in
8 accordance with this section.

9 **(4m)** ADDITIONAL APPROVAL OF PLAN OF MERGER. In addition to approval under
10 sub. (1m), a plan of merger must be approved by each constituent entity that is not
11 a domestic corporation in accordance with any requirements of its governing law.

12 **SECTION 523.** 181.1103 (3) of the statutes is renumbered 181.1103 (1m) (d) and
13 amended to read:

14 181.1103 **(1m)** (d) *Notice requirements.* If the board seeks to have the plan of
15 merger approved by the members at a membership meeting, the domestic
16 corporation shall give notice, to its members with voting rights, of the proposed
17 membership meeting in accordance with s. 181.0705, except that the notice shall be
18 given at least 20 days before the meeting date. The notice must also state that the
19 purpose, or one of the purposes, of the meeting is to consider the plan of merger and
20 contain or be accompanied by a copy or summary of the plan. The copy or summary
21 of the plan for members of the surviving domestic corporation shall include any
22 provision that, if contained in a proposed amendment to the articles of incorporation
23 or bylaws, would entitle members to vote on the provision. The copy or summary of
24 the plan for members of the disappearing domestic corporation shall include a copy

SENATE BILL 566**SECTION 523**

1 or summary of the articles of incorporation and bylaws that will be in effect
2 immediately after the merger takes effect.

3 **SECTION 524.** 181.1103 (4) of the statutes is renumbered 181.1103 (1m) (e) and
4 amended to read:

5 181.1103 (1m) (e) *Written consents or ballots.* If the board seeks to have the
6 plan approved by the members by written consent or written ballot, the material
7 soliciting the approval shall contain or be accompanied by a copy or summary of the
8 plan. The copy or summary of the plan for members of the surviving domestic
9 corporation shall include any provision that, if contained in a proposed amendment
10 to the articles of incorporation or bylaws, would entitle members to vote on the
11 provision. The copy or summary of the plan for members of the disappearing
12 domestic corporation shall include a copy or summary of the articles of incorporation
13 and bylaws that will be in effect immediately after the merger takes effect.

14 **SECTION 525.** 181.1103 (5) of the statutes is renumbered 181.1103 (1m) (f).

15 **SECTION 526.** 181.1103 (6) of the statutes is renumbered 181.1103 (1m) (g).

16 **SECTION 527.** 181.1104 of the statutes is repealed.

17 **SECTION 528.** 181.11045 of the statutes is created to read:

18 **181.11045 Filings required for merger; effective date.** (1) After a merger
19 has been approved with respect to each constituent entity in accordance with its
20 governing law, the constituent entities shall deliver, or cause to be delivered, to the
21 department for filing articles of merger setting forth all of the following:

22 (a) The name, type of entity, and governing law of each constituent entity.

23 (b) The name, type of entity, and governing law of the surviving entity and, if
24 the surviving entity is created by the merger, a statement to that effect.

SENATE BILL 566**SECTION 528**

1 (c) A statement that the plan of merger has been approved and adopted by each
2 constituent entity in accordance with its governing law.

3 (d) 1. If the surviving entity preexists the merger, any amendments to its
4 organizational documents under s. 181.1102 (1) (d) that are to be in a public record
5 under its governing law or, if there are no such amendments, a statement to that
6 effect.

7 2. If the surviving entity is to be created in the merger, any of its organizational
8 documents under s. 181.1102 (1) (e) that are to be in a public record under its
9 governing law.

10 (e) A statement that the plan of merger is on file at the principal office of the
11 surviving entity.

12 (f) A statement that upon request the surviving entity will provide a copy of the
13 plan of merger to any person that was an interest holder of a constituent entity.

14 **(2)** In addition to the requirements of sub. (1), the articles of merger may
15 contain any other provisions relating to the merger, as determined by the constituent
16 entities in accordance with the plan of merger.

17 **(3)** If the surviving entity is a foreign entity that will be required to register to
18 do business in this state immediately after the merger and it has not previously
19 registered to do so, it shall so register.

20 **(4)** A merger takes effect at the effective date and time of the articles of merger.

21 **SECTION 529.** 181.1105 of the statutes is repealed.

22 **SECTION 530.** 181.11055 of the statutes is created to read:

23 **181.11055 Effect of merger. (1)** When a merger becomes effective, all of the
24 following apply:

SENATE BILL 566**SECTION 530**

1 (a) Each merging entity merges into the surviving entity, and the separate
2 existence of every constituent entity that is a party to the merger, except the
3 surviving entity, ceases.

4 (am) 1. Except as provided in this paragraph, no interest holder shall have
5 interest holder liability with respect to any of the constituent entities.

6 2. If, under the governing law of a constituent entity, one or more of the interest
7 holders thereof had interest holder liability prior to the merger with respect to the
8 entity, such interest holder or holders shall continue to have such liability and any
9 associated contribution or other rights to the extent provided in such governing law
10 with respect to debts, obligations, and other liabilities of the entity that accrued
11 during the period or periods in which such interest holder or holders had such
12 interest holder liability.

13 3. If, under the governing law of the surviving entity, one or more of the interest
14 holders thereof will have interest holder liability after the merger with respect to the
15 surviving entity, such interest holder or holders will have such liability and any
16 associated contribution and other rights to the extent provided in such governing law
17 with respect to the debts, obligations, and other liabilities of the surviving entity that
18 accrue on or after the merger.

19 4. This paragraph does not affect liability under any taxation laws.

20 (b) The title to all property owned by each constituent entity is vested in the
21 surviving entity without transfer, reversion, or impairment.

22 (c) The surviving entity has all debts, obligations, and other liabilities of each
23 constituent entity.

24 (d) A civil, criminal, or administrative proceeding pending by or against any
25 constituent entity may be continued as if the merger did not occur, or the surviving

SENATE BILL 566**SECTION 530**

1 entity may be substituted in the proceeding for a constituent entity whose existence
2 ceased.

3 (e) 1. If the surviving entity preexists the merger, its organizational documents
4 are amended to the extent, if any, provided in the plan of merger and, to the extent
5 such amendments are to be reflected in a public record, as provided in the articles
6 of merger.

7 2. If the surviving entity is created in the merger, its organizational documents
8 are as provided in the plan of merger and, to the extent such organizational
9 documents are to be reflected in a public record, as provided in the articles of merger.

10 (f) The interests of each constituent entity that are to be converted into
11 interests, securities, or obligations of the surviving entity, rights to acquire such
12 interests or securities, money, other property, or any combination of the foregoing,
13 are converted as provided in the plan of merger, and the former interest holders of
14 the interests are entitled only to the rights provided to them in the plan of merger
15 or to their rights, if any, under ss. 178.1161, 179.1161, 180.1301 to 180.1331,
16 181.1180, 183.1061, or otherwise under the governing law of the constituent entity.
17 All other terms and conditions of the merger also take effect.

18 (g) Except as prohibited by other law or as otherwise provided in the articles
19 and plan of merger, all of the rights, privileges, immunities, powers, and purposes
20 of each constituent entity vest in the surviving entity.

21 (h) Except as otherwise provided in the articles and plan of merger, if a merging
22 entity is a partnership, limited liability company, or other entity subject to
23 dissolution under its governing law, the merger does not dissolve the merging entity
24 for the purposes of its governing law.

SENATE BILL 566**SECTION 530**

1 **(2)** (a) When a merger takes effect, the department is the agent of any foreign
2 surviving entity for service of process in a proceeding to enforce any obligation or the
3 rights of interest holders, in their capacity as such, of each domestic constituent
4 entity.

5 (b) When a merger takes effect, any foreign surviving entity shall
6 timely honor the rights and obligations of interest holders under this chapter with
respect to each domestic corporation constituent entity.

8 **(3)** When a merger takes effect, any foreign surviving entity may be served with
9 process in this state for the collection and enforcement of any debts, obligations, or
10 other liabilities of a domestic merging entity as provided in s. 181.1510.

11 **SECTION 531.** 181.1106 of the statutes is repealed.

12 **SECTION 532.** 181.1107 of the statutes is repealed.

13 **SECTION 533.** 181.1131 of the statutes is created to read:

14 **181.1131 Interest exchange authorized.** (1) A domestic corporation may
15 acquire all of one or more classes or series of interests of another domestic or foreign
16 entity pursuant to ss. 181.1131 to 181.1135 and a plan of interest exchange if the
17 interest exchange is permitted under the governing law applicable to the corporation
18 and the acquired entity.

19 **(2)** All of one or more classes or series of interests of a domestic corporation may
20 be acquired by another domestic or foreign entity pursuant to ss. 181.1131 to
21 181.1135 and a plan of interest exchange if the interest exchange is permitted under
22 the governing law applicable to the acquiring entity and the corporation.

23 **SECTION 534.** 181.1132 of the statutes is created to read:

24 **181.1132 Plan of interest exchange.** (1) The plan of interest exchange must
25 be in a record and contain all of the following:

SENATE BILL 566**SECTION 534**

1 (a) As to both the acquiring entity and the acquired entity, its name, type of
2 entity, and governing law.

3 (b) The terms and conditions of the interest exchange.

4 (c) The manner and basis of exchanging the interests to be acquired for
5 interests, securities, or obligations of the surviving entity, rights to acquire such
6 interests or securities, money, other property, or any combination of the foregoing.

7 (d) Any proposed amendments to the organizational documents of the
8 acquiring or acquired entity that will take effect when the interest exchange becomes
9 effective.

10 (e) Any other matters required under the governing law of the acquired or
11 acquiring entity.

12 (f) A statement whether s. 181.1180 applies to the interest exchange.

13 **(2)** In addition to the requirements of sub. (1), a plan of interest exchange may
14 contain any other provision relating to the interest exchange and not prohibited by
15 law.

16 **SECTION 535.** 181.1133 of the statutes is created to read:

17 **181.1133 Approval of interest exchange; amendment; abandonment.**

18 **(1)** Subject to s. 181.1180, a plan of interest exchange must be approved in
19 accordance with the procedures that govern a plan of merger under s. 181.1103 with
20 respect to each domestic corporation acquired entity.

21 **(2)** Subject to s. 181.1180 and the governing law of each of the acquiring entity
22 and acquired entity, after a plan of interest exchange is approved, and at any time
23 before an interest exchange becomes effective, the acquiring and acquired entities
24 may amend the plan of interest exchange or abandon the interest exchange as
25 provided in the plan of interest exchange or, except as otherwise provided in the plan

SENATE BILL 566**SECTION 535**

1 of interest exchange, with the same vote or consent as was required to approve the
2 plan of interest exchange.

3 (3) If, after articles of interest exchange have been delivered to the department
4 for filing and before the interest exchange becomes effective, the plan of interest
5 exchange is amended in a manner that requires an amendment to the articles of
6 interest exchange or if the interest exchange is abandoned, a statement of
7 amendment or abandonment, signed by either the acquiring entity or the acquired
8 entity, must be delivered to the department for filing before the interest exchange
9 becomes effective. When a statement of abandonment becomes effective, the interest
10 exchange is abandoned and does not become effective. The statement of amendment
11 or abandonment must contain all of the following:

12 (a) The name of the acquiring and acquired entities.

13 (b) The amendment to or abandonment of the articles of interest exchange.

14 (c) A statement that the amendment or abandonment was approved in
15 accordance with this section.

16 (4) In addition to approval under sub. (1), a plan of interest exchange must be
17 approved by any acquiring or acquired entity that is not a domestic corporation in
18 accordance with any requirements of its governing law.

19 **SECTION 536.** 181.1134 of the statutes is created to read:

20 **181.1134 Filings required for interest exchange; effective date. (1)**

21 After an interest exchange has been approved with respect to the acquiring and
22 acquired entity in accordance with their governing laws, the acquiring entity shall
23 deliver, or cause to be delivered, to the department for filing articles of interest
24 exchange setting forth all of the following:

25 (a) The name, type of entity, and governing law of the acquired entity.

SENATE BILL 566**SECTION 536**

1 (b) The name, type of entity, and governing law of the acquiring entity.

2 (c) A statement that the plan of interest exchange has been approved by the
3 acquired and acquiring entities in accordance with their respective governing laws.

4 (d) Any amendments to the organizational documents of the acquired or
5 acquiring entity that are to be in a public record under their respective governing
6 laws or, if there are no such amendments, a statement to that effect.

7 (e) A statement that the plan of interest exchange is on file at the principal
8 office of the acquiring entity.

9 (f) A statement that upon request the acquiring entity will provide a copy of the
10 plan of interest exchange to any interest holder of the acquired entity.

11 **(2)** In addition to the requirements of sub. (1), articles of interest exchange may
12 contain any other provisions relating to the interest exchange, as determined by the
13 acquiring entity in accordance with the plan of interest exchange.

14 **(3)** An interest exchange takes effect at the effective date and time of the
15 articles of interest exchange.

16 **SECTION 537.** 181.1135 of the statutes is created to read:

17 **181.1135 Effect of interest exchange.** (1) When an interest exchange
18 becomes effective, all of the following apply:

19 (a) The interests in the acquired entity which are the subject of the interest
20 exchange are exchanged as provided in the plan of interest exchange, and the former
21 interest holders of those interests are entitled only to the rights provided to them
22 under the plan of interest exchange or to their rights, if any, under ss. 178.1161,
23 179.1161, 180.1301 to 180.1331, 181.1180, 183.1061, or otherwise under the
24 governing law of the acquired entity. All other terms and conditions of the interest
25 exchange also take effect.

SENATE BILL 566**SECTION 537**

1 (b) The acquiring entity becomes the interest holder of the interests which are
2 the subject of the interest exchange as provided in the plan of interest exchange.

3 (c) The provisions of the organizational documents of the acquiring and
4 acquired entity are amended to the extent, if any, provided in the plan of interest
5 exchange and to the extent such amendments are to be reflected in a public record,
6 as provided in the articles of interest exchange.

7 **(2)** Except as otherwise provided in the articles and plan of interest exchange,
8 if the acquired entity is a domestic or foreign partnership, limited liability company,
9 or other organization subject to dissolution under its governing law, the interest
10 exchange does not dissolve the acquired entity.

11 **(3)** (a) Except as provided in this subsection, no interest holder shall have
12 interest holder liability with respect to either the acquiring or acquired entity.

13 (b) If, under the governing law of either entity, one or more of the interest
14 holders thereof had interest holder liability prior to the interest exchange with
15 respect to the entity, such interest holder or holders shall continue to have such
16 liability and any associated contribution and other rights to the extent provided in
17 such governing law with respect to debts, obligations, and other liabilities of the
18 entity that accrued during the period or periods in which such interest holder or
19 holders had such interest holder liability.

20 (c) If, under the governing law of either entity, one or more of the interest
21 holders thereof will have interest holder liability after the interest exchange with
22 respect to the entity, such interest holder or holders shall have such liability and any
23 associated contribution and other rights to the extent provided in such governing law
24 with respect to the debts, obligations, and other liabilities of the entity that accrue
25 on or after the interest exchange.

SENATE BILL 566**SECTION 537**

1 (d) This subsection does not affect liability under any taxation laws.

2 (4) (a) When an interest exchange takes effect, the department is the agent of
3 any foreign acquiring entity for service of process in a proceeding to enforce any
4 obligation or the rights of interest holders, in their capacities as such, of each
5 domestic corporation acquired entity.

6 (b) When an interest exchange takes effect, any foreign acquiring entity shall
7 timely honor the rights and obligations of interest holders under this chapter with
8 respect to each domestic corporation acquired entity.

9 **SECTION 538.** 181.1161 (title) of the statutes is amended to read:

10 **181.1161** (title) **Conversion authorized.**

11 **SECTION 539.** 181.1161 (1) (a) of the statutes is renumbered 181.1161 (1m) and
12 amended to read:

13 181.1161 (1m) A domestic corporation may convert to another form of business
14 type of domestic entity if it satisfies the requirements under this section and, or to
15 any type of foreign entity, pursuant to ss. 181.1161 to 181.1165 and a plan of
16 conversion if the conversion is permitted under the applicable governing law of the
17 jurisdiction that governs the organization of the business entity into which the
18 domestic corporation is converting entity and the governing law that is to apply to
19 the converted entity.

20 **SECTION 540.** 181.1161 (1) (b) of the statutes is repealed.

21 **SECTION 541.** 181.1161 (2) (a) of the statutes is renumbered 181.1161 (2m) and
22 amended to read:

23 181.1161 (2m) A business foreign or domestic entity, other than a domestic
24 corporation, may convert to a domestic corporation if it satisfies the requirements
25 under this section and pursuant to ss. 181.1161 to 181.1165 and a plan of conversion

SENATE BILL 566**SECTION 541**

1 if the conversion is permitted under the applicable governing law of the jurisdiction
2 that governs the business converting entity and the converted entity will satisfy the
3 definition of a corporation under this chapter immediately after the conversion.

4 **SECTION 542.** 181.1161 (2) (b) of the statutes is repealed.

5 **SECTION 543.** 181.1161 (3) (intro.), (a) and (b) of the statutes are renumbered
6 181.1162 (1) (intro.), (a) and (b) and amended to read:

7 181.1162 (1) (intro.) A plan of conversion ~~shall set forth~~ must be in a record and
8 contain all of the following:

9 (a) The name, form type of business entity, and the identity of the jurisdiction
10 governing the business law of the converting entity that is to be converted.

11 (b) The name, form type of business entity, and the identity of the jurisdiction
12 that will govern the new business governing law of the converted entity.

13 **SECTION 544.** 181.1161 (3) (c) of the statutes is renumbered 181.1162 (1) (c).

14 **SECTION 545.** 181.1161 (3) (d) of the statutes is renumbered 181.1162 (1) (d) and
15 amended to read:

16 181.1162 (1) (d) The manner and basis of converting the shares or other
17 ownership interests of the business entity that is to be converted into the shares or
18 other ownership interests of the new form of business entity interests in the
19 converting entity into interests, securities, or obligations of the surviving entity,
20 rights to acquire such interests or securities, money, other property, or any
21 combination of the foregoing.

22 **SECTION 546.** 181.1161 (3) (e), (f) and (g) of the statutes are repealed.

23 **SECTION 547.** 181.1161 (4), (5) and (6) of the statutes are repealed.

24 **SECTION 548.** 181.1162 (title) of the statutes is created to read:

25 **181.1162 (title) Plan of conversion.**

SENATE BILL 566**SECTION 549**

1 **SECTION 549.** 181.1162 (1) (e) and (f) of the statutes are created to read:

2 181.1162 (1) (e) The organizational documents of the converted entity that are
3 to be in a record immediately after the conversion becomes effective.

4 (f) Any other matters required by the governing law of the converting entity.

5 **SECTION 550.** 181.1162 (2) of the statutes is created to read:

6 181.1162 (2) In addition to the requirements of sub. (1), a plan of conversion
7 may contain any other provision relating to the conversion and not prohibited by law.

8 **SECTION 551.** 181.1163 of the statutes is created to read:

9 **181.1163 Approval of conversion; amendment; abandonment. (1)**

10 Subject to s. 181.1180, a plan of conversion must be approved in accordance with the
11 procedures that govern a plan of merger under s. 181.1103 for the submission and
12 approval of a plan of conversion with respect to a converting domestic corporation.
13 A plan of conversion into a converted domestic corporation must be approved
14 pursuant to the governing law of the converting entity.

15 **(2)** Subject to s. 181.1180 and the governing law of each of the converting entity
16 and converted entity, after a plan of conversion is approved, and at any time before
17 a conversion becomes effective, the converting entity may amend the plan of
18 conversion or abandon the conversion as provided in the plan of conversion or, except
19 as otherwise provided in the plan of conversion, with the same vote or consent as was
20 required to approve the plan of conversion.

21 **(3)** If, after articles of conversion have been delivered to the department for
22 filing and before the conversion becomes effective, the plan of conversion is amended
23 in a manner that requires an amendment to the articles of conversion or if the
24 conversion is abandoned, a statement of amendment or abandonment, signed by the
25 converting entity, must be delivered to the department for filing before the

SENATE BILL 566**SECTION 551**

1 conversion becomes effective. When a statement of abandonment becomes effective,
2 the conversion is abandoned and does not become effective. The statement of
3 amendment or abandonment must contain all of the following:

4 (a) The name of the converting entity and the converted entity under the plan
5 of conversion.

6 (b) The amendment to or abandonment of the articles of conversion.

7 (c) A statement that the amendment or abandonment was approved in
8 accordance with this section.

9 **SECTION 552.** 181.1164 of the statutes is created to read:

10 **181.1164 Filings required for conversion; effective date.** (1) After the
11 converting entity has approved a plan of conversion in accordance with its governing
12 law, the converting entity shall deliver, or cause to be delivered, to the department
13 for filing articles of conversion setting forth all of the following:

14 (a) The name, type of entity, and governing law of the converting entity.

15 (b) The name, type of entity, and governing law of the converted entity.

16 (c) A statement that the plan of conversion has been approved and adopted by
17 the converting entity in accordance with its governing law.

18 (d) Any organizational documents of the converted entity that are to be in a
19 public record under its governing law.

20 (e) A statement that the plan of conversion is on file at the principal office of
21 the converted entity.

22 (f) A statement that upon request the converted entity will provide a copy of
23 the plan of conversion to any interest holder of the converting entity.

24 (g) A statement whether s. 181.1180 applies to the conversion.

SENATE BILL 566**SECTION 552**

1 (2) In addition to the requirements of sub. (1), the articles of conversion may
2 contain any other provisions relating to the conversion, as determined by the
3 converting entity in accordance with the plan of conversion.

4 (3) If the converted entity is a foreign entity that will be required to register
5 to do business in this state immediately after the conversion and it has not previously
6 registered to do so, it shall so register.

7 (4) A conversion takes effect at the effective date and time of the articles of
8 conversion.

9 **SECTION 553.** 181.1165 of the statutes is created to read:

10 **181.1165 Effect of conversion. (1)** When a conversion becomes effective, all
11 of the following apply:

12 (a) The converting entity continues its existence in the form of the converted
13 entity and is the same entity that existed before the conversion, except that the
14 converting entity is no longer subject to the governing law that applied prior to the
15 conversion and is subject to the governing law of the converted entity.

16 (am) 1. Except as provided in this paragraph, no interest holder shall have
17 interest holder liability with respect to the converting or converted entity.

18 2. If, under the governing law of the converting entity, one or more of the
19 interest holders thereof had interest holder liability prior to the conversion with
20 respect to the converting entity, such interest holder or holders shall continue to have
21 such liability and any associated contribution and other rights to the extent provided
22 in such governing law with respect to the debts, obligations, and other liabilities of
23 the converting entity that accrued during the period or periods in which the interest
24 holder or holders had such interest holder liability.

SENATE BILL 566**SECTION 553**

1 3. If, under the governing law of the converted entity, one or more of the interest
2 holders thereof will have interest holder liability after the conversion with respect
3 to the converted entity, such interest holder or holders will have such liability and
4 any associated contribution and other rights to the extent provided in such governing
5 law with respect to the debts, obligations, and other liabilities of the converted entity
6 that accrue after the conversion.

7 4. This paragraph does not affect liability under any taxation laws.

8 (b) The title to all property owned by the converting entity is vested in the
9 converted entity without transfer, reversion, or impairment.

10 (c) The converted entity has all debts, obligations, and other liabilities of the
11 converting entity.

12 (d) A civil, criminal, or administrative proceeding pending by or against the
13 converted entity may be continued as if the conversion did not occur, or the converted
14 entity may be substituted in the proceeding for the converting entity.

15 (e) The organizational documents of the converted entity are as provided in the
16 plan of conversion and, to the extent such organizational documents are to be
17 reflected in a public record, as provided in the articles of conversion.

18 (f) The interests of the converting entity that are to be converted into interests,
19 securities, or obligations of the surviving entity, rights to acquire such interests or
20 securities, money, other property, or any combination of the foregoing, are converted
21 as provided in the plan of conversion, and the former interest holders of the
22 converting entity are entitled only to the rights provided in the plan of conversion or
23 to their rights, if any, under ss. 178.1161, 179.1161, 180.0301 to 180.1331, 181.1180,
24 183.1061, or otherwise under the governing law of the converting entity. All other
25 terms and conditions of the conversion also take effect.

SENATE BILL 566**SECTION 553**

1 (g) Except as prohibited by other law or as otherwise provided in the articles
2 and plan of conversion, all of the rights, privileges, immunities, powers, and
3 purposes of the converting entity vest in the converted entity.

4 (h) Except as otherwise provided in the articles and plan of conversion, if the
5 converting entity is a partnership, limited liability company, or other entity subject
6 to dissolution under its governing law, the conversion does not dissolve the
7 converting entity for the purposes of its governing law.

8 **(2)** (a) When a conversion takes effect, the department is the agent of any
9 foreign converted entity for service of process in a proceeding to enforce any
10 obligation or the rights of interest holders, in their capacity as such, of any domestic
11 corporation converting entity.

12 (b) When a conversion takes effect, any foreign converted entity shall
13 timely honor the rights and obligations of interest holders under this chapter with
respect to any domestic corporation converting entity.

15 **SECTION 554.** 181.1171 of the statutes is created to read:

16 **181.1171 Domestication authorized.** A domestic corporation may
17 domesticate as a non-United States entity subject to non-United States governing
18 law while continuing to be a domestic corporation, and a non-United States entity
19 may domesticate as a domestic corporation subject to this chapter while continuing
20 to be an entity subject to its non-United States governing law pursuant to ss.
21 181.1171 to 181.1175 and a plan of domestication, if the domestication is permitted
22 under the governing law of the domesticating entity and permitted under the
23 governing law of the domesticated entity.

24 **SECTION 555.** 181.1172 of the statutes is created to read:

SENATE BILL 566**SECTION 555**

1 **181.1172 Plan of domestication.** (1) A plan of domestication must be in a
2 record and contain all of the following:

3 (a) The name, type of entity, and governing law of the domesticating entity.

4 (b) The name, type of entity, and governing law of the domesticated entity.

5 (c) The terms and conditions of the domestication.

6 (d) The organizational documents of the domesticated entity that are to be in
7 a record immediately after the domestication becomes effective, including any
8 proposed amendments to the organizational documents of the domesticating entity
9 that are to be in a record immediately after the domestication becomes effective.

10 (2) In addition to the requirements of sub. (1), a plan of domestication may
11 contain any other provision relating to the domestication and not prohibited by law.

12 **SECTION 556.** 181.1173 of the statutes is created to read:

13 **181.1173 Approval of domestication; amendment; abandonment.** (1)
14 Subject to s. 181.1180, a plan of domestication must be approved in accordance with
15 the procedures that govern a plan of merger under s. 181.1103 for the submission and
16 approval of a plan of domestication with respect to a domesticating Wisconsin
17 corporation. A plan of domestication of a non-United States domesticating entity
18 must be approved pursuant to the governing law of the domesticating entity.

19 (2) Subject to s. 181.1180 and the governing law of each of the domesticating
20 entity and domesticated entity, after a plan of domestication is approved, and at any
21 time before a domestication becomes effective, the domesticating entity may amend
22 the plan of domestication or abandon the domestication as provided in the plan of
23 domestication or, except as otherwise provided in the plan of domestication, with the
24 same vote or consent as was required to approve the plan of domestication.

SENATE BILL 566**SECTION 556**

1 **(3)** If, after articles of domestication have been delivered to the department for
2 filing and before the domestication becomes effective, the plan of domestication is
3 amended in a manner that requires an amendment to the articles of domestication
4 or if the domestication is abandoned, a statement of amendment or abandonment,
5 signed by the domesticating entity, must be delivered to the department for filing
6 before the domestication becomes effective. When a statement of abandonment
7 becomes effective, the domestication is abandoned and does not become effective.
8 The statement of amendment or abandonment must contain all of the following:

9 (a) The name of the domesticating entity and the domesticated entity under the
10 plan of domestication.

11 (b) The amendment to or abandonment of the articles of domestication.

12 (c) A statement that the amendment or abandonment was approved in
13 accordance with this section.

14 **SECTION 557.** 181.1174 of the statutes is created to read:

15 **181.1174 Filings required for domestication; effective date.** (1) After
16 the domesticating entity has approved a plan of domestication in accordance with its
17 governing law, the domesticating entity shall deliver, or cause to be delivered, to the
18 department for filing articles of domestication setting forth all of the following:

19 (a) The name, type of entity, and governing law of the domesticating entity.

20 (b) The name, type of entity, and governing law of the domesticated entity.

21 (c) A statement that a plan of domestication has been approved and adopted
22 by the domesticating entity in accordance with its governing law.

23 (d) Any amendments to the organizational documents of the domesticating
24 entity and any organizational documents of the domesticated entity that are to be in
25 a public record under their respective governing laws.

SENATE BILL 566**SECTION 557**

1 (e) A statement that the plan of domestication is on file at the principal office
2 of the domesticated entity.

3 (f) A statement that upon request the domesticated entity will provide a copy
4 of the plan of domestication to any interest holder in the domesticating entity.

5 (2) In addition to the requirements of sub. (1), the articles of domestication may
6 contain any other provisions relating to the domestication, as determined by the
7 domesticating entity in accordance with the plan of domestication.

8 (3) A domestication takes effect at the effective date and time of the articles of
9 domestication.

10 **SECTION 558.** 181.1175 of the statutes is created to read:

11 **181.1175 Effect of domestication.** (1) When a domestication becomes
12 effective, all of the following apply:

13 (a) The domesticating entity becomes a domestic entity under and becomes
14 subject to the governing law of the jurisdiction in which it has domesticated while
15 continuing to be a domestic organization under and subject to the governing law of
16 the domesticating entity.

17 (am) 1. Except as provided in this paragraph, no interest holder shall have
18 interest holder liability with respect to the domesticating or domesticated entity.

19 2. If, under the governing law of the domesticating entity, one or more of the
20 interest holders thereof has interest holder liability with respect to the
21 domesticating entity, such interest holder or holders shall continue to have such
22 liability and any associated contribution and other rights to the extent provided in
23 such governing law with respect to the debts, obligations, and other liabilities of the
24 domesticating entity.

SENATE BILL 566**SECTION 558**

1 3. If, under the governing law of the domesticated entity, one or more of the
2 interest holders thereof will have interest holder liability after the domestication
3 with respect to the domesticated entity, such interest holder or holders will have such
4 liability and associated contribution and other rights to the extent provided in such
5 governing law with respect to the debts, obligations, and other liabilities of the
6 domesticated entity that accrue after the domestication.

7 4. This paragraph does not affect liability under any taxation laws.

8 (b) The title to all property owned by the domesticating entity is vested in the
9 domesticated entity without transfer, reversion, or impairment.

10 (c) The domesticated entity has all debts, obligations, or other liabilities of the
11 domesticating entity.

12 (d) A civil, criminal, or administrative proceeding pending by or against the
13 domesticating entity may be continued as if the domestication did not occur, or the
14 domesticated entity may be substituted in the proceeding for the domesticating
15 entity.

16 (e) The organizational documents of the domesticating entity are amended to
17 the extent, if any, provided in the plan of domestication and, to the extent such
18 amendments are to be reflected in a public record, as provided in the articles of
19 domestication.

20 (f) The organizational documents of the domesticated entity are as provided in
21 the plan of domestication and, to the extent such organizational documents are to be
22 reflected in a public record, as provided in the articles of domestication.

23 (g) Except as prohibited by other law or as otherwise provided in the articles
24 and plan of domestication, all of the rights, privileges, immunities, powers, and
25 purposes of the domesticating entity vest in the domesticated entity.

SENATE BILL 566**SECTION 558**

1 (2) Except as otherwise provided in the articles and plan of domestication, if
2 the domesticating entity is a partnership, limited liability company, or other entity
3 subject to dissolution under its governing law, the domestication does not dissolve
4 the domesticating entity for the purposes of its governing law.

5 (3) A domesticated Wisconsin entity consents to the jurisdiction of the courts
6 of this state to enforce any debt, obligation, or other liability owed by the
7 domesticating or domesticated entity.

8 **SECTION 559.** 181.1180 of the statutes is created to read:

9 **181.1180 Restrictions on approval of mergers, interest exchanges,**
10 **conversions, and domestications.** (1) This section shall apply with respect to a
11 member in connection with a merger, interest exchange, conversion, or
12 domestication of a domestic corporation if the member does not vote for or consent
13 to the transaction and the transaction would do any of the following with respect to
14 the member:

15 (a) Materially increase the current or potential obligations of the member with
16 respect to any constituent, surviving, acquiring, acquired, converting, converted,
17 domesticating, or domesticated corporation, whether as a result of becoming subject
18 to personal interest holder liability with respect to the entity as a consequence of
19 being an owner of the entity, becoming subject to affirmative or negative obligations
20 under the organizational documents of the entity, becoming subject to tax on the
21 income of the surviving or converted entity, or otherwise.

22 (b) Treat the member's interests in the corporation in a manner different from
23 the interests of the same class held by any other member.

24 (2) If this section applies with respect to a member in connection with the
25 transaction, the corporation must offer to purchase the member's interest in the

SENATE BILL 566**SECTION 559**

1 corporation as provided in sub. (3). Actual or alleged failure to comply with this
2 section shall not have any impact on, and shall not constitute any basis for any
3 person to challenge, the effectiveness of the transaction, and the member's sole
4 remedy with respect to such failure shall be to commence an action under sub. (4) and
5 otherwise enforce the member's rights under this section. In order to accept the
6 corporation's offer, a member must notify the corporation within 60 days of receipt
7 of the offer. Both the offer and the acceptance may be conditioned upon
8 consummation of the transaction.

9 (3) (a) The purchase price of the interest of the member pursuant to this section
10 is the amount that would be distributable to the member if, on the date of the
11 transaction, the assets of the corporation were sold and the corporation were wound
12 up, with the sale price equal to the greater of the corporation's liquidation value or
13 the value based on a sale of the corporation's entire activities and affairs as a going
14 concern without the member.

15 (b) Interest accrues on the purchase price from the date of the transaction to
16 the date of payment. At the option of the corporation, some or all amounts owing,
17 whether or not presently due, from the member to the corporation may be offset
18 against the purchase price.

19 (c) The corporation shall defend, indemnify, and hold the member harmless
20 against all liabilities of the surviving, acquiring, converted, or domesticated entity,
21 as the case may be, incurred after the transaction, except liabilities incurred by an
22 act of the member.

23 (d) If no agreement for the purchase of the interest of the member pursuant to
24 this section is reached within 120 days of the date of the transaction, the corporation,
25 or the surviving, acquiring, converted, or domesticated entity, as the case may be,

SENATE BILL 566**SECTION 559**

1 shall pay, or cause to be paid, in money to the member the amount it estimates to be
2 the purchase price and accrued interest, reduced by any offsets under par. (b).

3 (e) The payment required by par. (d) must be accompanied by all of the
4 following:

5 1. A statement of the corporation's assets and liabilities as of the date of the
6 transaction.

7 2. The latest available corporate balance sheet and income statement, if any.

8 3. An explanation of how the estimated amount of the payment was calculated.

9 4. Written notice that the payment is in full satisfaction of the obligation to
10 purchase unless, not later than 120 days after the written notice, the member
11 commences an action to determine the purchase price, any offsets and accrued
12 interest under par. (b), or other terms of the obligation to purchase.

13 (4) The member may maintain an action against the corporation, pursuant to
14 s. 181.0302 (1), to determine the purchase price of the member's interest, any offsets
15 and accrued interest under sub. (3) (b), or other terms of the obligation to purchase.

16 The action must be commenced not later than 120 days after the corporation has
17 made payment in accordance with sub. (3) (d) or within one year after written
18 demand for payment if no offer is made in accordance with sub. (2). The court shall
19 determine the purchase price of the member's interest, any offset due under sub. (3)
20 (b), and accrued interest, and enter judgment for any additional payment or refund.

21 The court may assess reasonable attorney fees and the fees and expenses of
22 appraisers or other experts for a party to the action, in amounts the court finds
23 equitable, against a party that the court finds acted arbitrarily, vexatiously, or not
24 in good faith. The finding may be based on the corporation's failure to make an offer
25 or payment or to comply with sub. (3).

SENATE BILL 566**SECTION 559**

1 (5) A member does not give the consent required by sub. (1) merely by
2 consenting to a provision of the bylaws that permits the bylaws to be amended with
3 the consent of fewer than all the members.

4 **SECTION 560.** 181.1420 (5) of the statutes is repealed.

5 **SECTION 561.** 181.1421 (1) of the statutes is amended to read:

6 181.1421 (1) NOTICE OF DETERMINATION. If the department determines that one
7 or more grounds exist under s. 181.1420 for dissolving a corporation, the department
8 shall may give the corporation written notice of the department's determination by
9 ~~first-class mail, addressed to the corporation's registered agent.~~ The notice shall be
10 in writing and addressed to the agent of the corporation.

11 **SECTION 562.** 181.1421 (4) of the statutes is amended to read:

12 181.1421 (4) CURE. (a) Within 60 days after the notice is effective takes effect
13 under sub. (3), the corporation shall, with respect to each ground for dissolution,
14 either correct each such ground for dissolution or demonstrate to the reasonable
15 satisfaction of the department that each such ground determined by the department
16 does not exist.

17 (b) If the corporation fails to satisfy par. (a), the department shall may
18 administratively dissolve the corporation. ~~The department shall enter~~ by entering
19 a notation in the department's records to reflect each ground for dissolution and the
20 effective date of such dissolution and. The department shall give the corporation
21 notice of those facts in the same manner as a notice of determination under subs. (1)
22 ~~and (2) each ground for dissolution and the effective date of dissolution.~~ The notice
23 shall be in writing and addressed to the agent of the corporation.

24 **SECTION 563.** 181.1421 (7) of the statutes is created to read:

SENATE BILL 566**SECTION 563**

1 181.1421 (7) EFFECT OF DISSOLUTION ON AGENT. The administrative dissolution
2 of a corporation does not terminate the authority of its registered agent.

3 **SECTION 564.** 181.1422 (3) of the statutes is amended to read:

4 181.1422 (3) EFFECT OF REINSTATEMENT; RELATION BACK. When the
5 reinstatement becomes effective, it shall, except as provided in sub. (4), relate back
6 to and take effect as of the effective date of the administrative dissolution, and the
7 corporation may resume carrying on its business as if the administrative dissolution
8 had never occurred.

9 **SECTION 565.** 181.1422 (4) of the statutes is created to read:

10 181.1422 (4) EFFECT OF REINSTATEMENT; ADDITIONAL RULES. When reinstatement
11 under this section is effective, all of the following rules apply:

12 (a) Except as provided in par. (b), the corporation's period of duration continues
13 as if the dissolution had never occurred.

14 (b) The rights of a person arising out of an act or omission in reliance on the
15 dissolution before the person knew or had notice of the reinstatement are not
16 affected.

17 **SECTION 566.** 181.1423 (2) of the statutes is amended to read:

18 181.1423 (2) TIME FOR APPEAL OF DENIAL. The corporation may appeal the denial
19 of reinstatement to the circuit court for the county where the corporation's principal
20 office or, if none in this state, its registered office is located, within 30 days after
21 service of the notice of denial is ~~perfected~~ effective under s. 181.0105 (4). The
22 corporation shall appeal by petitioning the court to set aside the dissolution and
23 attaching to the petition copies of the department's notice of dissolution, the
24 corporation's application for reinstatement, and the department's notice of denial.

25 **SECTION 567.** 181.1503 (1) (e) of the statutes is amended to read:

SENATE BILL 566**SECTION 567**

1 181.1503 (1) (e) The street address of its registered office in this state and the
2 name and e-mail address of its registered agent at that office.

3 **SECTION 568.** 181.1506 (2) (a) 1. of the statutes is repealed and recreated to
4 read:

5 181.1506 (2) (a) 1. Any name of an existing person whose formation required
6 the filing of a record by the department and which is not at the time administratively
7 dissolved.

8 **SECTION 569.** 181.1506 (2) (a) 3. of the statutes is amended to read:

9 181.1506 (2) (a) 3. ~~A~~ Any name reserved or registered under this chapter or
10 ch. 178, 179, 180, 183, 185, or 193 or other law of this state providing for the
11 reservation or registration of a name by a filing of a record by the department.

12 **SECTION 570.** 181.1506 (2) (a) 6., 7. and 8. of the statutes are repealed.

13 **SECTION 571.** 181.1506 (2) (a) 9. of the statutes is amended to read:

14 181.1506 (2) (a) 9. ~~The~~ Any name of a limited liability partnership ~~formed~~
15 ~~under the laws of, or registered in, this state~~ whose statement of qualification is in
16 effect or that has filed with the department a foreign registration statement.

17 **SECTION 572.** 181.1506 (3) (a) of the statutes is amended to read:

18 181.1506 (3) (a) The other foreign corporation or the domestic corporation,
19 limited liability company, ~~nonstock~~ stock corporation, limited partnership, limited
20 liability partnership, foreign limited liability partnership, general cooperative
21 association, or ~~unincorporated~~ limited cooperative association consents to the use in
22 writing and submits an undertaking in a form satisfactory to the department to
23 change its name to a name that is distinguishable upon the records of the department
24 from the name of the applicant or to cancel the registration or reservation.

25 **SECTION 573.** 181.1506 (3m) of the statutes is created to read:

SENATE BILL 566**SECTION 573**

1 181.1506 (3m) In determining whether a name is the same as or not
2 distinguishable on the records of the department from the name of another person,
3 words, phrases, or abbreviations indicating a type of entity, such as “corporation,”
4 “Corp.,” “incorporated,” “Inc.,” “service corporation,” “SC,” “Limited,” “Ltd.,” “limited
5 partnership,” “LP,” “limited liability partnership,” “LLP,” “limited liability limited
6 partnership,” “LLLLP,” “registered limited liability limited partnership,” “RLLLLP,”
7 “limited liability company,” “LLC,” “cooperative association,” or “cooperative,” or a
8 variation of these abbreviations that differs only with respect to capitalization of
9 letters or punctuation, may not be taken into account.

10 **SECTION 574.** 181.1506 (4) (intro.), (a) and (b) of the statutes are amended to
11 read:

12 181.1506 (4) CORPORATE REORGANIZATIONS. (intro.) A foreign corporation may
13 use in this state the name, including the fictitious name, of another domestic or
14 foreign corporation or stock corporation that is used in this state, or a limited liability
15 company, limited partnership, limited liability partnership, foreign limited liability
16 partnership, general cooperative association, or limited cooperative association, if
17 ~~the other corporation or stock corporation is incorporated~~ entity is organized under
18 or authorized to transact business in this state and the foreign corporation has done
19 any of the following:

20 (a) ~~Merged with the other domestic or foreign corporation or stock corporation~~
21 entity.

22 (b) Been formed by reorganization of the other ~~domestic or foreign corporation~~
23 ~~or stock corporation~~ entity.

24 **SECTION 575.** 181.1507 (intro.) of the statutes is renumbered 181.1507 (1m)
25 and amended to read:

SENATE BILL 566**SECTION 575**

1 181.1507 **(1m)** Each foreign corporation shall designate and continuously
2 maintain ~~in this state~~ a registered office and registered agent in this state. The
3 designation of a registered agent is an affirmation of the fact by the foreign
4 corporation that the agent has consented to serve.

5 **(2m)** The registered office may, but need not, be the same as any of its places
6 of business or activity. The registered office must be an actual physical location with
7 a street address and not solely a post office box, mailbox service, or telephone
8 answering services. The registered agent shall be any of the following:

9 **SECTION 576.** 181.1507 (1) (title) of the statutes is repealed.

10 **SECTION 577.** 181.1507 (1) of the statutes is renumbered 181.1507 (2m) (a) and
11 amended to read:

12 181.1507 **(2m)** (a) ~~An individual~~ A natural person who resides in this state and
13 whose business office is identical with the registered office.

14 **SECTION 578.** 181.1507 (2) (title) of the statutes is repealed.

15 **SECTION 579.** 181.1507 (2) of the statutes is renumbered 181.1507 (2m) (b) and
16 amended to read:

17 181.1507 **(2m)** (b) A domestic corporation, stock corporation, limited
18 partnership, limited liability partnership, or limited liability company, ~~incorporated~~
19 ~~or organized in this state or that has in effect a statement of qualification under s.~~
20 ~~178.0901,~~ whose business office is identical with the registered office.

21 **SECTION 580.** 181.1507 (3) (title) of the statutes is repealed.

22 **SECTION 581.** 181.1507 (3) of the statutes is renumbered 181.1507 (2m) (c) and
23 amended to read:

24 181.1507 **(2m)** (c) A foreign corporation, stock corporation, limited
25 partnership, registered limited liability partnership, or limited liability company, if

SENATE BILL 566**SECTION 581**

1 that entity is authorized to transact business in this state, whose and the entity's
2 business office is identical with the registered office.

3 **SECTION 582.** 181.1507 (3m) and (4m) of the statutes are created to read:

4 181.1507 **(3m)** A registered agent for a foreign corporation must have an
5 e-mail address and a place of business or activity in this state.

6 **(4m)** The only duties under this chapter of a registered agent that has complied
7 with this chapter are the following:

8 (a) To forward to the foreign corporation at the address most recently supplied
9 to the agent by the foreign corporation any process, notice, or demand pertaining to
10 the foreign corporation which is served on or received by the agent.

11 (b) If the registered agent resigns, to provide the notice required by s. 181.1509
12 to the foreign corporation at the address most recently supplied to the agent by the
13 foreign corporation.

14 (c) To keep current the information with respect to the agent in the foreign
15 corporation's certificate of authority.

16 **SECTION 583.** 181.1508 of the statutes is repealed and recreated to read:

17 **181.1508 Change of registered agent or registered office of foreign**
18 **corporation. (1)** A foreign corporation authorized to transact business in this state
19 may change its registered agent or registered office as provided in s. 181.0214 (5) or
20 by delivering to the department for filing a statement of change that states all of the
21 following:

22 (a) The name of the foreign corporation.

23 (b) The information that is to be in effect as a result of the filing of the statement
24 of change.

SENATE BILL 566**SECTION 583**

1 **(2)** A statement of change under this section designating a new registered
2 agent is an affirmation of fact by the foreign corporation that the agent has consented
3 to serve.

4 **(3)** As an alternative to using the procedure in this section, a foreign
5 corporation may amend its certificate of authority.

6 **SECTION 584.** 181.1509 (1) (title) of the statutes is repealed.

7 **SECTION 585.** 181.1509 (1) (intro.), (a) and (b) of the statutes are amended to
8 read:

9 181.1509 **(1)** (intro.) ~~The A registered agent of a foreign corporation may resign~~
10 ~~as agent for a foreign corporation by signing and delivering to the department for~~
11 ~~filing a statement of resignation that includes states all of the following information:~~

12 (a) The name of the foreign corporation ~~for which the registered agent is acting.~~

13 (b) The name of the registered agent.

14 **SECTION 586.** 181.1509 (1) (bm) of the statutes is created to read:

15 181.1509 **(1)** (bm) That the agent resigns from serving as registered agent for
16 the foreign corporation.

17 **SECTION 587.** 181.1509 (1) (c) of the statutes is amended to read:

18 181.1509 **(1)** (c) ~~The street address of the foreign corporation's current~~
19 ~~registered office and its principal office foreign corporation to which the agent will~~
20 ~~send the notice required by sub. (4).~~

21 **SECTION 588.** 181.1509 (1) (d) and (e) of the statutes are repealed.

22 **SECTION 589.** 181.1509 (2) of the statutes is repealed.

23 **SECTION 590.** 181.1509 (3) (title) of the statutes is repealed.

24 **SECTION 591.** 181.1509 (3) (intro.) of the statutes is amended to read:

SENATE BILL 566**SECTION 591**

1 181.1509 (3) (intro.) The resignation under sub. (1) is effective and, if
2 applicable, the registered office is discontinued on the earlier of the following:

3 **SECTION 592.** 181.1509 (4), (5) and (6) of the statutes are created to read:

4 181.1509 (4) A registered agent promptly shall furnish to the foreign
5 corporation notice in a record of the date on which a statement of resignation was
6 filed.

7 (5) When a statement of resignation takes effect, the registered agent ceases
8 to have responsibility under this chapter for any matter thereafter tendered to it as
9 agent for the foreign corporation. The resignation does not affect any contractual
10 rights the foreign corporation has against the agent or that the agent has against the
11 foreign corporation.

12 (6) A registered agent may resign with respect to a foreign corporation whether
13 or not the foreign corporation is in good standing.

14 **SECTION 593.** 181.1510 (title) of the statutes is amended to read:

15 **181.1510** (title) **Service of process, notice, or demand on foreign**
16 **corporation.**

17 **SECTION 594.** 181.1510 (1) (title) of the statutes is repealed.

18 **SECTION 595.** 181.1510 (1) of the statutes is amended to read:

19 181.1510 (1) ~~Except as provided in subs. (2) and (3), the registered agent of a~~
20 ~~foreign corporation authorized to transact business in this state is the foreign~~
21 ~~corporation's agent for service of~~ A foreign corporation may be served with any
22 process, notice, or demand required or permitted by law to be served on the foreign
23 corporation by serving its registered agent. The department may serve any written
24 notice required or authorized under this chapter by e-mailing it to the registered

SENATE BILL 566**SECTION 595**

1 agent's e-mail address on file with the department, and such notice shall be effective
2 as provided in s. 181.0105 (4).

3 **SECTION 596.** 181.1510 (2) (title) of the statutes is repealed.

4 **SECTION 597.** 181.1510 (3) (title) of the statutes is repealed.

5 **SECTION 598.** 181.1510 (4) (title) of the statutes is repealed.

6 **SECTION 599.** 181.1510 (4) (a) (intro.), 1. and 3. of the statutes are amended to
7 read:

8 181.1510 (4) (a) (intro.) With respect to a foreign corporation described in sub.
9 (2) or (3), the foreign corporation may be served by registered or certified mail, return
10 receipt requested, or by similar commercial delivery service, addressed to the foreign
11 corporation at its principal office, as shown on the records of the department on the
12 date of sending, except as provided in par. (b). Service is perfected under this
13 paragraph at the earliest of the following:

14 1. The date ~~on which~~ the foreign corporation receives the mail or delivery by
15 commercial delivery service.

16 3. Five days after it is deposited its deposit in the U.S. mail, ~~if mailed postpaid~~
17 ~~and correctly addressed~~ or with the commercial delivery service, if correctly
18 addressed and with sufficient postage or payment.

19 **SECTION 600.** 181.1510 (4) (b) of the statutes is amended to read:

20 181.1510 (4) (b) ~~Except as provided in s. 181.1531 (2g) (b), if~~ If process, notice,
21 or demand in an action cannot be served on a foreign corporation pursuant to subs.
22 (1) to (3), service may be made by handing a copy to the individual in charge of any
23 regular place of business or activity of the foreign corporation if the individual served
24 is not a plaintiff in the action. If the address of the foreign corporation's principal
25 office cannot be determined from the records of the department, the foreign

SENATE BILL 566**SECTION 600**

1 corporation may be served by publishing a class 3 notice, under ch. 985, in the
2 community where the foreign corporation's principal office or registered office, as
3 most recently designated in the records of the department, is located.

4 **SECTION 601.** 181.1510 (4m) of the statutes is created to read:

5 181.1510 (4m) Service of process, notice, or demand on a registered agent must
6 be in a written record.

7 **SECTION 602.** 181.1510 (5) of the statutes is repealed and recreated to read:

8 181.1510 (5) Service of process, notice, or demand may be made by other means
9 under law other than this chapter.

10 **SECTION 603.** 181.1520 (2) (c) of the statutes is amended to read:

11 181.1520 (2) (c) A statement that whether it revokes the authority of its
12 registered agent to accept service on its behalf and, in any event, that it also consents
13 to service of process under s. 181.1510 (3) and (4) in any civil, criminal,
14 administrative or investigatory proceeding based on a cause of action arising during
15 the time it was authorized to transact business in this state.

16 **SECTION 604.** 181.1533 of the statutes is repealed.

17 **SECTION 605.** 181.1601 (5) (g) of the statutes is amended to read:

18 181.1601 (5) (g) Its most recent annual report delivered to the department
19 under s. ~~181.1622~~ 181.0214.

20 **SECTION 606.** 181.1622 (title) of the statutes is renumbered 181.0214.

21 **SECTION 607.** 181.1622 (1) of the statutes is repealed.

22 **SECTION 608.** 181.1622 (2) (title) of the statutes is repealed.

23 **SECTION 609.** 181.1622 (2) of the statutes is renumbered 181.0214 (2) and
24 amended to read:

SENATE BILL 566**SECTION 609**

1 181.0214 (2) Information in the annual report shall must be current as of the
2 date ~~on which the annual~~ the report is ~~executed on behalf of a domestic~~ signed by the
3 corporation or foreign corporation.

4 **SECTION 610.** 181.1622 (3) (title) of the statutes is repealed.

5 **SECTION 611.** 181.1622 (3) of the statutes is renumbered 181.0214 (3), and
6 181.0214 (3) (a), as renumbered, is amended to read:

7 181.0214 (3) (a) A domestic corporation shall deliver its annual report to the
8 department in each year following the calendar year in which the domestic
9 corporation ~~was incorporated or domesticated under s. 181.1533~~ corporation's
10 articles of incorporation became effective, during the calendar year quarter in which
11 the anniversary date of ~~incorporation~~ the articles' effective date occurs.

12 **SECTION 612.** 181.1622 (4) (title) of the statutes is repealed.

13 **SECTION 613.** 181.1622 (4) of the statutes is renumbered 181.0214 (4) and
14 amended to read:

15 181.0214 (4) If an annual report does not contain the information required by
16 this section, the department promptly shall ~~promptly~~ notify the reporting domestic
17 corporation or foreign corporation in ~~writing~~ a record and return the report to it for
18 correction. ~~The notice shall comply with s. 181.0141.~~ If the annual report is corrected
19 to contain the information required by this section and delivered to the department
20 within 30 days after the effective date of ~~the~~ such notice ~~under s. 181.0141 (5)~~, the
21 annual report is timely filed.

22 **SECTION 614.** 181.1622 (5) of the statutes is repealed.

23 **SECTION 615.** 182.01 (3) (intro.) of the statutes is amended to read:

24 182.01 (3) NAME OF DRAFTER ON DOCUMENTS. (intro.) No articles of
25 incorporation, articles of organization, articles of amendment, articles of merger,

SENATE BILL 566**SECTION 615**

1 consolidation ~~or share, interest~~ exchange, conversion, or domestication, articles of
2 dissolution, restated articles of incorporation, certificate of abandonment, or
3 statement or articles of revocation of voluntary dissolution, provided for pursuant to
4 ch. 180, 181, ~~183~~, 185, 187, or 193; no articles of organization, amended or restated
5 articles of organization, statement of dissolution, statement of rescission of
6 dissolution or statement of withdrawal of a statement of dissolution, articles of
7 merger, conversion, interest exchange, or domestication, or statement of
8 abandonment, provided for pursuant to ch. 183; no statement of qualification or
9 amendment or cancellation of a statement of qualification under s. 178.0901 or
10 articles of merger, interest exchange, conversion, or domestication under ch. 178;
11 and no certificate of limited partnership, ~~certificate of amendment~~, restated or
12 amended certificate of limited partnership ~~or certificate of cancellation~~, statement
13 of dissolution, statement of termination, or articles of merger, interest exchange,
14 conversion, or domestication, provided for pursuant to ch. 179, shall be filed by the
15 department unless the name of the individual who, or the governmental agency
16 which, drafted such document is printed, typewritten, stamped or written thereon
17 in a legible manner. A document complies with this subsection if it contains a
18 statement in the following form: "This document was drafted by... (Name)". This
19 subsection shall not apply to a document executed prior to December 1, 1967, or to:

20 **SECTION 616.** Chapter 183 of the statutes is repealed and recreated to read:

21 **CHAPTER 183**

22 **UNIFORM LIMITED LIABILITY**

23 **COMPANY LAW**

24 **SUBCHAPTER I**

25 **GENERAL PROVISIONS**

SENATE BILL 566**SECTION 616**

1 **183.0101 Short title.** This chapter shall be known and may be cited as the
2 “Wisconsin Uniform Limited Liability Company Law.”

3 **183.0102 Definitions.** In this chapter:

4 **(1)** “Articles of organization” means the articles required by s. 183.0201. The
5 term includes the articles as amended or restated.

6 **(1m)** “Business” includes every trade, occupation, and profession.

7 **(2)** “Contribution,” except in the phrase “right of contribution,” means property
8 or a benefit described in s. 183.0402 which is provided by a person to a limited
9 liability company to become a member or in the person’s capacity as a member.

10 **(3)** “Debtor in bankruptcy” means a person that is the subject of any of the
11 following:

12 (a) An order for relief under Title 11, USC, or a comparable order under a
13 successor statute of general application.

14 (b) A comparable order under federal, state, or foreign law governing
15 insolvency.

16 **(3m)** “Department” means the department of financial institutions.

17 **(4)** (a) Except as provided in par. (b), “distribution” means a transfer of money
18 or other property from a limited liability company to a person on account of a
19 transferable interest or in the person’s capacity as a member. The term includes all
20 of the following:

21 1. A redemption or other purchase by a limited liability company of a
22 transferable interest.

23 2. A transfer to a member in return for the member’s relinquishment of any
24 right to participate as a member in the management or conduct of the company’s

SENATE BILL 566**SECTION 616**

1 activities and affairs or have access to records or other information concerning the
2 company's activities and affairs.

3 (b) "Distribution" does not include amounts constituting reasonable
4 compensation for present or past service, payments made in the ordinary course of
5 business under a bona fide retirement plan or other bona fide benefits program, or
6 other payments made to members for good and valuable consideration other than in
7 their capacity as members.

8 (4c) "Domestic" means, with respect to an entity, an entity whose governing
9 law is the law of this state.

10 (4j) "Electronic" means relating to technology having electronic, digital,
11 magnetic, wireless, optical, electromagnetic, or similar capabilities.

12 (4p) "Entity" means a person other than an individual.

13 (4t) "Foreign" means, with respect to an entity, an entity whose governing law
14 is other than the law of this state.

15 (5) "Foreign limited liability company" means an association that would be a
16 limited liability company subject to this chapter but for the fact that its governing
17 law is not the law of this state.

18 (5g) "General cooperative association" means, with respect to a Wisconsin
19 cooperative, a cooperative organized under ch. 185.

20 (5m) "Governing law" means, with respect to an entity, the law of the
21 jurisdiction that collectively governs its internal affairs and the liability of the
22 persons associated with the entity for a debt, obligation, or other liability of the entity
23 under s. 183.0104 or the corresponding applicable law with respect to entities other
24 than domestic limited liability companies.

SENATE BILL 566**SECTION 616**

1 **(5p)** “Individual” includes the estate of an individual adjudicated incompetent
2 or a deceased individual.

3 **(6)** “Jurisdiction,” used to refer to a political entity, means the United States,
4 a state, a foreign country, or a political subdivision of a foreign country.

5 **(7m)** “Limited cooperative association” means, with respect to a Wisconsin
6 cooperative, a cooperative organized under ch. 193.

7 **(8)** “Limited liability company,” except in the phrase “foreign limited liability
8 company” and in subch. X, means an entity formed under this chapter or which
9 becomes subject to this chapter under subch. X or s. 183.0110.

10 **(9)** “Manager” means a person that under the operating agreement of a
11 manager-managed limited liability company is responsible, alone or in concert with
12 others, for performing the management functions stated in s. 183.0407 (3).

13 **(10)** “Manager-managed limited liability company” means a limited liability
14 company that qualifies under s. 183.0407 (1).

15 **(11)** “Member” means a person to whom all of the following apply:

16 (a) The person has become a member of a limited liability company under s.
17 183.0401 or was a member in a company when the company became subject to this
18 chapter under s. 183.0110.

19 (b) The person has not dissociated under s. 183.0602.

20 **(12)** “Member-managed limited liability company” means a limited liability
21 company that is not a manager-managed limited liability company.

22 **(13)** “Operating agreement” means the agreement, whether or not referred to
23 as an operating agreement and whether oral, implied, in a record, or in any
24 combination thereof, of all the members of a limited liability company, including a

SENATE BILL 566**SECTION 616**

1 sole member, concerning the matters described in s. 183.0105 (1). The term includes
2 the agreement as amended or restated.

3 (14) "Organizer" means a person that acts under s. 183.0201 to form a limited
4 liability company.

5 (15) "Person" means an individual, business corporation, nonprofit or nonstock
6 corporation, partnership, limited partnership, limited liability company, general
7 cooperative association, limited cooperative association, unincorporated association,
8 statutory trust, business trust, common-law business trust, estate, trust,
9 association, joint venture, public corporation, government or governmental
10 subdivision, agency, or instrumentality, or any other legal or commercial entity.

11 (16) "Principal office" means the principal executive office of a limited liability
12 company or foreign limited liability company, whether or not the office is located in
13 this state.

14 (17) "Property" means all property, whether real, personal, or mixed or tangible
15 or intangible, or any right or interest therein.

16 (18) "Record," used as a noun, means information that is inscribed on a tangible
17 medium or that is stored in an electronic or other medium and is retrievable in
18 perceivable form.

19 (19) "Registered agent" means an agent of a limited liability company or
20 foreign limited liability company that is authorized to receive service of any process,
21 notice, or demand required or permitted by law to be served on the company.

22 (20) "Registered foreign limited liability company" means a foreign limited
23 liability company that is registered to do business in this state pursuant to a
24 statement of registration filed by the department.

SENATE BILL 566**SECTION 616**

1 **(21)** “Sign” means, with present intent to authenticate or adopt a record, any
2 of the following:

3 (a) To execute or adopt a tangible symbol.

4 (b) To attach to or logically associate with the record an electronic symbol,
5 sound, or process.

6 **(22)** “State” means a state of the United States, the District of Columbia, Puerto
7 Rico, the U.S. Virgin Islands, or any territory or insular possession subject to the
8 jurisdiction of the United States.

9 **(23)** “Transfer” includes all of the following:

10 (a) An assignment.

11 (b) A conveyance.

12 (c) A sale.

13 (d) A lease.

14 (e) An encumbrance, including a mortgage or security interest.

15 (f) A gift.

16 (g) A transfer by operation of law.

17 **(24)** “Transferable interest” means the right, as initially owned by a person in
18 the person’s capacity as a member, to receive distributions from a limited liability
19 company, whether or not the person remains a member or continues to own any part
20 of the right. The term applies to any fraction of the interest, by whomever owned.

21 **(25)** “Transferee” means a person to which all or part of a transferable interest
22 has been transferred, whether or not the transferor is a member. The term includes
23 a person that owns a transferable interest under s. 183.0603 (1) (c).

24 **(26)** “Written operating agreement” means an operating agreement, or part
25 thereof, that is set forth in a record.

SENATE BILL 566**SECTION 616**

1 **183.0103 Knowledge; notice. (1)** A person knows a fact if any of the following
2 applies:

3 (a) The person has actual knowledge of the fact.

4 (b) The person is deemed to know the fact under law other than this chapter.

5 **(2)** A person has notice of a fact if any of the following applies:

6 (a) The person has reason to know the fact from all the facts known to the
7 person at the time in question.

8 (b) The person is deemed to have notice of the fact under sub. (2m) or (4) (b).

9 **(2m)** A statement of authority under s. 183.0302 or statement of denial under
10 s. 183.0303 on file in the office of the department is notice of the matters identified
11 in such statements. Except as otherwise provided in sub. (4), such statements are
12 not notice of any other fact.

13 **(3)** Subject to s. 183.0210 (6), a person notifies another person of a fact by taking
14 steps reasonably required to inform the other person in ordinary course, whether or
15 not those steps cause the other person to know the fact.

16 **(4)** (a) A person not a member is deemed to know of a limitation on authority
17 to transfer real property as provided in s. 183.0302 (7).

18 (b) A person not a member is deemed to have notice of all of the following as
19 follows:

20 1. A limited liability company's dissolution 90 days after a statement of
21 dissolution under s. 183.0702 (2) (b) 1. becomes effective.

22 2. A limited liability company's termination 90 days after a statement of
23 termination under s. 183.0702 (2) (b) 6. becomes effective.

SENATE BILL 566**SECTION 616**

1 3. A limited liability company's participation in a merger, interest exchange,
2 conversion, or domestication 90 days after the articles of merger, interest exchange,
3 conversion, or domestication under subch. X become effective.

4 **(5)** This subsection applies to notice that is required under this chapter and
5 that is made subject to this subsection by express reference to this subsection.
6 Written notice is effective at the earliest of the following:

7 (a) When received.

8 (b) Five days after its deposit in the U.S. mail, if mailed postpaid and correctly
9 addressed.

10 (c) On the date shown on the return receipt, if sent by registered or certified
11 mail, return receipt requested, and the receipt is signed by or on behalf of the
12 addressee.

13 (d) For notices from the department, upon successful transmission by e-mail
14 as provided in this chapter.

15 **183.0104 Governing law. (1)** The law of this state governs all of the
16 following:

17 (a) The internal affairs of a limited liability company.

18 (b) The liability of a member as member and a manager as manager for a debt,
19 obligation, or other liability of a limited liability company.

20 **(2m)** Except as otherwise provided in ss. 183.0404 (1), 183.0407 (2) (b), and
21 183.0707 (2) (b), the fact that one or more of the members of a limited liability
22 company are, or are not, subject to tax on the income of the limited liability company
23 shall, of itself, not alter the governing law applicable under sub. (1).

24 **(3m)** The operating agreement may require, consistent with applicable
25 jurisdictional requirements, that any or all claims involving the governing law

SENATE BILL 566**SECTION 616**

1 applicable under sub. (1) shall be brought solely and exclusively in the courts of this
2 state.

3 **183.0105 Operating agreement; scope, function, and limitations. (1)**

4 Except as otherwise provided in subs. (3) and (4), the operating agreement governs
5 all of the following:

6 (a) Relations among the members as members and between the members and
7 the limited liability company.

8 (b) The rights and duties under this chapter of a person in the capacity of
9 manager.

10 (c) The activities and affairs of the company and the conduct of those activities
11 and affairs.

12 (d) The means and conditions for amending the operating agreement.

13 (e) Mergers, interest exchanges, conversions, and domestications under subch.
14 X.

15 **(2)** To the extent the operating agreement does not provide for a matter
16 described in sub. (1), this chapter governs the matter.

17 **(3)** An operating agreement may not do any of the following:

18 (a) Vary the law applicable under s. 183.0104 or 183.0110.

19 (am) Vary the provisions of this section.

20 (b) Vary a limited liability company's capacity under s. 183.0109 to sue and be
21 sued in its own name.

22 (c) Vary any requirement, procedure, or other provision of this chapter
23 pertaining to any of the following:

24 1. Registered agents, except to require some form of vote or consent of the
25 members notwithstanding s. 183.0116 (2).

SENATE BILL 566**SECTION 616**

1 2. The department, including provisions pertaining to records authorized or
2 required to be delivered to the department for filing under this chapter.

3 (d) Vary the provisions of s. 183.0204.

4 (e) Alter or eliminate, or restrict the remedies for breach of, the duty of loyalty
5 or the duty of care, except as otherwise provided in sub. (4).

6 (f) Eliminate, or restrict remedies for the breach of, the contractual obligation
7 of good faith and fair dealing under s. 183.0409 (4), but a written operating
8 agreement may prescribe the standards, if not manifestly unreasonable, by which
9 the performance of the obligation is to be measured.

10 (g) Relieve or exonerate a person from liability for conduct that constitutes any
11 of the following:

12 1. A willful failure to deal fairly with the company or its members in connection
13 with a matter in which the person has a material conflict of interest.

14 2. A violation of the criminal law, unless the person had reasonable cause to
15 believe that the person's conduct was lawful or no reasonable cause to believe that
16 the person's conduct was unlawful.

17 3. A transaction from which the person derived an improper personal profit.

18 4. Willful misconduct.

19 (h) Vary the information required under s. 183.01075 or unreasonably restrict
20 the duties and rights under s. 183.0410, but the operating agreement may impose
21 reasonable restrictions on the availability and use of information obtained under
22 that section and may define appropriate remedies, including liquidated damages
23 and security for liquidated damages, for a breach of any reasonable restriction on
24 use.

25 (i) Vary the causes of dissolution specified in s. 183.0701 (1) (d).

SENATE BILL 566**SECTION 616**

1 (j) Vary the requirement to wind up the company's activities and affairs as
2 specified in s. 183.0702 (1), (2) (a), and (5).

3 (k) Unreasonably restrict the right of a member to maintain an action under
4 subch. VIII.

5 (m) Vary the right of a member to approve a merger, interest exchange,
6 conversion, or domestication under s. 183.1023 (1), 183.1033 (1), 183.1043 (1), or
7 183.1053 (1), except by provision in a written operating agreement that does not
8 impair the rights of a member under s. 183.1061.

9 (n) Vary the required contents of a plan of merger under s. 183.1022 (1), plan
10 of interest exchange under s. 183.1032 (1), plan of conversion under s. 183.1042 (1),
11 or plan of domestication under s. 183.1052 (1).

12 (o) Except as otherwise provided in ss. 183.0106 and 183.0107 (2), restrict the
13 rights under this chapter of a person other than a member or manager.

14 **(4)** Subject to sub. (3) (g), without limiting other terms that may be included in
15 an operating agreement, the following rules apply:

16 (a) The operating agreement may do any of the following:

17 1. Specify the method by which a specific act or transaction that would
18 otherwise violate the duty of loyalty may be authorized or ratified by one or more
19 disinterested and independent persons after full disclosure of all material facts.

20 2. Alter the prohibition in s. 183.0405 (1) (b) so that the prohibition requires
21 only that the company's total assets not be less than the sum of its total liabilities.

22 (b) To the extent a written operating agreement of a member-managed limited
23 liability company expressly relieves a member of a responsibility that the member
24 otherwise would have under this chapter and imposes the responsibility on one or
25 more other members, the written operating agreement also may eliminate or limit

SENATE BILL 566**SECTION 616**

1 any fiduciary duty of the member relieved of the responsibility which would have
2 pertained to the responsibility.

3 (c) Except as provided in sub. (3) (g), a written operating agreement may do any
4 of the following:

5 1. Alter or eliminate the aspects of, or restrict remedies with respect to, the duty
6 of loyalty stated in s. 183.0409 (2) and (9).

7 2. Identify specific types or categories of activities that do not violate the duty
8 of loyalty or the contractual obligation of good faith and fair dealing.

9 3. Alter the duty of care, but may not authorize conduct described in sub. (3)
10 (g).

11 4. Alter or eliminate any other fiduciary duty.

12 (5) The court shall decide as a matter of law whether a term of an operating
13 agreement is manifestly unreasonable under sub. (3) (f). The court shall make its
14 determination as of the time the challenged term became part of the operating
15 agreement and by considering only circumstances existing at that time. The court
16 may invalidate the term only if, in light of the purposes, activities, and affairs of the
17 limited liability company, it is readily apparent that the objective of the term is
18 unreasonable or that the term is an unreasonable means to achieve the term's
19 objective.

20 **183.0106 Operating agreement; effect on limited liability company and**
21 **person becoming member; preformation agreement.** (1) A limited liability
22 company is bound by and may enforce the operating agreement, whether or not the
23 company has itself manifested assent to the operating agreement.

24 (2) A person that becomes a member is deemed to assent to the operating
25 agreement.

SENATE BILL 566**SECTION 616**

1 **(3)** Two or more persons intending to become the initial members of a limited
2 liability company may make an agreement providing that upon the formation of the
3 company the agreement will become the operating agreement. One person intending
4 to become the initial member of a limited liability company may assent to terms
5 providing that upon the formation of the company the terms will become the
6 operating agreement.

7 **183.0107 Operating agreement; effect on 3rd parties and relationship**
8 **to records effective on behalf of limited liability company.** **(1)** A written
9 operating agreement may specify that its amendment requires the approval of a
10 person that is not a party to the agreement or the satisfaction of a condition. An
11 amendment is ineffective if its adoption does not include the required approval or
12 satisfy the specified condition.

13 **(2)** The obligations of a limited liability company and its members to a person
14 in the person's capacity as a transferee or a person dissociated as a member are
15 governed by the operating agreement. Subject only to a court order issued under s.
16 183.0503 (2) (b) to effectuate a charging order, all of the following apply to an
17 amendment to the operating agreement made after a person becomes a transferee
18 or is dissociated as a member:

19 (a) Except as provided in par. (b), the amendment is effective with regard to any
20 debt, obligation, or other liability of the limited liability company or its members to
21 the person in the person's capacity as a transferee or person dissociated as a member.

22 (b) The amendment is not effective to the extent the amendment imposes a new
23 debt, obligation, or other liability on the transferee or person dissociated as a
24 member.

SENATE BILL 566**SECTION 616**

1 **(3)** If a record delivered by a limited liability company to the department for
2 filing becomes effective and contains a provision that would be ineffective under s.
3 183.0105 (3) or (4) (c) if contained in the operating agreement, the provision is
4 ineffective in the record.

5 **(4)** Subject to sub. (3), if a record delivered by a limited liability company to the
6 department for filing becomes effective and conflicts with a provision of the operating
7 agreement, all of the following apply:

8 (a) The agreement prevails as to members, persons dissociated as members,
9 transferees, and managers.

10 (b) The record prevails as to other persons to the extent they reasonably rely
11 on the record.

12 **183.01075 Required information.** A limited liability company shall
13 maintain at its principal office all of the following information:

14 **(1)** A list showing the full name and last-known street and mailing addresses
15 of each past and present member and, if applicable, manager, in alphabetical order.

16 **(2)** A copy of the articles of organization and all amendments to and
17 restatements of the articles, together with signed copies of any powers of attorney
18 under which any articles, amendments, or restatements have been signed.

19 **(3)** A copy of any filed articles of merger, interest exchange, conversion, or
20 domestication.

21 **(4)** A copy of the limited liability company's federal, state, and local income or
22 franchise tax returns and financial statements, if any, for the 3 most recent years.

23 **(5)** A copy of all written operating agreements and any amendments to and
24 restatements of such written operating agreements.

SENATE BILL 566**SECTION 616**

1 **(6)** A copy of any record made by the company during the past 3 years of any
2 consent given by or vote taken of any member or manager pursuant to this chapter
3 or the operating agreement.

4 **(7)** Unless contained in a written operating agreement, a record stating all of
5 the following:

6 (a) A description and statement of the agreed value of contributions other than
7 money made and agreed to be made by each member.

8 (b) The times at which, or events upon the occurrence of which, any additional
9 contributions agreed to be made by each member are to be made.

10 **183.0108 Nature, purpose, and duration of limited liability company.**

11 **(1)** A limited liability company is an entity distinct from its member or members.

12 **(2)** A limited liability company may have any lawful purpose, regardless of
13 whether for profit. A limited liability company engaging in a business that is subject
14 to the provisions of another chapter may organize under this chapter only if not
15 prohibited by, and is subject to all limitations of, the other chapter.

16 **(3)** A limited liability company has perpetual duration.

17 **(3m)** An interest in a limited liability company may be a security, as specified
18 in s. 551.102 (28) (e).

19 **183.0109 Powers.** A limited liability company has the capacity to sue and be
20 sued in its own name and the power to do all things necessary or convenient to carry
21 on its activities and affairs.

22 **183.0110 Applicability. (1)** This chapter applies to a limited liability
23 company formed on or after January 1, 2023.

24 **(2)** On January 1, 2023, this chapter applies to a limited liability company
25 formed before January 1, 2023, except as follows:

SENATE BILL 566**SECTION 616**

1 (a) If the effective date of this paragraph is before January 1, 2023, and a
2 limited liability company elects, in a manner allowed by law for amending the
3 operating agreement, to be subject to this chapter as of any date after the effective
4 date of this paragraph and before January 1, 2023, and files with the department a
5 statement of applicability to that effect, this chapter applies to the limited liability
6 company as of the date that the statement of applicability is effective under s.
7 183.0207.

8 (b) If a limited liability company elects, in a manner allowed by law for
9 amending the operating agreement, to continue to be subject to ch. 183, 2019 stats.,
10 and files with the department a statement of nonapplicability to that effect prior to
11 January 1, 2023, the limited liability company shall not be subject to this chapter,
12 except for requirements relating to filing or obtaining copies of records with the
13 department, receiving or responding to notices from the department, and complying
14 with administrative rules promulgated under this chapter. The limited liability
15 company shall instead be and remain subject to ch. 183, 2019 stats. Thereafter, if
16 the limited liability company elects, in such manner, to be subject to this chapter as
17 of any subsequent date and files with the department a statement of applicability to
18 that effect, this chapter applies to the limited liability company as of the date that
19 the statement of applicability is effective under s. 183.0207.

20 (c) Any statement of applicability to be subject to this chapter pursuant to a
21 valid election by the limited liability company shall be irrevocable upon such filing.

22 (d) Upon this chapter becoming applicable with respect to a limited liability
23 company, all of the following apply:

SENATE BILL 566**SECTION 616**

1 1. This chapter shall not, and the corresponding provisions of ch. 183, 2019
2 stats., shall, be applicable with respect to obligations incurred by the limited liability
3 company prior to such applicability.

4 2. Any provisions of an operating agreement that were valid and in effect
5 immediately prior to this chapter becoming applicable with respect to the limited
6 liability company shall continue to be valid and applicable to the extent allowed
7 under prior law.

8 **183.0111 Supplemental principles of law.** Unless displaced by particular
9 provisions of this chapter, the principles of law and equity supplement this chapter.

10 **183.0112 Permitted names. (1)** The name of a limited liability company
11 must contain the phrase “limited liability company” or “limited company” or the
12 abbreviation “LLC” or “LC” or a variation of these abbreviations that differs only
13 with respect to capitalization of letters or punctuation. “Limited” may be
14 abbreviated as “Ltd.,” and “company” may be abbreviated as “Co.”

15 **(2)** The name of a limited liability company, and the name under which a
16 foreign limited liability company may register to do business in this state, must be
17 distinguishable on the records of the department from all of the following:

18 (a) Any name of an existing person whose formation required the filing of a
19 record by the department and which is not at the time administratively dissolved.

20 (b) Any name of a limited liability partnership whose statement of qualification
21 is in effect.

22 (c) Any name under which a person is registered to do business in this state by
23 the filing of a record by the department.

24 (d) Any name reserved under s. 183.0113 or other law of this state providing
25 for the reservation of a name by the filing of a record by the department.

SENATE BILL 566**SECTION 616**

1 (e) Any name registered under s. 183.0114 or other law of this state providing
2 for the registration of a name by the filing of a record by the department.

3 **(3m)** A limited liability company or foreign limited liability company may
4 apply to the department for authorization to use in this state a name that is not
5 distinguishable upon the records of the department from one or more of the names
6 described in sub. (2). The department shall authorize use of the name applied for if
7 any of the following occurs:

8 (a) The corporation, limited liability company, nonstock corporation, limited
9 partnership, limited liability partnership, foreign limited partnership, general
10 cooperative association, or limited cooperative association that has or has registered
11 or reserved the name consents in writing to the use and submits an undertaking in
12 a form satisfactory to the department to change its name to a name that is
13 distinguishable upon the records of the department from the name of the applicant,
14 or to cancel the registration or reservation.

15 (b) The applicant delivers to the department a certified copy of a final judgment
16 of a court of competent jurisdiction establishing the applicant's right to use the name
17 applied for in this state.

18 **(4)** In determining whether a name is the same as or not distinguishable on the
19 records of the department from the name of another person, words, phrases, or
20 abbreviations indicating the type of person, such as "corporation," "Corp.,"
21 "incorporated," "Inc.," "service corporation," "SC," "Limited," "Ltd.," "limited
22 partnership," "LP," "limited liability partnership," "LLP," "registered limited liability
23 partnership," "RLLP," "limited liability limited partnership," "LLLLP," "registered
24 limited liability limited partnership," "RLLLLP," "limited liability company," "LLC,"
25 "cooperative association," or "cooperative," or a variation of these abbreviations that

SENATE BILL 566**SECTION 616**

1 differs only with respect to capitalization of letters or punctuation, may not be taken
2 into account.

3 **(6)** The name of a limited liability company or foreign limited liability company
4 may not contain language stating or implying that the limited liability company is
5 organized for a purpose subject to regulation under another statute of this state,
6 unless its purpose is not prohibited by, and the entity is subject to all the limitations
7 of, the other statute.

8 **(9m)** A limited liability company or foreign limited liability company may use
9 in this state the name, including the fictitious name, that is used in this state by a
10 corporation, limited liability company, nonstock corporation, limited partnership,
11 limited liability partnership, foreign limited liability company, general cooperative
12 association, or limited cooperative association if the limited liability company or
13 foreign limited liability company proposing to use the name has done any of the
14 following:

15 (a) Merged with the other business entity.

16 (b) Been formed by reorganization of the other business entity.

17 (c) Acquired all or substantially all of the assets, including the name, of the
18 other business entity.

19 **183.0113 Reservation of name. (1)** A person may reserve the exclusive use
20 of a name that complies with s. 183.0112, including a fictitious name for a foreign
21 limited liability company whose company name is not available, by delivering an
22 application to the department for filing. The application shall include the name and
23 address of the applicant and the name proposed to be reserved. If the department
24 finds that the name is available, the department shall reserve the name for the

SENATE BILL 566**SECTION 616**

1 applicant's exclusive use for a 120-day period, which may be renewed by the
2 applicant or a transferee under sub. (2) from time to time.

3 (2) The person who has the right to exclusive use of a reserved name under sub.
4 (1) may transfer the reservation to another person by delivering to the department
5 a signed notice in a record of the transfer which states the name and address of the
6 person to which the reservation is being transferred.

7 **183.0114 Registration of name.** (1) A foreign limited liability company not
8 registered to do business in this state under subch. IX may register its name, or a
9 fictitious name adopted pursuant to s. 183.0906, if the name is distinguishable on the
10 records of the department from the names that are not available under s. 183.0112.

11 (2) To register its name or a fictitious name adopted pursuant to s. 183.0906,
12 a foreign limited liability company must deliver to the department for filing an
13 application stating the company's name, the jurisdiction and date of its formation,
14 and any fictitious name adopted pursuant to s. 183.0906. If the department finds
15 that the name applied for is available, the department shall register the name for the
16 applicant's exclusive use.

17 (3) The registration of a name under this section expires annually on December
18 31.

19 (4) A foreign limited liability company whose name registration is effective
20 may renew the registration by delivering to the department for filing, between
21 October 31 and December 31 of each year that the registration is in effect, a renewal
22 application that complies with this section. When filed, the renewal application
23 renews the registration for the next year.

24 (5) A foreign limited liability company whose name registration is effective
25 may register as a foreign limited liability company under the registered name or

SENATE BILL 566**SECTION 616**

1 consent in a signed record to the use of that name by another person that is not an
2 individual.

3 **183.0115 Registered agent and registered office.** (1) Each limited
4 liability company and each registered foreign limited liability company shall
5 designate and maintain a registered agent and registered office in this state. The
6 designation of a registered agent is an affirmation of fact by the limited liability
7 company or registered foreign limited liability company that the agent has consented
8 to serve.

9 (1m) The registered office of a limited liability company or registered foreign
10 limited liability company may, but need not, be the same as any of the company's
11 places of business or activity. The registered office must be an actual physical
12 location with a street address and not solely a post office box, mailbox service, or
13 telephone answering service. Except as provided in s. 165.68 (5) (f) 1., the registered
14 agent of a limited liability company or registered foreign limited liability company
15 shall be any of the following:

16 (a) A natural person who resides in this state and whose business office is
17 identical with the registered office.

18 (b) A domestic corporation, nonstock corporation, limited liability company,
19 limited partnership, or limited liability partnership whose business office is
20 identical with the registered office.

21 (c) A foreign corporation, nonstock corporation, limited liability company,
22 limited partnership, or registered limited liability partnership if that entity is
23 authorized to transact business in this state and the entity's business office is
24 identical with the registered office.

SENATE BILL 566**SECTION 616**

1 (2) A registered agent for a limited liability company or registered foreign
2 limited liability company must have an e-mail address and a place of business or
3 activity in this state.

4 (3) The only duties under this chapter of a registered agent that has complied
5 with this chapter are the following:

6 (a) To forward to the limited liability company or registered foreign limited
7 liability company at the address most recently supplied to the agent by the company
8 or foreign company any process, notice, or demand pertaining to the company or
9 foreign company which is served on or received by the agent.

10 (b) If the registered agent resigns, to provide the notice required by s. 183.0117
11 (3) to the company or foreign company at the address most recently supplied to the
12 agent by the company or foreign company.

13 (c) To keep current the information with respect to the agent in the articles of
14 organization or foreign registration statement.

15 **183.0116 Change of registered agent or registered office by limited**
16 **liability company.** (1) A limited liability company or registered foreign limited
17 liability company may change its registered agent or registered office as provided in
18 s. 183.0212 (5) or by delivering to the department for filing a statement of change that
19 states all of the following:

20 (a) The name of the company or foreign company.

21 (b) The information that is to be in effect as a result of the filing of the statement
22 of change.

23 (2) The members or managers of a limited liability company need not approve
24 the filing of any of the following:

25 (a) A statement of change under this section.

SENATE BILL 566**SECTION 616**

1 (b) A similar filing changing the registered agent or registered office, if any, of
2 the company in any other jurisdiction.

3 (3) A statement of change under this section designating a new registered
4 agent is an affirmation of fact by the limited liability company or registered foreign
5 limited liability company that the agent has consented to serve.

6 (4) As an alternative to using the procedure in this section, a limited liability
7 company may amend its articles of organization.

8 **183.0117 Resignation of registered agent.** (1) A registered agent may
9 resign as agent for a limited liability company or registered foreign limited liability
10 company by delivering to the department for filing a statement of resignation that
11 states all of the following:

12 (a) The name of the company or foreign company.

13 (b) The name of the agent.

14 (c) That the agent resigns from serving as registered agent for the company or
15 foreign company.

16 (d) The address of the company or foreign company to which the agent will send
17 the notice required by sub. (3).

18 (2) The resignation under sub. (1) is effective and, if applicable, the registered
19 office is discontinued on the earlier of the following:

20 (a) Sixty days after the department receives the statement of resignation for
21 filing.

22 (b) The date on which the appointment of a successor registered agent is
23 effective.

SENATE BILL 566**SECTION 616**

1 **(3)** A registered agent promptly shall furnish to the limited liability company
2 or registered foreign limited liability company notice in a record of the date on which
3 a statement of resignation was filed.

4 **(4)** When a statement of resignation takes effect, the registered agent ceases
5 to have responsibility under this chapter for any matter thereafter tendered to it as
6 agent for the limited liability company or registered foreign limited liability
7 company. The resignation does not affect any contractual rights the company or
8 foreign company has against the agent or that the agent has against the company
9 or foreign company.

10 **(5)** A registered agent may resign with respect to a limited liability company
11 or registered foreign limited liability company whether or not the company or foreign
12 company is in good standing.

13 **183.0118 Change of name or address by registered agent. (1)** If the name
14 or e-mail address of a registered agent changes or if the street address of a registered
15 agent's office changes, the registered agent may change the name or e-mail address
16 of the registered agent or street address of the registered office of any limited liability
17 company or foreign limited liability company for which he, she, or it is the registered
18 agent. To make the change under this subsection, the registered agent shall notify
19 the company or foreign company in writing of the change and deliver to the
20 department for filing a statement of change that recites that the company or foreign
21 company has been notified of the change and states all of the following:

22 (a) The name of the limited liability company or registered foreign limited
23 liability company represented by the registered agent.

24 (b) The name, e-mail address, and street address of the agent as currently
25 shown in the records of the department for the company or foreign company.

SENATE BILL 566**SECTION 616**

1 (c) Any new name, new e-mail address, or new street address of the agent.

2 (2) A registered agent promptly shall furnish notice to the represented limited
3 liability company or registered foreign limited liability company of the filing by the
4 department of the statement of change and the changes made by the statement.

5 **183.0119 Service of process, notice, or demand.** (1) A limited liability
6 company or registered foreign limited liability company may be served with any
7 process, notice, or demand required or permitted by law by serving its registered
8 agent. The department may serve any written notice required or authorized under
9 this chapter by e-mailing it to the registered agent's e-mail address on file with the
10 department, and such notice shall be effective as provided in s. 183.0103 (5).

11 (2) Except as provided in sub. (3), if a limited liability company or registered
12 foreign limited liability company had no registered agent, or its registered agent
13 cannot with reasonable diligence be served, the company or foreign company may be
14 served by registered or certified mail, return receipt requested, or by similar
15 commercial delivery service, addressed to the company or foreign company at its
16 principal office, as shown on records of the department on the date of sending.
17 Service is perfected under this subsection at the earliest of the following:

18 (a) The date the company or foreign company receives the mail or delivery by
19 the commercial delivery service.

20 (b) The date shown on the return receipt, if signed on behalf of the company or
21 foreign company.

22 (c) Five days after it is deposited in the U.S. mail, or with the commercial
23 delivery service, if correctly addressed and with sufficient postage or payment.

24 (3) If process, notice, or demand in an action cannot be served on a limited
25 liability company or registered foreign limited liability company pursuant to sub. (1)

SENATE BILL 566**SECTION 616**

1 or (2), service may be made by handing a copy to the individual in charge of any
2 regular place of business or activity of the company or foreign company if the
3 individual served is not a plaintiff in the action. If the address of the company's or
4 foreign company's principal office cannot be determined from the records of the
5 department, the company or foreign company may be served by publishing a class
6 3 notice, under ch. 985, in the community where the company's or foreign company's
7 principal office or registered office, as most recently designated in the records of the
8 department, is located.

9 (4) Service of process, notice, or demand on a registered agent must be in a
10 written record.

11 (5) Service of process, notice, or demand may be made by other means under
12 law other than this chapter.

13 **183.0120 Delivery of record.** (1) Except as otherwise provided in this
14 chapter, permissible means of delivery of a record include delivery by hand, mail,
15 conventional commercial practice, and electronic transmission.

16 (2) Delivery to the department is effective only when a record is received by the
17 department.

18 **183.0122 Filing fees; certified copies.** (1) Subject to sub. (2) (a), the
19 department may collect a fee for filing, or providing a certified copy of, a record under
20 this chapter. The department may charge a fee for providing a certified copy of any
21 record, or for filing any record not identified in sub. (2) (a), pursuant to a rule
22 promulgated under this subsection or s. 182.01 (4).

23 (2) (a) Except as provided under pars. (c) and (d), the department shall collect
24 the following fees when the records described in this paragraph are delivered to the
25 department for filing:

SENATE BILL 566**SECTION 616**

- 1 1. Articles of organization, \$130.
- 2 2. Application for use of indistinguishable name, \$10.
- 3 3. Application for reserved name, \$15.
- 4 4. Application for renewal of reserved name, \$15.
- 5 5. Notice of transfer of reserved name, \$10.
- 6 6. Application for registered name, \$50.
- 7 7. Application for renewal of registered name, \$50.
- 8 8. Statement of change of registered agent or registered office or registered
9 agent's name, e-mail address, or street address under s. 183.0116 or 183.0118, \$10.
- 10 9. Statement of resignation of registered agent, \$10.
- 11 10. Amendment or restatement of articles of organization, \$40.
- 12 11. Articles of merger, conversion, interest exchange, or domestication, \$150.
- 13 12. Statement of dissolution or statement of termination, \$20.
- 14 13. Foreign registration statement, \$100.
- 15 14. Amendment of foreign registration statement, \$40.
- 16 15. Statement of withdrawal or cancellation of foreign registration or
17 application for transfer of foreign registration, \$40.
- 18 16. Statement of correction, \$40.
- 19 17. Annual report of a domestic limited liability company, \$25.
- 20 18. Annual report of a foreign limited liability company, \$65.
- 21 (b) In addition to the fees required under par. (a) or permitted under sub. (1),
22 the department shall collect the expedited service fee established under s. 182.01 (4)
23 (d) for processing in an expeditious manner a record required or permitted to be filed
24 with the department under this chapter or for preparing in an expeditious manner
25 a certificate of status or certificate of registration under s. 183.0211.

SENATE BILL 566**SECTION 616**

1 (c) The department may, by rule, specify a larger fee for filing records described
2 in par. (a) in paper format.

3 (d) 1. In this paragraph, “student entrepreneur” means a student to whom all
4 of the following apply:

5 a. The student is enrolled in a postsecondary institution in this state.

6 b. The student is an organizer of a limited liability company or will be a member
7 of the limited liability company upon its formation, and the limited liability company
8 is being formed as a business start-up.

9 c. The student is at least 18 years of age.

10 2. The department may not collect a fee for filing articles of organization if all
11 of the following apply:

12 a. All members of the limited liability company, upon its formation, are student
13 entrepreneurs.

14 b. If the limited liability company is formed by any organizer who will not
15 become a member of the limited liability company upon its formation, all such
16 organizers of the limited liability company are student entrepreneurs.

17 **(3)** A certified copy of a record filed by the department is conclusive evidence
18 that the original record is on file with the department.

19 **(4)** A person may not sign a document with intent that it be delivered to the
20 department for filing, or deliver a document or cause a document to be delivered to
21 the department for filing, if the person knows that the document is false in any
22 material respect at the time of its delivery. Whoever violates this subsection is guilty
23 of a Class I felony.

24

SUBCHAPTER II

SENATE BILL 566**SECTION 616**

FORMATION; ARTICLES OF

ORGANIZATION AND OTHER FILINGS

183.0201 Formation of limited liability company; articles of organization. (1) One or more persons may act as organizers to form a limited liability company by signing and delivering to the department for filing articles of organization.

(2) The articles of organization shall contain all of the following information:

(a) A statement that the limited liability company is organized under this chapter.

(b) The name of the limited liability company, which must comply with s. 183.0112.

(c) The street and mailing addresses of the company's principal office.

(d) The name and street and mailing and e-mail addresses of the initial registered agent of the limited liability company.

(e) The name and address of each organizer.

(f) If applicable, the delayed effective date and time of the articles of organization permitted under s. 183.0207.

(3) The articles of organization may set forth other information, including any of the following:

(a) If management of the limited liability company is vested in one or more managers, a statement to that effect.

(b) Provisions not inconsistent with law regarding any of the following:

1. The purpose or purposes for which the limited liability company is organized.

2. Managing the business and regulating the affairs of the limited liability company.

SENATE BILL 566**SECTION 616**

1 3. Defining, limiting, and regulating the powers of the limited liability
2 company, its managers, and its members.

3 4. A par value for transferable interests or classes or series of transferable
4 interests.

5 (c) Any provision that, under this chapter, is required or permitted to be set
6 forth in a written operating agreement.

7 **(4)** All of the following rules apply:

8 (a) A limited liability company is formed when the articles of organization
9 become effective under s. 183.0207.

10 (b) The department's filing of the articles of organization is conclusive proof
11 that the limited liability company is organized and formed under this chapter.

12 (c) The status of a limited liability company as a limited liability company or
13 as a foreign limited liability company registered to transact business in this state and
14 the liability of any member of any such limited liability company is not adversely
15 affected by errors or subsequent changes in any information stated in any filing
16 made under this chapter.

17 (d) If a limited liability company or a foreign limited liability company that is
18 registered to transact business in this state dissolves, but its business continues
19 without winding up and without liquidating the company, the status of the limited
20 liability company or foreign limited liability company before dissolution shall
21 continue to be applicable to the company as it continues its business, and the
22 company shall not be required to make any new filings under this chapter. Any
23 filings made by such a limited liability company or foreign limited liability company
24 before dissolution shall be considered to have been filed by the company while it
25 continues its business.

SENATE BILL 566**SECTION 616**

1 (e) If a limited liability company or a foreign limited liability company that is
2 registered to transact business in this state dissolves, any filings made by the
3 company before dissolution remain in effect as to the company and its members
4 during the period of winding up and as to the members during the period after the
5 company's liquidation or termination with respect to the liabilities of the company.

6 **183.0202 Amendment or restatement of articles of organization. (1)**

7 Articles of organization may be amended or restated at any time.

8 (2) To amend its articles of organization, a limited liability company must
9 deliver to the department for filing an amendment stating all of the following:

10 (a) The name of the company.

11 (b) The date of filing of its initial articles of organization.

12 (c) The text of the amendment.

13 (3) To restate its articles of organization, a limited liability company must
14 deliver to the department for filing a restatement, designated as such in its heading.

15 (4) If a member of a member-managed limited liability company, or a manager
16 of a manager-managed limited liability company, knows or has notice that any
17 information in the filed articles of organization was inaccurate when the articles
18 were filed or has become inaccurate due to changed circumstances, the member or
19 manager shall promptly do one of the following to correct the inaccuracy:

20 (a) Cause the articles to be amended.

21 (b) If appropriate, deliver to the department for filing a statement of change
22 under s. 183.0116 or a statement of correction under s. 183.0209.

23 **183.0203 Signing of records to be delivered for filing to the**

24 **department. (1)** A record delivered to the department for filing pursuant to this
25 chapter must be signed as follows:

SENATE BILL 566**SECTION 616**

1 (a) Except as otherwise provided in pars. (b) and (c), a record signed by a limited
2 liability company must be signed by a person authorized by the company.

3 (b) A company's initial articles of organization must be signed by at least one
4 person acting as an organizer.

5 (c) A record delivered on behalf of a dissolved company that has no member
6 must be signed by the person winding up the company's activities and affairs under
7 s. 183.0702 (3) or a person appointed under s. 183.0702 (4) to wind up the activities
8 and affairs.

9 (d) A statement of denial by a person under s. 183.0303 must be signed by that
10 person.

11 (e) Any other record delivered on behalf of a person to the department for filing
12 must be signed by that person.

13 **(2)** A record delivered for filing under this chapter may be signed by an
14 attorney-in-fact. Whenever this chapter requires a particular individual to sign a
15 record and the individual is deceased or incompetent, the record may be signed by
16 a legal representative of the individual.

17 **(3)** A person that signs a record as an attorney-in-fact or legal representative
18 affirms as a fact that the person is authorized to sign the record.

19 **183.0204 Signing and filing pursuant to judicial order.** (1) If a person
20 required by this chapter to sign a record or deliver a record to the department for
21 filing under this chapter does not do so, any other person that is aggrieved may
22 petition the circuit court to order any of the following:

23 (a) The person to sign the record.

24 (b) The person to deliver the record to the department for filing.

25 (c) The department to file the record unsigned.

SENATE BILL 566**SECTION 616**

1 (2) If a petitioner under sub. (1) is not the limited liability company or foreign
2 limited liability company to which the record pertains, the petitioner shall make the
3 company or foreign company a party to the action.

4 (3) A record filed under sub. (1) (c) is effective without being signed.

5 **183.0205 Liability for inaccurate information in filed record.** (1) If a
6 record delivered to the department for filing under this chapter and filed by the
7 department contains inaccurate information, a person that suffers loss by reliance
8 on the information may recover damages for the loss from any of the following:

9 (a) A person that signed the record, or caused another to sign it on the person's
10 behalf, and knew the information to be inaccurate at the time the record was signed.

11 (b) Subject to sub. (2), a member of a member-managed limited liability
12 company or a manager of a manager-managed limited liability company if all of the
13 following apply:

14 1. The record was delivered for filing on behalf of the company.

15 2. The member or manager knew or had notice of the inaccuracy for a
16 reasonably sufficient time before the information was relied upon so that, before the
17 reliance, the member or manager reasonably could have done any of the following:

18 a. Effected an amendment under s. 183.0202.

19 b. Filed a petition under s. 183.0204.

20 c. Delivered to the department for filing a statement of change under s.
21 183.0116 or a statement of correction under s. 183.0209.

22 (2) To the extent the operating agreement of a member-managed limited
23 liability company expressly relieves a member of responsibility for maintaining the
24 accuracy of information contained in records delivered on behalf of the company to
25 the department for filing under this chapter and imposes that responsibility on one

SENATE BILL 566**SECTION 616**

1 or more other members, the liability stated in sub. (1) (b) applies to those other
2 members and not to the member that the operating agreement relieves of the
3 responsibility.

4 (3) An individual who signs a record authorized or required to be filed under
5 this chapter affirms under penalty of perjury that the information stated in the
6 record is accurate.

7 **183.0206 Filing requirements.** (1) Subject to sub. (1m), to be filed by the
8 department pursuant to this chapter, a record must be received by the department,
9 comply with this chapter, and satisfy all of the following:

10 (a) The filing of the record must be required or permitted by this chapter.

11 (b) The record must be physically delivered in written form unless and to the
12 extent the department permits electronic delivery of records.

13 (c) The words in the record must be in English, and numbers must be in Arabic
14 or Roman numerals, but the name of an entity need not be in English if written in
15 English letters or Arabic or Roman numerals.

16 (d) The record must be signed by a person authorized or required under this
17 chapter to sign the record.

18 (e) The record must state the name and capacity, if any, of each individual who
19 signed it, either on behalf of the individual or the person authorized or required to
20 sign the record, but need not contain a seal, attestation, acknowledgment, or
21 verification.

22 (f) The record must contain the name of the drafter, if required by s. 182.01 (3).

23 (1m) The department may waive any of the requirements of sub. (1) (a) to (f)
24 if it appears from the face of the document that the document's failure to satisfy the
25 requirement is immaterial.

SENATE BILL 566**SECTION 616**

1 (2) If law other than this chapter prohibits the disclosure by the department
2 of information contained in a record delivered to the department for filing, the
3 department shall file the record if the record otherwise complies with this chapter
4 but may redact the information.

5 (3) When a record is delivered to the department for filing, any fee required
6 under this chapter and any fee, interest, or penalty required to be paid to the
7 department must be paid in a manner permitted by the department.

8 (5) The department may provide forms for filings required or permitted to be
9 made by this chapter and may require their use.

10 **183.0207 Effective date and time.** Except as otherwise provided in s.
11 183.0208 and subject to s. 183.0209 (4), a record filed under this chapter is effective
12 as follows:

13 (1) Except as provided in subs. (2) and (3), on the date that it is received by the
14 department for filing and at any of the following times on that date:

15 (a) The time of day specified in the document as its effective time.

16 (b) If no effective time is specified, at the close of business.

17 (2) The date that a document is received by the department is determined by
18 the department's endorsement on the original document under s. 183.0210 (2).

19 (3) A document may specify a delayed effective date and time, except the
20 effective date may not be more than 90 days after the date that it is received for filing.
21 If a document specifies a delayed effective date and time in accordance with this
22 subsection, the document is effective at the time and date specified. If a delayed
23 effective date, but no time, is specified, the document is effective at the close of
24 business on that date.

SENATE BILL 566**SECTION 616**

1 **183.0208 Withdrawal of filed record before effectiveness.** (1) Except as
2 otherwise provided in ss. 183.1023 (2), 183.1033 (2), 183.1043 (2), and 183.1053 (2),
3 a record delivered to the department for filing may be withdrawn before it takes
4 effect by delivering to the department for filing a statement of withdrawal.

5 (2) A statement of withdrawal must satisfy all of the following:

6 (a) It must be signed by each person that signed the record being withdrawn,
7 except as otherwise agreed by those persons.

8 (b) It must identify the record to be withdrawn.

9 (c) If signed by fewer than all the persons that signed the record being
10 withdrawn, it must state that the record is withdrawn in accordance with the
11 agreement of all the persons that signed the record.

12 (3) On filing by the department of a statement of withdrawal, the action or
13 transaction evidenced by the original record does not take effect.

14 **183.0209 Correcting filed record.** (1) A person on whose behalf a filed
15 record was delivered to the department for filing may correct the record if any of the
16 following applies:

17 (a) The record at the time of filing was inaccurate.

18 (b) The record was defectively signed.

19 (c) The electronic transmission of the record to the department was defective.

20 (2) To correct a filed record, a person on whose behalf the record was delivered
21 to the department must deliver to the department for filing a statement of correction.

22 (3) (a) A statement of correction may not state a delayed effective date.

23 (b) A statement of correction must satisfy all of the following:

24 1. It must be signed by the person correcting the filed record.

25 2. It must identify the filed record to be corrected.

SENATE BILL 566**SECTION 616**

1 3. It must specify the inaccuracy or defect to be corrected.

2 4. It must correct the inaccuracy or defect.

3 **(4)** A statement of correction is effective as of the effective date of the filed
4 record that it corrects except for purposes of s. 183.0103 (4) and as to persons relying
5 on the uncorrected filed record and adversely affected by the correction. For those
6 purposes and as to those persons, the statement of correction is effective when filed.

7 **183.0210 Duty of department to file; review of refusal to file; delivery**
8 **of record by department.** **(1)** The department shall file a record delivered to the
9 department for filing which satisfies this chapter. The duty of the department under
10 this section is ministerial.

11 **(2)** When the department files a record, the department shall record it as filed
12 on the date of its delivery. After filing a record, the department shall deliver to the
13 person that submitted the record a copy of the record with an acknowledgment of the
14 date of filing and, in the case of a statement of denial, also to the limited liability
15 company to which the statement pertains.

16 **(3)** If the department refuses to file a record, the department shall, not later
17 than 5 business days after the record is delivered, do all of the following:

18 (a) Return the record or notify the person that submitted the record of the
19 refusal.

20 (b) Provide a brief explanation in a record of the reason for the refusal.

21 **(4)** If the department refuses to file a record, the person that submitted the
22 record may petition the circuit court to compel filing of the record. The record and
23 the explanation of the department of the refusal to file must be attached to the
24 petition. The court may decide the matter in a summary proceeding.

SENATE BILL 566**SECTION 616**

1 **(5)** The filing of or refusal to file a record does not create a presumption of any
2 of the following:

3 (a) That the record does or does not conform to the requirements of this chapter.

4 (b) That the information contained in the record is correct or incorrect.

5 **(6)** Except as otherwise provided by s. 183.0119 or by law other than this
6 chapter, the department may deliver any record to a person by delivering it in any
7 of the following ways:

8 (a) In person to the person that submitted it.

9 (b) To the address of the person's registered agent.

10 (c) To the principal office of the person.

11 (d) To another address the person provides to the department for delivery.

12 **183.0211 Certificate of status.** **(1)** Any person may obtain from the
13 department, upon request, a certificate of status for a limited liability company or
14 registered foreign limited liability company.

15 **(2)** A certificate of status shall include all of the following information:

16 (a) The domestic company's company name or the foreign company's company
17 name and fictitious name, if any, used in this state.

18 (b) Whether each of the following is true:

19 1. The domestic company is a limited liability company whose governing law
20 is the law of this state, or the foreign company is authorized to transact business in
21 this state.

22 2. The domestic company or the foreign company has, during its most recently
23 completed report year, filed with the department an annual report required by s.
24 183.0212.

SENATE BILL 566**SECTION 616**

1 3. The domestic company has not filed a statement of dissolution or statement
2 of termination.

3 4. The foreign company has not filed a statement of withdrawal of its foreign
4 registration under s. 183.0911 and, if not, the effective date of its registration
5 statement.

6 (c) The domestic company's effective date of its articles of organization and the
7 period of its duration if less than perpetual.

8 **(3)** The certificate of status may include other facts of record in the department
9 that are requested.

10 **(4)** Subject to any qualification stated in a certificate of status issued by the
11 department, the certificate is conclusive evidence that the limited liability company
12 or the foreign limited liability company is in existence or is authorized to transact
13 business in this state.

14 **(5)** Upon request, by telephone or otherwise, the department shall confirm by
15 telephone any of the information required in a certificate of status under sub. (2) and
16 may confirm any other information permitted under sub. (3).

17 **183.0212 Annual report for department. (1)** A limited liability company
18 or registered foreign limited liability company shall deliver to the department for
19 filing an annual report that states all of the following:

20 (a) The name of the company or foreign company.

21 (b) The street address of its registered agent in this state and the name and
22 e-mail address of its registered agent at that office.

23 (c) The street address of its principal office.

24 (d) If the company is member managed, the name of at least one member.

25 (e) If the company is manager managed, the name of at least one manager.

SENATE BILL 566**SECTION 616**

1 (f) In the case of a foreign company, the jurisdiction of its governing law and any
2 fictitious name adopted under s. 183.0906 (1).

3 (2) Information in the annual report must be current as of the date the report
4 is signed by the limited liability company or registered foreign limited liability
5 company.

6 (3) (a) A domestic limited liability company shall deliver its annual report to
7 the department in each year following the calendar year in which the domestic
8 limited liability company's articles of organization became effective, during the
9 calendar year quarter in which the anniversary date of the articles' effective date
10 occurs.

11 (b) A registered foreign limited liability company shall deliver its annual report
12 to the department during the first calendar quarter of each year following the
13 calendar year in which the foreign limited liability company registered to do business
14 in this state.

15 (4) If an annual report does not contain the information required by this
16 section, the department promptly shall notify the reporting limited liability company
17 or registered foreign limited liability company in a record and return the report to
18 it for correction. If the annual report is corrected to contain the information required
19 by this section and delivered to the department within 30 days after the effective date
20 of the notice under s. 183.0103 (5), the annual report is timely filed.

21 (5) If an annual report contains a registered office or registered agent which
22 differs from the information shown in the records of the department immediately
23 before the report becomes effective, the differing information is considered a
24 statement of change under s. 183.0116.

SENATE BILL 566**SECTION 616**

1 RELATIONS OF MEMBERS AND
2 MANAGERS TO PERSONS DEALING
3 WITH LIMITED LIABILITY COMPANY

4 **183.0301 No agency power of member as member.** (1) A member is not
5 an agent of a limited liability company solely by reason of being a member.

6 (2) A person's status as a member does not prevent or restrict law other than
7 this chapter from imposing liability on a limited liability company because of the
8 person's conduct.

9 **183.0302 Statement of authority.** (1) (a) A limited liability company may
10 deliver to the department for filing a statement of authority.

11 (b) The statement of authority must include the name of the company, the street
12 address of the company's registered office in this state, and the name and e-mail
13 address of its registered agent at that office.

14 (c) The statement of authority may state any of the following:

15 1. With respect to any position that exists in or with respect to the company,
16 the authority, or limitations on the authority, of all persons holding the position to
17 do any of the following:

18 a. Sign an instrument transferring real property held in the name of the
19 company.

20 b. Enter into other transactions on behalf of, or otherwise act for or bind, the
21 company.

22 2. The authority, or limitations on the authority, of a specific person to do any
23 of the following:

24 a. Sign an instrument transferring real property held in the name of the
25 company.

SENATE BILL 566**SECTION 616**

1 b. Enter into other transactions on behalf of, or otherwise act for or bind, the
2 company.

3 **(2)** To amend or cancel a statement of authority filed by the department, a
4 limited liability company must deliver to the department for filing an amendment
5 or cancellation stating all of the following:

6 (a) The name of the company.

7 (b) The street address of the company's registered office in this state and the
8 name and e-mail address of its registered agent at that office.

9 (c) The date the statement being affected became effective.

10 (d) The contents of the amendment or a declaration that the statement is
11 canceled.

12 **(2m)** (a) A statement of authority is renewable for successive 5-year periods.
13 To renew a statement of authority filed by the department, a limited liability
14 company must deliver to the department for filing, during the 3 months before the
15 cancellation would occur under sub. (10), a statement of renewal that includes all of
16 the following:

17 1. The name of the company.

18 2. The street address of the company's registered office in this state and the
19 name and e-mail address of its registered agent at that office.

20 3. The statement of authority being affected.

21 4. A declaration that the statement of authority is being renewed.

22 (b) When filed, a statement of renewal that complies with par. (a) renews the
23 statement of authority for a 5-year period commencing with the date of filing of the
24 statement of renewal.

SENATE BILL 566**SECTION 616**

1 **(3)** A statement of authority affects only the power of a person to bind a limited
2 liability company to persons that are not members.

3 **(4)** Subject to sub. (3) and s. 183.0103 (4), and except as otherwise provided in
4 subs. (6) to (8), a limitation on the authority of a person or a position contained in an
5 effective statement of authority is not by itself evidence of any person's knowledge
6 or notice of the limitation.

7 **(5)** Subject to sub. (3), a grant of authority not pertaining to transfers of real
8 property and contained in an effective statement of authority is conclusive in favor
9 of a person that gives value in reliance on the grant, except to the extent that when
10 the person gives value any of the following applies:

11 (a) The person has knowledge to the contrary.

12 (b) The statement has been canceled or restrictively amended under sub. (2).

13 (c) A limitation on the grant is contained in another statement of authority that
14 became effective after the statement containing the grant became effective.

15 **(6)** Subject to sub. (3), an effective statement of authority that grants authority
16 to transfer real property held in the name of the limited liability company, a certified
17 copy of which statement is recorded in the office of the register of deeds for the county
18 in which the property is located, is conclusive in favor of a person that gives value
19 in reliance on the grant without knowledge to the contrary, except to the extent that
20 when the person gives value any of the following applies:

21 (a) The statement has been canceled or restrictively amended under sub. (2)
22 and a certified copy of the cancellation or restrictive amendment has been recorded
23 in the office of the register of deeds for the county in which the property is located.

24 (b) A limitation on the grant is contained in another statement of authority that
25 became effective after the statement containing the grant became effective, and a

SENATE BILL 566**SECTION 616**

1 certified copy of the later-effective statement is recorded in the office of the register
2 of deeds for the county in which the property is located.

3 (7) Subject to sub. (3), if a certified copy of an effective statement containing
4 a limitation on the authority to transfer real property held in the name of a limited
5 liability company is recorded in the office of the register of deeds for the county in
6 which the property is located, all persons are deemed to know of the limitation.

7 (8) Subject to sub. (9), an effective statement of dissolution or termination is
8 a cancellation of any filed statement of authority for the purposes of sub. (6) and is
9 a limitation on authority for the purposes of sub. (7).

10 (9) After a statement of dissolution becomes effective, a limited liability
11 company may deliver to the department for filing and, if appropriate, may record a
12 statement of authority that is designated as a post-dissolution statement of
13 authority. The statement operates as provided in subs. (6) and (7).

14 (10) Unless earlier canceled, an effective statement of authority is canceled by
15 operation of law 5 years after the date on which the statement, or its most recent
16 amendment or renewal, becomes effective. This cancellation operates without need
17 for any recording under sub. (6) or (7).

18 (11) An effective statement of denial operates as a restrictive amendment
19 under this section and may be recorded by certified copy for purposes of sub. (6) (a).

20 **183.0303 Statement of denial.** A person named in a filed statement of
21 authority granting that person authority may deliver to the department for filing a
22 statement of denial that does all of the following:

23 (1) Provides the name of the limited liability company and the caption of the
24 statement of authority to which the statement of denial pertains.

25 (2) Denies the grant of authority.

SENATE BILL 566**SECTION 616**

1 **183.0304 Liability of members and managers.** (1) A debt, obligation, or
2 other liability of a limited liability company is solely the debt, obligation, or other
3 liability of the company. Except as provided in ss. 73.0306, 183.0403, and 183.0406,
4 a member or manager is not personally liable, directly or indirectly, by way of
5 contribution or otherwise, for a debt, obligation, or other liability of the company
6 solely by reason of being or acting as a member or manager. This subsection applies
7 regardless of the dissolution of the company.

8 (2) The failure of a limited liability company to observe formalities relating to
9 the exercise of its powers or management of its activities and affairs is not a ground
10 for imposing liability on a member or manager for a debt, obligation, or other liability
11 of the company.

SUBCHAPTER IV

RELATIONS OF MEMBERS

TO EACH OTHER AND TO

LIMITED LIABILITY COMPANY

12
13
14
15
16 **183.0401 Becoming member.** (1) If a limited liability company is to have
17 only one member upon formation, the person becomes a member as agreed by that
18 person and the organizer of the company. That person and the organizer may be, but
19 need not be, different persons. If different, the organizer acts on behalf of the initial
20 member.

21 (2) If a limited liability company is to have more than one member upon
22 formation, those persons become members as agreed by the persons before the
23 formation of the company. The organizer acts on behalf of the persons in forming the
24 company and may be, but need not be, one of the persons.

SENATE BILL 566**SECTION 616**

1 **(3)** A person becomes an initial member of a limited liability company with the
2 consent of a majority of the organizers. The organizers may consent to more than one
3 person simultaneously becoming the company's initial members.

4 **(4)** After formation of a limited liability company, a person becomes a member
5 in any of the following ways:

6 (a) As provided in the operating agreement.

7 (b) As the result of a transaction effective under subch. X.

8 (c) With the affirmative vote or consent of all the members.

9 (d) As provided in s. 183.0701 (1) (c).

10 (e) As provided in s. 183.0503 (6) (c).

11 **(5)** A person may become a member without doing any of the following:

12 (a) Acquiring a transferable interest.

13 (b) Making or being obligated to make a contribution to the limited liability
14 company.

15 **183.0402 Form of contribution.** **(1)** A contribution may consist of money
16 or property transferred to, services performed for, or another benefit provided to the
17 limited liability company or an agreement to transfer money or property to, perform
18 services for, or provide another benefit to the company.

19 **(2)** The value of a member's contribution shall be determined in the manner
20 provided in an operating agreement. If the operating agreement does not so provide,
21 the value of a contribution shall be approved by the members under s. 183.0407 (2)
22 (d). This value shall be properly reflected in the records and information kept by the
23 limited liability company at its principal place of business or activity, and this value
24 shall be binding and conclusive on the limited liability company and its members.

SENATE BILL 566**SECTION 616**

1 **183.0403 Liability for contributions.** (1) A person's obligation to make a
2 contribution to a limited liability company is not excused by the person's death,
3 disability, termination, or other inability to perform personally.

4 (2) If a person does not fulfill an obligation to make a contribution other than
5 money, the person is obligated at the option of the limited liability company to
6 contribute money equal to the value of the part of the contribution which has not been
7 made.

8 (3) Unless otherwise provided in a written operating agreement, a member's
9 obligation to provide tangible or intangible property or other benefit to a limited
10 liability company, including money, services performed, promissory notes, other
11 agreements to contribute money or property, and contracts for services to be
12 performed, as a contribution to the limited liability company may be compromised
13 only by the written consent of all the members. If a creditor of a limited liability
14 company extends credit or otherwise acts in reliance on an obligation described in
15 sub. (1) without knowledge or notice of a compromise under this subsection, the
16 creditor may enforce the obligation.

17 **183.0404 Sharing of and right to distributions before dissolution.** (1)
18 Except to the extent necessary to comply with any transfer effective under s.
19 183.0502 or charging order in effect under s. 183.0503, any distributions made by a
20 limited liability company before its dissolution and winding up must be made
21 proportionally among members and dissociated members on the basis of the value
22 of the contributions made by each such member, as stated in the records required to
23 be kept under s. 183.0402 (2), or, in the case of a company treated as a partnership
24 for tax purposes, the partnership capital account of each such member as computed
25 for tax reporting purposes.

SENATE BILL 566**SECTION 616**

1 (2) A person has a right to a distribution before the dissolution and winding
2 up of a limited liability company only if the company decides to make an interim
3 distribution. A person's dissociation does not entitle the person to a distribution.

4 (3) A person does not have a right to demand or receive a distribution from a
5 limited liability company in any form other than money. Except as otherwise
6 provided in s. 183.0707 (4), a limited liability company may distribute an asset in
7 kind if each part of the asset is fungible with each other part and each person receives
8 a percentage of the asset equal in value to the person's share of distributions.

9 (4) If a member or transferee becomes entitled to receive a distribution, the
10 member or transferee has the status of, and is entitled to all remedies available to,
11 a creditor of the limited liability company with respect to the distribution. However,
12 the company's obligation to make a distribution is subject to offset for any amount
13 owed to the company by the member or a person dissociated as a member on whose
14 account the distribution is made.

15 **183.0405 Limitations on distributions.** (1) A limited liability company
16 may not make a distribution, including a distribution under s. 183.0707, if after the
17 distribution any of the following applies:

18 (a) The company would not be able to pay its debts as they become due in the
19 ordinary course of the company's activities and affairs.

20 (b) The company's total assets would be less than or equal to the sum of its total
21 liabilities plus the amount that would be needed, if the company were to be dissolved
22 and wound up at the time of the distribution, to satisfy the preferential rights upon
23 dissolution and winding up of members and transferees whose preferential rights
24 are superior to the rights of persons receiving the distribution.

SENATE BILL 566**SECTION 616**

1 **(2)** A limited liability company may base a determination that a distribution
2 is not prohibited under sub. (1) on any of the following:

3 (a) Financial statements prepared on the basis of accounting practices and
4 principles that are reasonable in the circumstances.

5 (b) A fair valuation or other method that is reasonable under the
6 circumstances.

7 **(3)** Except as otherwise provided in sub. (5), the effect of a distribution under
8 sub. (1) is measured as follows:

9 (a) In the case of a distribution as described in s. 183.0102 (4) (a) 1. and 2., as
10 of the earlier of the following:

11 1. The date money or other property is transferred or debt is incurred by the
12 limited liability company.

13 2. The date the person entitled to the distribution ceases to own the interest
14 or right being acquired by the company in return for the distribution.

15 (b) In the case of any distribution of indebtedness other than one under par. (a),
16 as of the date the indebtedness is distributed.

17 (c) In all cases other than those under par. (a) or (b), as of the following:

18 1. The date the distribution is authorized, if the payment occurs not later than
19 120 days after that date.

20 2. The date the payment is made, if the payment occurs more than 120 days
21 after the distribution is authorized.

22 **(4)** A limited liability company's indebtedness to a member or transferee
23 incurred by reason of a distribution made in accordance with this section is at parity
24 with the company's indebtedness to its general, unsecured creditors, except to the
25 extent subordinated by agreement.

SENATE BILL 566**SECTION 616**

1 **(5)** A limited liability company's indebtedness, including indebtedness issued
2 as a distribution, is not a liability for purposes of sub. (1) if the terms of the
3 indebtedness provide that payment of principal and interest is made only if and to
4 the extent that payment of a distribution could then be made under this section. If
5 the indebtedness is issued as a distribution, each payment of principal or interest is
6 treated as a distribution, the effect of which is measured on the date the payment is
7 made.

8 **(6)** In measuring the effect of a distribution under s. 183.0707, the liabilities
9 of a dissolved limited liability company do not include any claim that has been
10 disposed of under s. 183.0704, 183.0705, or 183.0706.

11 **183.0406 Liability for improper distributions.** **(1)** Except as otherwise
12 provided in sub. (2), if a member of a member-managed limited liability company or
13 manager of a manager-managed limited liability company consents to a distribution
14 made in violation of s. 183.0405 and in consenting to the distribution fails to comply
15 with s. 183.0409, the member or manager is personally liable to the company for the
16 amount of the distribution which exceeds the amount that could have been
17 distributed without the violation of s. 183.0405.

18 **(2)** To the extent a written operating agreement of a member-managed limited
19 liability company relieves a member of the authority and responsibility to consent
20 to distributions and imposes that authority and responsibility on one or more other
21 members, the liability stated in sub. (1) applies to the other members and not the
22 member that the written operating agreement relieves of the authority and
23 responsibility.

24 **(3)** A person that receives a distribution knowing that the distribution violated
25 s. 183.0405 is personally liable to the limited liability company but only to the extent

SENATE BILL 566**SECTION 616**

1 that the distribution received by the person exceeded the amount that could have
2 been properly paid under s. 183.0405.

3 (4) A person against which an action is commenced because the person is liable
4 under sub. (1) may do any of the following:

5 (a) Implead any other person that is subject to liability under sub. (1) and seek
6 to enforce a right of contribution from the person.

7 (b) Implead any person that is subject to liability under sub. (3) and seek to
8 enforce a right of contribution from the person in the amount of the liability under
9 sub. (3).

10 (5) An action under this section is barred unless commenced not later than 2
11 years after the distribution.

12 **183.0407 Management of limited liability company.** (1) A limited liability
13 company is a member-managed limited liability company unless a written operating
14 agreement provides any of the following or includes words of similar import:

15 (a) That the company is or will be “manager-managed.”

16 (b) That the company is or will be “managed by managers.”

17 (c) That management of the company is or will be “vested in managers.”

18 (2) In a member-managed limited liability company, all of the following rules
19 apply:

20 (a) Except as expressly provided in this chapter, the management and conduct
21 of the company are vested in the members.

22 (b) Each member has rights in the management and conduct of the company’s
23 activities and affairs proportional to the value of the contributions made by each such
24 member, as stated in the records required to be kept under s. 183.0402 (2), or, in the

SENATE BILL 566**SECTION 616**

1 case of a company treated as a partnership for tax purposes, the partnership capital
2 account of each such member.

3 (c) A difference arising among members as to a matter not described in par. (d)
4 may be decided by a majority of the members' transferable interests.

5 (d) Except as otherwise provided in this chapter, the affirmative vote or consent
6 of all members is required to do any of the following:

7 1. Amend the articles of organization.

8 2. Issue a transferable interest in the limited liability company to any person.

9 3. Allow the limited liability company to accept any additional contribution
10 from a member.

11 4. Allow a partial redemption of a transferable interest in the limited liability
12 company.

13 5. Value the contributions of members under s. 183.0402 (2).

14 6. Approve a merger, interest exchange, conversion, or domestication under
15 subch. X.

16 7. Authorize a manager, member, or other person to do any act on behalf of the
17 limited liability company that contravenes an operating agreement, including any
18 provision of the operating agreement that expressly limits the purpose or business
19 of the limited liability company or the conduct of the business of the limited liability
20 company.

21 (e) The operating agreement may be amended only with the consent of all
22 members.

23 **(3)** In a manager-managed limited liability company, all of the following rules
24 apply:

SENATE BILL 566**SECTION 616**

1 (a) Except as expressly provided in this chapter, any matter relating to the
2 activities and affairs of the company is decided exclusively by the manager, or, if
3 there is more than one manager, by a majority of the managers.

4 (b) Each manager has equal rights in the management and conduct of the
5 company's activities and affairs.

6 (c) The affirmative vote or consent of all members is required to do any of the
7 following:

8 1. Sell, lease, exchange, or otherwise dispose of all or substantially all of the
9 company's property, with or without the goodwill, outside the ordinary course of the
10 company's activities.

11 2. Approve a merger, interest exchange, conversion, or domestication under
12 subch. X.

13 3. Undertake any activity described in sub. (2) (d).

14 4. Amend the operating agreement.

15 (d) A manager may be chosen at any time by the affirmative vote or consent of
16 a majority of the members' transferable interests and remains a manager until a
17 successor has been chosen, unless the manager at an earlier time resigns, is removed,
18 or dies, or, in the case of a manager that is not an individual, terminates. A manager
19 may be removed at any time by the consent of a majority of the members' transferable
20 interests without notice or cause.

21 (e) A person need not be a member to be a manager, but the dissociation of a
22 member that is also a manager removes the person as a manager. If a person that
23 is both a manager and a member ceases to be a manager, that cessation does not by
24 itself dissociate the person as a member.

SENATE BILL 566**SECTION 616**

1 (f) A person's ceasing to be a manager does not discharge any debt, obligation,
2 or other liability to the limited liability company or members which the person
3 incurred while a manager.

4 (4) Unless otherwise provided in a written operating agreement, an action
5 requiring the vote or consent of members under this chapter may be taken without
6 a meeting if all of such members consent to the action, and a member may appoint
7 a proxy or other agent to consent or otherwise act for the member by signing an
8 appointing record, personally or by the member's agent. The consent shall be
9 evidenced by one or more written consents describing the action, signed by each of
10 such members, and delivered to the limited liability company for inclusion in the
11 limited liability company records. Unless otherwise provided in a written operating
12 agreement, if a person, whether or not then a member, so consenting directs, whether
13 through instruction to a proxy or other agent, that such consent will be effective at
14 a future time, including a time determined upon the happening of an event, then the
15 person shall be deemed to have consented as a member at this future time so long
16 as the person is then a member and did not revoke the consent prior to that time. Any
17 such consent shall be revocable prior to its becoming effective, unless the written
18 consent provides otherwise.

19 (5) The dissolution of a limited liability company does not affect the
20 applicability of this section. However, a person that wrongfully causes dissolution
21 of the company loses the right to participate in management as a member and a
22 manager.

23 (8) This chapter does not entitle a member to remuneration for services
24 performed for a member-managed limited liability company.

SENATE BILL 566**SECTION 616**

1 **183.0408 Reimbursement; indemnification; advancement; and**
2 **insurance.** (1) A limited liability company shall reimburse a member of a
3 member-managed company or the manager of a manager-managed company for
4 any payment made by the member or manager in the course of the member's or
5 manager's activities on behalf of the company, if the member or manager complied
6 with ss. 183.0405, 183.0407, and 183.0409 in making the payment.

7 (2) A limited liability company shall indemnify and hold harmless a person
8 with respect to any claim or demand against the person and any debt, obligation, or
9 other liability incurred by the person by reason of the person's former or present
10 capacity as a member or manager, if the claim, demand, debt, obligation, or other
11 liability does not arise from the person's breach of s. 183.0405, 183.0407, or 183.0409.

12 (3) In the ordinary course of its activities and affairs, a limited liability
13 company may advance reasonable expenses, including attorney fees and costs,
14 incurred by a person in connection with a claim or demand against the person by
15 reason of the person's former or present capacity as a member or manager, if the
16 person promises to repay the company if the person ultimately is determined not to
17 be entitled to be indemnified under sub. (2).

18 (4) A limited liability company may purchase and maintain insurance on
19 behalf of a member or manager against liability asserted against or incurred by the
20 member or manager in that capacity or arising from that status even if, under s.
21 183.0105 (3) (g), the operating agreement could not eliminate or limit the person's
22 liability to the company for the conduct giving rise to the liability.

23 **183.0409 Standards of conduct for members and managers.** (1) A
24 member of a member-managed limited liability company owes to the company and,

SENATE BILL 566**SECTION 616**

1 subject to s. 183.0801, the other members the fiduciary duties of loyalty and care
2 stated in subs. (2) and (3).

3 (2) The duty of loyalty of a member in a member-managed limited liability
4 company includes all of the following duties:

5 (a) The duty to account to the company and hold as trustee for it any property,
6 profit, or benefit derived by the member in or from any of the following:

7 1. The conduct or winding up of the company's activities and affairs.

8 2. A use by the member of the company's property.

9 3. The appropriation of a limited liability company opportunity.

10 (b) The duty to refrain from dealing with the company in the conduct or winding
11 up of the company's activities and affairs as or on behalf of a person having an
12 interest adverse to the company.

13 (c) The duty to refrain from competing with the company in the conduct of the
14 company's activities and affairs before the dissolution of the company.

15 (3) The duty of care of a member of a member-managed limited liability
16 company in the conduct or winding up of the company's activities and affairs is to
17 refrain from engaging in conduct for which relief or exoneration from liability is not
18 permitted under s. 183.0105 (3) (g).

19 (4) A member shall discharge the duties and obligations under this chapter and
20 under the operating agreement and exercise any rights consistently with the
21 contractual obligation of good faith and fair dealing.

22 (5) A member does not violate a duty or obligation under this chapter or under
23 the operating agreement solely because the member's conduct furthers the member's
24 own interest.

SENATE BILL 566**SECTION 616**

1 **(6)** All the members of a member-managed limited liability company or a
2 manager-managed limited liability company may authorize or ratify, after full
3 disclosure of all material facts, a specific act or transaction that otherwise would
4 violate the duty of loyalty and this authorization or ratification precludes a claim for
5 breach of the duty of loyalty for the act or transaction by such members.

6 **(7)** It is a defense to a claim under sub. (2) (b) and any comparable claim in
7 equity or at common law that the transaction was fair to the limited liability
8 company.

9 **(8)** If, as permitted by sub. (6) or (9) (e) or the operating agreement, a member
10 enters into a transaction with the limited liability company which otherwise would
11 be prohibited by sub. (2) (b), the member's rights and obligations arising from the
12 transaction are the same as those of a person that is not a member.

13 **(9)** In a manager-managed limited liability company, the following rules apply:

14 (a) Subsections (1), (2), (3), and (7) apply to the manager or managers and not
15 the members.

16 (b) The duty stated under sub. (2) (c) continues until winding up is completed.

17 (c) Subsection (4) applies to managers and members.

18 (d) Subsection (5) applies only to members.

19 (e) The power to ratify under sub. (6) applies only to the members.

20 (f) Subject to sub. (4), a member does not have any duty to the company or to
21 any other member solely by reason of being a member.

22 **183.0410 Rights to information of member, manager, and person**
23 **dissociated as member. (1)** In a member-managed limited liability company, the
24 following rules apply:

SENATE BILL 566**SECTION 616**

1 (a) On reasonable notice, a member may inspect and copy during regular
2 business hours, at a reasonable location specified by the company, any record
3 maintained by the company regarding the company's activities, affairs, financial
4 condition, and other circumstances, to the extent the information is material to the
5 member's rights and duties under the operating agreement or this chapter.

6 (b) The company shall furnish to each member all of the following:

7 1. Without demand, any information concerning the company's activities,
8 affairs, financial condition, and other circumstances which the company knows and
9 is material to the proper exercise of the member's rights and duties under the
10 operating agreement or this chapter, except to the extent the company can establish
11 that it reasonably believes the member already knows or has notice of the
12 information.

13 2. On demand, any other information concerning the company's activities,
14 affairs, financial condition, and other circumstances, except to the extent the
15 demand or the information demanded is unreasonable or otherwise improper under
16 the circumstances.

17 (c) The duty to furnish information under par. (b) also applies to each member
18 to the extent the member knows any of the information described in par. (b).

19 **(2)** In a manager-managed limited liability company, the following rules apply:

20 (a) The informational rights stated in sub. (1) and the duty stated in sub. (1)
21 (c) apply to the managers and not the members.

22 (b) During regular business hours and at a reasonable location specified by the
23 company, a member may obtain from the company and inspect and copy information
24 regarding the company's activities, affairs, financial condition, and other
25 circumstances of the company as is reasonable if all of the following apply:

SENATE BILL 566**SECTION 616**

1 1. The member seeks the information for a purpose material to the member's
2 interest as a member.

3 2. The member makes a demand in a record received by the company,
4 describing with reasonable particularity the information sought and the purpose for
5 seeking the information.

6 3. The information sought is directly connected to the member's purpose.

7 (c) Not later than 10 days after receiving a demand pursuant to par. (b) 2., the
8 company shall inform, in a record, the member that made the demand of all of the
9 following:

10 1. What information the company will provide in response to the demand and
11 when and where the company will provide the information.

12 2. The company's reasons for declining, if the company declines to provide any
13 demanded information.

14 (d) Whenever this chapter or an operating agreement provides for a member
15 to vote on or give or withhold consent to a matter, before the vote is cast or consent
16 is given or withheld, the company shall, without demand, provide the member with
17 all information that is known to the company and that is material to the member's
18 decision.

19 **(3)** Subject to sub. (8), on 10 days' demand made in a record received by a
20 limited liability company, a person dissociated as a member may have access to the
21 information to which the person was entitled while a member if all of the following
22 apply:

23 (a) The information pertains to the period during which the person was a
24 member.

25 (b) The person seeks the information in good faith.

SENATE BILL 566**SECTION 616**

1 (c) The person satisfies the requirements imposed on a member by sub. (2) (b).

2 (4) A limited liability company shall respond to a demand made pursuant to
3 sub. (3) in the manner provided in sub. (2) (c).

4 (5) A limited liability company may charge a person that makes a demand
5 under this section the reasonable costs of copying, limited to the costs of labor and
6 material.

7 (6) A member or person dissociated as a member may exercise the rights under
8 this section through an agent or, in the case of an individual under legal disability,
9 a legal representative. Any restriction or condition imposed by the operating
10 agreement or under sub. (8) applies both to the agent or legal representative and to
11 the member or person dissociated as a member.

12 (7) Subject to s. 183.0504, the rights under this section do not extend to a person
13 as transferee.

14 (8) In addition to any restriction or condition stated in its operating agreement,
15 a limited liability company, as a matter within the ordinary course of its activities
16 and affairs, may impose reasonable restrictions and conditions on access to and use
17 of information to be furnished under this section, including designating information
18 confidential and imposing nondisclosure and safeguarding obligations on the
19 recipient. In a dispute concerning the reasonableness of a restriction under this
20 subsection, the company has the burden of proving reasonableness.

21 SUBCHAPTER V

22 TRANSFERABLE INTERESTS AND

23 RIGHTS OF TRANSFEREES

24 AND CREDITORS

SENATE BILL 566**SECTION 616**

1 **183.0501 Nature of transferable interest.** A transferable interest is
2 personal property.

3 **183.0502 Transfer of transferable interest. (1)** Subject to s. 183.0503 (6),
4 all of the following apply to a transfer, in whole or in part, of a transferable interest:

5 (a) It is permissible.

6 (b) It does not by itself cause a member's dissociation or a dissolution and
7 winding up of the limited liability company's activities and affairs.

8 (c) Subject to s. 183.0504, it does not entitle the transferee to any of the
9 following:

10 1. Participate in the management or conduct of the company's activities and
11 affairs.

12 2. Except as otherwise provided in sub. (3) and s. 183.0410 (3), have access to
13 records or other information concerning the company's activities and affairs.

14 **(2)** A transferee has the right to receive, in accordance with the transfer,
15 distributions to which the transferor would otherwise be entitled.

16 **(3)** In a dissolution and winding up of a limited liability company, a transferee
17 is entitled to an account of the company's transactions only from the date of
18 dissolution.

19 **(4)** A transferable interest may be evidenced by a certificate of the interest
20 issued by a limited liability company in a record, and, subject to this section, the
21 interest represented by the certificate may be transferred by a transfer of the
22 certificate.

23 **(5)** A limited liability company need not give effect to a transferee's rights
24 under this section until the company knows or has notice of the transfer.

SENATE BILL 566**SECTION 616**

1 **(6)** A transfer of a transferable interest in violation of a restriction on transfer
2 contained in the operating agreement is ineffective if the intended transferee knows
3 or has notice of the restriction at the time of the intended transfer.

4 **(7)** Except as otherwise provided in s. 183.0602 (5) (b), if a member transfers
5 a transferable interest and the transferee does not become a member with respect
6 to the transferred interest, the transferor retains the rights of a member other than
7 the interest in distributions transferred and retains all the duties and obligations of
8 a member.

9 **(8)** If a member transfers a transferable interest to a person that becomes a
10 member with respect to the transferred interest, the transferee is liable for the
11 member's obligations under ss. 183.0403 and 183.0406 known to the transferee when
12 the transferee becomes a member.

13 **183.0503 Charging order.** **(1)** On application by a judgment creditor of a
14 member or transferee, a court may enter a charging order against the transferable
15 interest of the judgment debtor for the unsatisfied amount of the judgment. Except
16 as otherwise provided in sub. (6), a charging order constitutes a lien on a judgment
17 debtor's transferable interest and requires the limited liability company to pay over
18 to the person to which the charging order was issued any distribution that otherwise
19 would be paid to the judgment debtor.

20 **(2)** To the extent necessary to effectuate the collection of distributions pursuant
21 to a charging order in effect under sub. (1), the court may do any of the following:

22 **(a)** Appoint a receiver of the distributions subject to the charging order, with
23 the power to make all inquiries the judgment debtor might have made.

24 **(b)** Make all other orders necessary to give effect to the charging order.

SENATE BILL 566**SECTION 616**

1 **(3)** Upon a showing that distributions under a charging order will not pay the
2 judgment debt within a reasonable time, the court may foreclose the lien and order
3 the sale of the transferable interest. Except as otherwise provided in sub. (6), the
4 purchaser at the foreclosure sale obtains only the transferable interest, does not
5 thereby become a member, and is subject to s. 183.0502.

6 **(4)** At any time before foreclosure under sub. (3), the member or transferee
7 whose transferable interest is subject to a charging order under sub. (1) may
8 extinguish the charging order by satisfying the judgment and filing a certified copy
9 of the satisfaction with the court that issued the charging order.

10 **(5)** At any time before foreclosure under sub. (3), a limited liability company
11 or one or more members whose transferable interests are not subject to the charging
12 order may pay to the judgment creditor the full amount due under the judgment and
13 thereby succeed to the rights of the judgment creditor, including the charging order.

14 **(6)** If a court orders foreclosure of a charging order lien against the sole member
15 of a limited liability company, all of the following apply:

16 (a) The court shall confirm the sale.

17 (b) The purchaser at the sale obtains the member's entire interest, not only the
18 member's transferable interest.

19 (c) The purchaser thereby becomes a member.

20 (d) The person whose interest was subject to the foreclosed charging order is
21 dissociated as a member.

22 **(7)** This chapter does not deprive any member or transferee of the benefit of any
23 exemption law applicable to the transferable interest of the member or transferee.

SENATE BILL 566**SECTION 616**

1 (8) This section provides the exclusive remedy by which a person seeking to
2 enforce a judgment against a member or transferee may, in the capacity of judgment
3 creditor, satisfy the judgment from the judgment debtor's transferable interest.

4 **183.0504 Power of legal representative of deceased member.** If a
5 member dies, the deceased member's legal representative may exercise all of the
6 following rights:

7 (1) The rights of a transferee provided in s. 183.0502 (3).

8 (2) For the purposes of settling the estate, the rights the deceased member had
9 under s. 183.0410.

10 SUBCHAPTER VI

11 DISSOCIATION

12 **183.0601 Power to dissociate as member; wrongful dissociation.** (1) A
13 person has the power to dissociate as a member at any time, rightfully or wrongfully,
14 by withdrawing as a member by express will under s. 183.0602 (1).

15 (2) A person's dissociation as a member is wrongful only if any of the following
16 applies:

17 (a) The dissociation is in breach of an express provision of a written operating
18 agreement.

19 (b) The dissociation occurs before completion of the winding up of the limited
20 liability company and any of the following applies:

21 1. The person is expelled as a member by judicial order under s. 183.0602 (6).

22 2. The person is dissociated under s. 183.0602 (8).

23 (3) A person that wrongfully dissociates as a member is liable to the limited
24 liability company and, subject to s. 183.0801, to the other members for damages

SENATE BILL 566**SECTION 616**

1 caused by the dissociation. The liability is in addition to any debt, obligation, or other
2 liability of the member to the company or the other members.

3 **183.0602 Events causing dissociation.** A person is dissociated as a member
4 from a limited liability company when any of the following applies:

5 (1) The limited liability company knows or has notice of the person's express
6 will to withdraw as a member, but, if the person has specified a withdrawal date later
7 than the date the company knew or had notice, on that later date.

8 (2) An event stated in the operating agreement as causing the person's
9 dissociation occurs.

10 (3) The person's entire interest is transferred in a foreclosure sale under s.
11 183.0503 (6).

12 (4) The person is expelled as a member pursuant to the operating agreement.

13 (5) The person is expelled as a member by the affirmative vote or consent of all
14 the other members if any of the following applies:

15 (a) It is unlawful to carry on the limited liability company's activities and
16 affairs with the person as a member.

17 (b) There has been a transfer of all the person's transferable interest in the
18 company, other than a transfer for security purposes or the entry of a charging order
19 that is in effect under s. 183.0503 and that has not been foreclosed.

20 (c) The person is an entity and all of the following apply:

21 1. The company notifies the person that it will be expelled as a member because
22 the person has filed a statement of dissolution or the equivalent, the person has been
23 administratively dissolved, the person's charter or the equivalent has been revoked,
24 or the person's right to conduct business has been suspended by the jurisdiction of
25 the person's governing law.

SENATE BILL 566**SECTION 616**

1 2. The statement of dissolution or the equivalent has not been withdrawn,
2 rescinded, or revoked, or the person's charter or the equivalent or right to conduct
3 business has not been reinstated, within 90 days after the notification under subd.
4 1.

5 (d) The person is an unincorporated entity that has been dissolved and whose
6 activities and affairs are being wound up.

7 **(6)** On application by the limited liability company or a member in a direct
8 action under s. 183.0801, the person is expelled as a member by judicial order
9 because any of the following applies:

10 (a) The person has engaged, or is engaging, in wrongful conduct that has
11 adversely and materially affected, or will adversely and materially affect, the
12 company's activities and affairs.

13 (b) The person has willfully or persistently committed, or is willfully or
14 persistently committing, a material breach of the operating agreement or the
15 person's duties or obligations under s. 183.0409.

16 **(7)** In the case of an individual, any of the following applies:

17 (a) The individual dies.

18 (b) In a member-managed limited liability company, any of the following
19 applies:

20 1. A guardian or general conservator for the individual is appointed.

21 2. A court orders that the individual has otherwise become incapable of
22 performing the individual's duties as a member under this chapter or the operating
23 agreement.

24 **(8)** In a member-managed limited liability company, any of the following
25 applies:

SENATE BILL 566**SECTION 616**

1 (a) The person becomes a debtor in bankruptcy.

2 (b) The person signs an assignment for the benefit of creditors.

3 (c) The person seeks, consents to, or acquiesces in the appointment of a trustee,
4 receiver, or liquidator of the person or of all or substantially all the person's property.

5 **(9)** In the case of a person that is a testamentary or living trust or is acting as
6 a member by virtue of being a trustee of such a trust, the trust's entire transferable
7 interest in the limited liability company is distributed.

8 **(10)** In the case of a person that is an estate or is acting as a member by virtue
9 of being a personal representative of an estate, the estate's entire transferable
10 interest in the limited liability company is distributed.

11 **(11)** In the case of a person that is not an individual, the existence of the person
12 terminates.

13 **(16)** The limited liability company dissolves and completes winding up.

14 **183.0603 Effect of dissociation.** (1) If a person is dissociated as a member,
15 all of the following apply:

16 (a) The person's right to participate as a member in the management and
17 conduct of the limited liability company's activities and affairs terminates.

18 (b) The person's duties and obligations under s. 183.0409 as a member end with
19 regard to matters arising and events occurring after the person's dissociation.

20 (c) Subject to s. 183.0504 and subch. X, any transferable interest owned by the
21 person in the person's capacity as a member immediately before dissociation is
22 owned by the person solely as a transferee.

23 **(2)** A person's dissociation as a member of a limited liability company does not
24 of itself discharge the person from any debt, obligation, or other liability to the

SENATE BILL 566**SECTION 616**

1 limited liability company or the other members which the person incurred while a
2 member.

SUBCHAPTER VII**DISSOLUTION AND WINDING UP**

5 **183.0701 Events causing dissolution.** (1) A limited liability company is
6 dissolved, and its activities and affairs must be wound up, upon the occurrence of any
7 of the following:

8 (a) An event or circumstance that the operating agreement states causes
9 dissolution.

10 (b) The affirmative vote or consent of all the members.

11 (c) The passage of 90 consecutive days during which the company has no
12 members unless, before the end of the period, all of the following occur:

13 1. Consent to admit at least one specified person as a member is given by
14 transferees owning the rights to receive a majority of distributions as transferees at
15 the time the consent is to be effective.

16 2. At least one person becomes a member in accordance with the consent.

17 (d) On application by a member, the entry by a court of competent jurisdiction
18 of an order dissolving the company on any of the following grounds:

19 1. That the conduct of all or substantially all the company's activities and
20 affairs is unlawful.

21 2. That it is not reasonably practicable to carry on the company's activities and
22 affairs in conformity with the articles of organization and the operating agreement.

23 3. That the managers or those members in control of the company have done
24 any of the following:

25 a. Acted, or are acting or will act, in a manner that is illegal or fraudulent.

SENATE BILL 566**SECTION 616**

1 b. Acted, or are acting, in a manner that is oppressive and was, is, or will be
2 directly harmful to the applicant.

3 (e) The department has given notice of administrative dissolution under s.
4 183.0708 (3) (b), unless the limited liability company is subsequently reinstated
5 under s. 183.0709 or pursuant to judicial review under ss. 227.52 to 227.58.

6 **(2)** In a proceeding brought under sub. (1) (d) 3., the court may order a remedy
7 other than dissolution.

8 **183.0702 Winding up.** (1) A dissolved limited liability company shall wind
9 up its activities and affairs and, except as otherwise provided in s. 183.0703, the
10 limited liability company continues after dissolution only for the purpose of winding
11 up.

12 **(2)** (a) In winding up its activities and affairs, a limited liability company shall
13 discharge the company's debts, obligations, and other liabilities, settle and close the
14 company's activities and affairs, and marshal and distribute the assets of the
15 company.

16 (b) In winding up its activities and affairs, a limited liability company may do
17 any of the following:

18 1. Deliver to the department for filing a statement of dissolution stating the
19 name of the company and that the company is dissolved.

20 2. Preserve the company activities, affairs, and property as a going concern for
21 a reasonable time.

22 3. Prosecute and defend actions and proceedings, whether civil, criminal, or
23 administrative.

24 4. Transfer the company's property.

25 5. Settle disputes by mediation or arbitration.

SENATE BILL 566**SECTION 616**

1 6. Deliver to the department for filing a statement of termination stating the
2 name of the company and that the company is terminated.

3 7. Perform other acts necessary or appropriate to the winding up.

4 **(3)** If a dissolved limited liability company has no members, the legal
5 representative of the last person to have been a member may wind up the activities
6 and affairs of the company. If the person does so, the person has the powers of a sole
7 manager under s. 183.0407 (3) and is deemed to be a manager for the purposes of s.
8 183.0304 (1).

9 **(4)** If the legal representative under sub. (3) declines or fails to wind up the
10 limited liability company's activities and affairs, a person may be appointed to do so
11 by the consent of transferees owning a majority of the rights to receive distributions
12 as transferees at the time the consent is to be effective. All of the following apply to
13 a person appointed under this subsection:

14 (a) The person has the powers of a sole manager under s. 183.0407 (3) and is
15 deemed to be a manager for the purposes of s. 183.0304 (1).

16 (b) The person shall deliver promptly to the department for filing an
17 amendment to the company's articles of organization stating all of the following:

18 1. That the company has no members.

19 2. That the person has been appointed pursuant to this subsection to wind up
20 the company.

21 3. The street and mailing addresses of the person.

22 **(5)** The circuit court may order judicial supervision of the winding up of a
23 dissolved limited liability company, including the appointment of a person to wind
24 up the company's activities and affairs, as follows:

25 (a) On the application of a member, if the applicant establishes good cause.

SENATE BILL 566**SECTION 616**

1 (b) On the application of a transferee, if all of the following apply:

2 1. The company does not have any members.

3 2. The legal representative of the last person to have been a member declines
4 or fails to wind up the company's activities.

5 3. Within a reasonable time following the dissolution, a person has not been
6 appointed pursuant to sub. (4).

7 (c) In connection with a proceeding under s. 183.0701 (1) (d) or (e).

8 **183.0703 Rescinding dissolution. (1)** A limited liability company may
9 rescind its dissolution, unless a statement of termination applicable to the company
10 is effective, the circuit court has entered an order under s. 183.0701 (1) (d) dissolving
11 the company, or the department has dissolved the company under s. 183.0708.

12 **(2)** Rescinding dissolution under this section requires all of the following:

13 (a) The affirmative vote or consent of each member.

14 (b) If the limited liability company has delivered to the department for filing
15 a statement of dissolution, delivery for filing of one of the following additional
16 statements:

17 1. If the statement of dissolution has not become effective, delivery to the
18 department for filing of a statement of withdrawal under s. 183.0208 applicable to
19 the statement of dissolution.

20 2. If the statement of dissolution has become effective, delivery to the
21 department for filing of a statement of rescission stating the name of the company
22 and that dissolution has been rescinded under this section.

23 **(3)** If a limited liability company rescinds its dissolution, all of the following
24 apply:

SENATE BILL 566**SECTION 616**

1 (a) The company resumes carrying on its activities and affairs as if dissolution
2 had never occurred.

3 (b) Subject to par. (c), any liability incurred by the company after the
4 dissolution and before the rescission is effective is determined as if dissolution had
5 never occurred.

6 (c) The rights of a 3rd party arising out of conduct in reliance on the dissolution
7 before the 3rd party knew or had notice of the rescission may not be adversely
8 affected.

9 **183.0704 Known claims against dissolved limited liability company.**

10 **(1)** Except as otherwise provided in sub. (4), a dissolved limited liability company
11 may give notice of a known claim under sub. (2), which has the effect provided in sub.
12 (3).

13 **(2)** A dissolved limited liability company may in a record notify its known
14 claimants of the dissolution. The notice must do all of the following:

15 (a) Specify the information required to be included in a claim.

16 (b) State that a claim must be in writing and provide a mailing address to which
17 the claim is to be sent.

18 (c) State the deadline for receipt of a claim, which may not be less than 120 days
19 after the date the notice is effective under s. 183.0103 (5).

20 (d) State that the claim will be barred if not received by the deadline.

21 **(3)** A claim against a dissolved limited liability company is barred if the
22 requirements of sub. (2) are met and any of the following applies:

23 (a) The claim is not received by the specified deadline.

24 (b) If the claim is timely received but rejected by the company, all of the
25 following apply:

SENATE BILL 566**SECTION 616**

1 1. The company causes the claimant to receive a notice in a record stating that
2 the claim is rejected and will be barred unless the claimant commences an action
3 against the company to enforce the claim within 90 days after the notice is effective
4 under s. 183.0103 (5).

5 2. The claimant does not commence the required action within 90 days after
6 the notice of rejection is effective under s. 183.0103 (5).

7 **(4)** This section does not apply to a claim based on an event occurring after the
8 date of dissolution, a liability that on that date is contingent, or a liability for an
9 additional assessment under s. 71.74 or for sales and use taxes determined as owing
10 under s. 77.59.

11 **183.0705 Other claims against dissolved limited liability company. (1)**

12 A dissolved limited liability company may publish notice of its dissolution and
13 request persons having claims, whether known or unknown, against the company to
14 present them in accordance with the notice.

15 **(2)** A notice under sub. (1) must satisfy all of the following:

16 (a) It must be published as a class 1 notice, under ch. 985, in a newspaper of
17 general circulation in the county in this state in which the dissolved limited liability
18 company's principal office is located or, if it has none located in this state, in the
19 county in which the office of the company's registered agent is or was last located.

20 (b) It must describe the information required to be contained in a claim, state
21 that the claim must be in writing, and provide a mailing address to which the claim
22 is to be sent.

23 (c) It must state that a claim against the company is barred unless an action
24 to enforce the claim is commenced not later than 2 years after publication of the
25 notice.

SENATE BILL 566**SECTION 616**

1 **(3)** If a dissolved limited liability company publishes a notice in accordance
2 with sub. (2), unless the claimant commences an action to enforce the claim against
3 the company within 2 years after the publication date of the notice, the claim of each
4 of the following claimants is barred:

5 (a) A claimant that did not receive notice in a record under s. 183.0704.

6 (b) A claimant whose claim was timely sent to the company but not acted on.

7 (c) A claimant whose claim is contingent at, or based on an event occurring
8 after, the date of dissolution.

9 **(4)** A claim not barred under this section or s. 183.0704 may be enforced against
10 all of the following:

11 (a) A dissolved limited liability company, to the extent of its undistributed
12 assets.

13 (b) Except as otherwise provided in s. 183.0706, if assets of the limited liability
14 company have been distributed after dissolution, a member or transferee to the
15 extent of that person's proportionate share of the claim or of the limited liability
16 company's assets distributed to the member or transferee after dissolution,
17 whichever is less, but a person's total liability for all claims under this paragraph
18 may not exceed the total amount of assets distributed to the person after dissolution.

19 **183.0706 Court proceedings.** **(1)** A dissolved limited liability company that
20 has published a notice under s. 183.0705 may file an application with the circuit
21 court in the county where the company's principal office is located or, if the principal
22 office is not located in this state, where the office of its registered agent is or was last
23 located, for a determination of the amount and form of security to be provided for
24 payment of claims that are reasonably expected to arise after the date of dissolution
25 based on facts known to the company which, at the time of application, are contingent

SENATE BILL 566**SECTION 616**

1 or have not been made known to the company or which are based on an event
2 occurring after the date of dissolution.

3 (2) Security is not required for any claim that is or is reasonably anticipated
4 to be barred under s. 183.0705.

5 (3) Not later than 10 days after the filing of an application under sub. (1), the
6 dissolved limited liability company shall give notice of the proceeding to each
7 claimant holding a contingent claim known to the company.

8 (4) In a proceeding under this section, the court may appoint a guardian ad
9 litem to represent all claimants whose identities are unknown. The reasonable fees
10 and expenses of the guardian, including all reasonable expert witness fees, must be
11 paid by the dissolved limited liability company.

12 (5) A dissolved limited liability company that provides security in the amount
13 and form ordered by the court under sub. (1) satisfies the company's obligations with
14 respect to claims that are contingent, have not been made known to the company, or
15 are based on an event occurring after the date of dissolution, and such claims may
16 not be enforced against a member or transferee on account of assets received in
17 liquidation.

18 **183.0707 Disposition of assets in winding up.** (1) In winding up its
19 activities and affairs, a limited liability company shall apply its assets to discharge
20 its obligations to creditors, including members that are creditors.

21 (2) After a limited liability company complies with sub. (1), any surplus must
22 be distributed in the following order, subject to any charging order in effect under s.
23 183.0503:

24 (a) To members and dissociated members in satisfaction of liabilities for
25 distributions previously approved under s. 183.0404.

SENATE BILL 566**SECTION 616**

1 (b) To members and dissociated members first for the return of their
2 contributions in proportion to their respective values as specified in the records
3 required to be kept under s. 183.0402 (2), or, in the case of a company treated as a
4 partnership for tax purposes, the partnership capital account of each such member.

5 (c) To members and dissociated members for their transferable interests in
6 proportion to their respective rights to share in distributions from the limited
7 liability company before dissolution, except to the extent necessary to comply with
8 any transfer effective under s. 183.0502.

9 **(3)** If a limited liability company does not have sufficient surplus to comply
10 with sub. (2) (a), any surplus must be distributed among the owners of transferable
11 interests in proportion to the value of the respective unreturned contributions.

12 **(4)** All distributions made under subs. (2) and (3) must be paid in money.

13 **183.0708 Administrative dissolution.** **(1)** The department may commence
14 a proceeding under sub. (2) to dissolve a limited liability company administratively
15 if any of the following applies:

16 (a) The company does not pay, within one year after they are due, any fees or
17 penalties required to be paid to the department under this chapter.

18 (b) The company does not have on file with the department its annual report
19 within one year after it is due.

20 (c) The company is without a registered agent in this state for at least one year.

21 (d) The company does not notify the department within one year that its
22 registered agent or registered office has been changed, that its registered agent has
23 resigned, or that its registered office has been discontinued.

24 (e) The company violates s. 940.302 (2) or 948.051 (2).

SENATE BILL 566**SECTION 616**

1 **(2)** If the department determines that one or more grounds exist for
2 administratively dissolving a limited liability company, the department may give the
3 company notice of the determination. The notice shall be in writing and addressed
4 to the registered agent of the limited liability company.

5 **(3)** (a) Within 60 days after the notice under sub. (2) takes effect under s.
6 183.0103 (5), the limited liability company shall, with respect to each ground for
7 administrative dissolution, either correct it or demonstrate to the reasonable
8 satisfaction of the department that it does not exist.

9 (b) If the limited liability company fails to satisfy par. (a), the department may
10 administratively dissolve the company. The department shall enter a notation in its
11 records to reflect each ground for administrative dissolution and the effective date
12 of dissolution and shall give the company notice of those facts. The notice shall be
13 in writing and addressed to the registered agent of the limited liability company.

14 **(3m)** (a) If a notice under sub. (2) or (3) (b) is returned to the department as
15 undeliverable, the department shall again give notice to the limited liability
16 company. Except as provided under par. (b), this notice shall be in writing and
17 addressed to the principal office of the company.

18 (b) If the notice under par. (a) is returned to the department as undeliverable
19 or if the limited liability company's principal office cannot be determined from the
20 records of the department, the department shall give notice by posting the notice on
21 the department's Internet site.

22 **(4)** A limited liability company that is administratively dissolved continues in
23 existence as an entity but may not carry on any activities except as necessary to wind
24 up its activities and affairs and liquidate its assets under ss. 183.0702, 183.0704,
25 183.0705, 183.0706, and 183.0707, or to apply for reinstatement under s. 183.0709.

SENATE BILL 566**SECTION 616**

1 **(4m)** A limited liability company's right to the exclusive use of its name
2 terminates on the date of the administrative dissolution under sub. (3) (b).

3 **(5)** The administrative dissolution of a limited liability company does not
4 terminate the authority of its registered agent.

5 **183.0709 Reinstatement.** **(1)** A limited liability company that is
6 administratively dissolved under s. 183.0708 may apply to the department for
7 reinstatement. The application shall include all of the following:

8 (a) The name of the company and the effective date of its administrative
9 dissolution.

10 (b) A statement that each ground for dissolution either did not exist or has been
11 cured.

12 (c) A statement that the company's name satisfies s. 183.0112.

13 **(2)** (a) Upon application, the department shall reinstate a limited liability
14 company if the department determines all of the following:

15 1. That the application contains the information required by sub. (1) and the
16 information is correct.

17 2. That all fees and penalties owed by the company to the department under
18 this chapter have been paid.

19 (b) Upon reinstatement of a limited liability company under par. (a), the
20 department shall enter a notation in its records revising the notation specified in s.
21 183.0708 (3) (b) to reflect cancellation of the dissolution and reinstatement of the
22 company. The notation shall state both the department's determination under par.
23 (a) and the effective date of reinstatement. The department shall provide notice of
24 the reinstatement to the company or its representative.

SENATE BILL 566**SECTION 616**

1 (4) When reinstatement under this section is effective, all of the following rules
2 apply:

3 (a) Except as provided in par. (c), the reinstatement relates back to and takes
4 effect as of the effective date of the administrative dissolution.

5 (b) Except as provided in par. (c), the limited liability company resumes
6 carrying on its activities and affairs as if the administrative dissolution had never
7 occurred.

8 (c) The rights of a person arising out of an act or omission in reliance on the
9 dissolution before the person knew or had notice of the reinstatement are not
10 affected.

11 **183.0710 Appeal from denial of reinstatement.** (1) If the department
12 denies a limited liability company's application for reinstatement under s. 183.0709,
13 the department shall serve the company with a written notice, addressed to the
14 registered agent of the company, that explains each reason for the denial.

15 (2) The company may appeal the denial of reinstatement to the circuit court
16 for the county where the company's principal office or, if none in this state, the office
17 of its registered agent is located, within 30 days after service of the notice of denial
18 is effective under s. 183.0103 (5). To appeal, the company shall petition the court to
19 set aside the administrative dissolution and attach to the petition copies of the
20 department's notice of administrative dissolution under s. 183.0708 (3) (b), the
21 company's application for reinstatement under s. 183.0709 (1), and the department's
22 notice of denial under sub. (1).

23 (3) The court may order the department to reinstate the company or may take
24 other action that the court considers appropriate.

25 (4) The court's final decision may be appealed as in other civil proceedings.

SUBCHAPTER VIII

ACTIONS BY MEMBERS

1
2
3 **183.0801 Direct action by member.** (1) Subject to sub. (2), a member may
4 maintain a direct action against another member, a manager, or the limited liability
5 company to enforce the member's rights and protect the member's interests,
6 including rights and interests under the operating agreement or this chapter or
7 arising independently of the membership relationship.

8 (2) A member maintaining a direct action under this section must plead and
9 prove an actual or threatened injury that is not solely the result of an injury suffered
10 or threatened to be suffered by the limited liability company.

11 **183.0802 Derivative action.** A member may maintain a derivative action to
12 enforce a right of a limited liability company if any of the following applies:

13 (1) The member first makes a demand on the other members of a
14 member-managed limited liability company, or the managers of a
15 manager-managed limited liability company, requesting that they cause the limited
16 liability company to bring an action to enforce the right, and the managers or other
17 members do not bring the action within a reasonable time.

18 (2) A demand under sub. (1) would be futile.

19 **183.0803 Proper plaintiff.** A derivative action to enforce a right of a limited
20 liability company may be maintained only by a person that is a member at the time
21 the action is commenced and to which any of the following applies:

22 (1) The person was a member when the conduct giving rise to the action
23 occurred.

SENATE BILL 566**SECTION 616**

1 (2) The person's status as a member devolved on the person by operation of law
2 or pursuant to the terms of the operating agreement from a person that was a
3 member at the time of the conduct.

4 **183.0804 Pleading.** In a derivative action under s. 183.0802, the complaint
5 must state with particularity one of the following:

6 (1) The date and content of plaintiff's demand and the response to the demand
7 by the managers or other members.

8 (2) Why demand should be excused as futile.

9 **183.0805 Special litigation committee.** (1) If a limited liability company
10 is named as or made a party in a derivative proceeding, the company may appoint
11 a special litigation committee to investigate the claims asserted in the proceeding
12 and determine whether pursuing the action is in the best interests of the company.
13 If the company appoints a special litigation committee, on motion by the committee
14 made in the name of the company, except for good cause shown, the court shall stay
15 discovery for the time reasonably necessary to permit the committee to make its
16 investigation. This subsection does not prevent the court from doing any of the
17 following:

18 (a) Enforcing a person's right to information under s. 183.0410.

19 (b) Granting extraordinary relief in the form of a temporary restraining order
20 or preliminary injunction.

21 (2) A special litigation committee must be composed of one or more
22 disinterested and independent individuals, who may be members.

23 (3) (a) In a member-managed limited liability company, a special litigation
24 committee may be appointed as follows:

SENATE BILL 566**SECTION 616**

1 1. By the affirmative vote or consent of a majority of the transferable interests
2 of the members not named as parties in the proceeding.

3 2. If all members are named as parties in the proceeding, by a majority of the
4 transferable interests of the members named as defendants.

5 (b) In a manager-managed limited liability company, a special litigation
6 committee may be appointed as follows:

7 1. By a majority of the managers not named as parties in the proceeding.

8 2. If all managers are named as parties in the proceeding, by a majority of the
9 managers named as defendants.

10 (4) After appropriate investigation, a special litigation committee may
11 determine that any of the following is in the best interests of the limited liability
12 company:

13 (a) That the proceeding continue under the control of the plaintiff.

14 (b) That the proceeding continue under the control of the committee.

15 (c) That the proceeding be settled on terms approved by the committee.

16 (d) That the proceeding be dismissed.

17 (5) After making a determination under sub. (4), a special litigation committee
18 shall file with the court a statement of its determination and its report supporting
19 its determination and shall serve each party with a copy of the determination and
20 report. The court shall determine whether the members of the committee were
21 disinterested and independent and whether the committee conducted its
22 investigation and made its recommendation in good faith, independently, and with
23 reasonable care, with the committee having the burden of proof. If the court finds
24 that the members of the committee were disinterested and independent and that the
25 committee acted in good faith, independently, and with reasonable care, the court

SENATE BILL 566**SECTION 616**

1 shall enforce the determination of the committee. Otherwise, the court shall dissolve
2 the stay of discovery entered under sub. (1) and allow the action to continue under
3 the control of the plaintiff.

4 **183.0806 Proceeds and expenses.** (1) (a) Except as otherwise provided in
5 sub. (2), any proceeds or other benefits of a derivative action, whether by judgment,
6 compromise, or settlement, belong to the limited liability company and not to the
7 plaintiff.

8 (b) Except as otherwise provided in sub. (2), if the plaintiff receives any
9 proceeds, the plaintiff shall remit them immediately to the company.

10 (2) If a derivative action is successful in whole or in part, the court may award
11 the plaintiff reasonable expenses, including reasonable attorney fees and costs, from
12 the recovery of the limited liability company.

13 SUBCHAPTER IX

14 FOREIGN LIMITED

15 LIABILITY COMPANIES

16 **183.0901 Governing law.** (1) The governing law of a foreign limited liability
17 company governs all of the following:

18 (a) The internal affairs of the company.

19 (b) The liability of a member as member and a manager as manager for a debt,
20 obligation, or other liability of the company.

21 (2) A foreign limited liability company is not precluded from registering to do
22 business in this state because of any difference between its governing law and the
23 law of this state.

24 (3) Registration of a foreign limited liability company to do business in this
25 state does not authorize the foreign company to engage in any activities and affairs

SENATE BILL 566**SECTION 616**

1 or exercise any power that a limited liability company may not engage in or exercise
2 in this state.

3 **183.0902 Registration to do business in this state.** (1) A foreign limited
4 liability company may not do business in this state until it registers with the
5 department under this subchapter.

6 (2) A foreign limited liability company doing business in this state may not
7 maintain an action or proceeding in this state unless it has registered to do business
8 in this state.

9 (3) The failure of a foreign limited liability company to register to do business
10 in this state does not impair the validity of a contract or act of the foreign limited
11 liability company or its title to property in this state or preclude it from defending
12 an action or proceeding in this state.

13 (4) A limitation on the liability of a member or manager of a foreign limited
14 liability company is not waived solely because the company does business in this
15 state without registering to do business in this state.

16 (5) Section 183.0901 (1) and (2) applies even if a foreign limited liability
17 company fails to register under this subchapter.

18 (6) (a) A foreign limited liability company that does business in this state
19 without registering to do business in this state is liable to this state, for each year
20 or any part of a year during which it did business in this state without registration,
21 in an amount equal to all of the following:

22 1. All fees and other charges that would have been imposed by this chapter on
23 the foreign limited liability company had it properly filed a foreign registration
24 statement as required by this section and thereafter filed all reports required by this
25 chapter.

SENATE BILL 566**SECTION 616**

1 2. Fifty percent of the amount owed under subd. 1. or \$5,000, whichever is less.

2 (b) The foreign limited liability company shall pay the amount owed under par.

3 (a) to the department, and the department may not file a foreign registration
4 statement for the foreign limited liability company until the amount owed is paid.

5 The attorney general may enforce a foreign limited liability company's obligation to
6 pay to the department any amount owed under this subsection.

7 **183.0903 Foreign registration statement.** To register to do business in this
8 state, a foreign limited liability company must deliver a foreign registration
9 statement to the department for filing. The statement must state all of the following:

10 (1) The name of the company and, if the name does not comply with s. 183.0112,
11 a fictitious name adopted pursuant to s. 183.0906 (1).

12 (2) That the company is a foreign limited liability company.

13 (3) The jurisdiction of the company's governing law.

14 (4) The street and mailing addresses of the company's principal office and, if
15 the company's governing law requires the company to maintain an office in the
16 jurisdiction of such governing law, the street and mailing addresses of the required
17 office.

18 (5) The address of the company's registered office in this state and the name
19 and e-mail address of its registered agent at that office.

20 **183.0904 Amendment or cancellation of foreign registration**
21 **statement.** A registered foreign limited liability company shall deliver to the
22 department for filing an amendment to, or cancellation of, as appropriate, its foreign
23 registration statement if there is a change in any of the following:

24 (1) The name of the company and, if the name does not comply with s. 183.0112,
25 a fictitious name adopted pursuant to s. 183.0906 (1).

SENATE BILL 566**SECTION 616**

1 **(1m)** The company's status as a foreign limited liability company.

2 **(2)** The jurisdiction of the company's governing law.

3 **(3)** An address required by s. 183.0903 (4).

4 **(4)** The information required by s. 183.0903 (5), unless this information has
5 previously been changed pursuant to s. 183.0116 or 183.0212.

6 **183.0905 Activities not constituting doing business.** **(1)** Activities of a
7 foreign limited liability company which do not constitute doing business in this state
8 under this subchapter include all of the following:

9 (a) Maintaining, defending, mediating, arbitrating, or settling an action or
10 proceeding.

11 (b) Carrying on any activity concerning its internal affairs, including holding
12 meetings of its members or managers.

13 (c) Maintaining accounts in financial institutions.

14 (d) Maintaining offices or agencies for the transfer, exchange, and registration
15 of securities of the company or maintaining trustees or depositaries with respect to
16 those securities.

17 (e) Selling through independent contractors.

18 (f) Soliciting or obtaining orders by any means if the orders require acceptance
19 outside this state before they become contracts.

20 (g) Creating or acquiring indebtedness, mortgages, or security interests in
21 property.

22 (h) Securing or collecting debts or enforcing mortgages or security interests in
23 property securing the debts and holding, protecting, or maintaining property.

24 (i) Conducting an isolated transaction that is not in the course of similar
25 transactions.

SENATE BILL 566**SECTION 616**

1 (j) Owning, without more, property.

2 (k) Doing business in interstate commerce.

3 **(2)** A person does not do business in this state solely by being a member or
4 manager of a foreign limited liability company that does business in this state.

5 **(3)** This section does not apply in determining the contacts or activities that
6 may subject a foreign limited liability company to service of process, taxation, or
7 regulation under law of this state other than this chapter.

8 **183.0906 Noncomplying name of foreign limited liability company. (1)**

9 A foreign limited liability company whose name does not comply with s. 183.0112
10 may not register to do business in this state until it adopts, for the purpose of doing
11 business in this state, a fictitious name that complies with s. 183.0112. After
12 registering to do business in this state with a fictitious name, a company shall only
13 do business in this state under the fictitious name.

14 **(2)** If a registered foreign limited liability company changes its name to one
15 that does not comply with s. 183.0112, it may not do business in this state until it
16 complies with sub. (1) by amending its registration to adopt a fictitious name that
17 complies with s. 183.0112.

18 **183.0907 Withdrawal deemed on conversion to or merger into**

19 **domestic filing entity or domestic limited liability partnership.** A registered
20 foreign limited liability company that converts to, or merges into, a domestic limited
21 liability partnership or to or into a domestic entity whose formation requires the
22 delivery of a record to the department for filing is deemed to have withdrawn its
23 registration on the effective date of the conversion or merger, unless the registration
24 is transferred to such company pursuant to s. 183.0909.

SENATE BILL 566**SECTION 616**

1 **183.0908 Withdrawal on dissolution or conversion to or merger into**
2 **nonfiling entity other than limited liability partnership. (1)** (a) A registered
3 foreign limited liability company that has dissolved and completed winding up or has
4 converted to, or merged into, a domestic or foreign entity whose formation does not
5 require the delivery of a record for filing by the department, other than a limited
6 liability partnership, shall deliver a statement of withdrawal to the department for
7 filing, as provided in s. 183.0911.

8 (c) In the case of a merger or conversion, the statement under par. (a) must also
9 state the name and type of entity to which or into which the limited liability company
10 has converted or merged and the jurisdiction of its governing law.

11 **(2)** After a withdrawal under this section is effective, service of process in any
12 action or proceeding based on a cause of action arising during the time the foreign
13 limited liability company was registered to do business in this state may be made
14 pursuant to s. 183.0119, as provided in s. 183.0911 (2).

15 **183.0909 Transfer of registration. (1)** When a registered foreign limited
16 liability company has merged into a foreign entity that is not registered to do
17 business in this state or has converted to a foreign entity required to register with
18 the department to do business in this state, the foreign entity shall deliver to the
19 department for filing an application for transfer of registration. The application
20 must state all of the following:

21 (a) The name of the registered foreign limited liability company before the
22 merger or conversion.

23 (b) That before the merger or conversion the registration pertained to a foreign
24 limited liability company.

SENATE BILL 566**SECTION 616**

1 (c) The name of the applicant foreign entity into which the foreign limited
2 liability company has merged or to which it has been converted and, if the name does
3 not comply with s. 183.0112, a fictitious name adopted pursuant to s. 183.0906 (1).

4 (d) The type of entity of the applicant foreign entity and the jurisdiction of its
5 governing law.

6 (e) The street and mailing addresses of the principal office of the applicant
7 foreign entity and, if the entity's governing law requires the entity to maintain an
8 office in the jurisdiction of that governing law, the street and mailing addresses of
9 that office.

10 (f) The street address of the applicant foreign entity's registered office in this
11 state and the name and e-mail address of its registered agent at that office.

12 **(2)** When an application for transfer of registration takes effect, the
13 registration of the foreign limited liability company to do business in this state is
14 transferred without interruption to the foreign entity into which the company has
15 merged or to which it has been converted.

16 **183.09101 Grounds for termination.** (1) The department may terminate
17 the registration of a registered foreign limited liability company in the manner
18 provided in s. 183.09102 if any of the following applies:

19 (a) The foreign limited liability company fails to file its annual report with the
20 department within 4 months after it is due.

21 (b) The foreign limited liability company does not pay, within 4 months after
22 they are due, any fees or penalties due the department under this chapter.

23 (c) The foreign limited liability company is without a registered agent or
24 registered office in this state for at least 6 months.

SENATE BILL 566**SECTION 616**

1 (d) The foreign limited liability company does not inform the department under
2 s. 183.0116 or 183.0117 that its registered agent or registered office has changed,
3 that its registered agent has resigned, or that its registered office has been
4 discontinued, within 6 months of the change, resignation, or discontinuance.

5 (e) The foreign limited liability company's statement of foreign registration
6 contains fraudulent or materially false information.

7 (f) The department receives a duly authenticated certificate from the secretary
8 of state or other official having custody of company records in the jurisdiction of the
9 foreign limited liability company's governing law stating that it has been dissolved
10 or disappeared as the result of a merger or other event.

11 (g) The foreign limited liability company violates s. 940.302 (2) or 948.051 (2).

12 **(2)** If the department receives a certificate under sub. (1) (f) and a statement
13 by the foreign limited liability company that the certificate is submitted to terminate
14 its authority to do business in this state, the department shall terminate the foreign
15 limited liability company's registration under s. 183.09102 (2) (b).

16 **(3)** A court may terminate under s. 946.87 the registration of a foreign limited
17 liability company authorized to transact business in this state. The court shall notify
18 the department of the action, and the department shall terminate the foreign limited
19 liability company's registration under s. 183.09102.

20 **183.09102 Procedure for and effect of termination.** (1) If the department
21 determines that one or more grounds exist under s. 183.09101 for termination of a
22 foreign limited liability company's registration, the department may give the foreign
23 limited liability company notice of the determination. The notice shall be in writing
24 and addressed to the registered agent of the foreign limited liability company.

SENATE BILL 566**SECTION 616**

1 **(2)** (a) Within 60 days after the notice under sub. (1) takes effect under s.
2 183.0103 (5), the foreign limited liability company shall, with respect to each ground
3 for termination, either correct it or demonstrate to the reasonable satisfaction of the
4 department that it does not exist.

5 (b) If the foreign limited liability company fails to satisfy par. (a), the
6 department may terminate the foreign limited liability company's registration by
7 entering a notation in the department's records to reflect each ground for
8 termination and the effective date of the termination. The department shall give the
9 foreign limited liability company notice of each ground for termination and the
10 effective date of the termination. The notice shall be in writing and addressed to the
11 registered agent of the foreign limited liability company in this state.

12 (c) 1. The department shall reinstate the registration if the foreign limited
13 liability company does all of the following within 6 months after the effective date of
14 the termination:

15 a. Corrects each ground for termination.

16 b. Pays any fees or penalties due the department under this chapter or \$5,000,
17 whichever is less.

18 2. A reinstatement under this paragraph shall relate back to and take effect
19 as of the effective date of the termination, and the foreign limited liability company
20 may resume carrying on its business as if the termination never occurred.

21 **(3)** (a) If a notice under sub. (1) or (2) (b) is returned to the department as
22 undeliverable, the department shall again give notice to the foreign limited liability
23 company. Except as provided under par. (b), the notice shall be in writing and
24 addressed to the principal office of the foreign limited liability company.

SENATE BILL 566**SECTION 616**

1 (b) If the notice under par. (a) is returned to the department as undeliverable
2 or if the foreign limited liability company's principal office cannot be determined
3 from the records of the department, the department shall give notice by posting the
4 notice on the department's Internet site.

5 (4) The authority of a foreign limited liability company to transact business in
6 this state, other than as provided in s. 183.0905 (1) and (2), ends on the effective date
7 of the termination of its registration.

8 (5) If the department or a court terminates a foreign limited liability company's
9 registration, the foreign limited liability company may be served under s. 183.0119
10 (2) or (3) or the foreign limited liability company's registered agent may be served
11 until the registered agent's authority is terminated, in any civil, criminal,
12 administrative, or investigatory proceeding based on a cause of action which arose
13 while the foreign limited liability company was authorized to do business in this
14 state.

15 (6) Termination of a foreign limited liability company's registration does not
16 terminate the authority of its registered agent.

17 **183.09103 Appeal from termination.** (1) A foreign limited liability company
18 may appeal the department's termination of its registration under s. 183.09102 to
19 the circuit court for the county where the foreign limited liability company's principal
20 office or, if none in this state, the office of its registered agent is located, within 30
21 days after the notice of termination takes effect under s. 183.0103 (5). The foreign
22 limited liability company shall appeal by petitioning the court to set aside the
23 termination and attaching to the petition copies of its registration and the
24 department's notice of termination.

SENATE BILL 566**SECTION 616**

1 (2) The court may order the department to reinstate the registration or may
2 take any other action that the court considers appropriate.

3 (3) The court's final decision may be appealed as in other civil proceedings.

4 **183.0911 Withdrawal of registration of registered foreign limited**
5 **liability company.** (1) A registered foreign limited liability company may
6 withdraw its registration by delivering a statement of withdrawal to the department
7 for filing. The statement of withdrawal must state all of the following:

8 (a) The name of the company and the jurisdiction of its governing law.

9 (b) That the company is not doing business in this state and that it withdraws
10 its registration to do business in this state.

11 (c) Whether the company revokes the authority of its registered agent to accept
12 service on its behalf and, in any event, that it also consents to service of process under
13 sub. (2) in any civil, criminal, administrative, or investigatory proceeding based on
14 a cause of action arising during the time the company was registered to do business
15 in this state.

16 (d) The mailing address of its principal office or, if it has no principal office, an
17 address to which service of process may be made under sub. (2), and a commitment
18 to notify the department in the future of any change in such address.

19 (2) After the withdrawal of the registration of a foreign limited liability
20 company, service of process in any action or proceeding based on a cause of action
21 arising during the time the company was registered to do business in this state may
22 be made pursuant to s. 183.0119.

23 **183.0912 Action by attorney general.** The attorney general may maintain
24 an action to enjoin a foreign limited liability company from doing business in this
25 state in violation of this subchapter.

SENATE BILL 566**SECTION 616**

SUBCHAPTER X

MERGER, INTEREST EXCHANGE,
CONVERSION, AND DOMESTICATION

183.1001 Definitions. In this subchapter:

(1) “Acquired entity” means the entity all of one or more classes or series of interests of which are acquired in an interest exchange.

(2) “Acquiring entity” means the entity that acquires all of one or more classes or series of interests of the acquired entity in an interest exchange.

(2m) “Constituent entity” means a merging entity or a surviving entity in a merger.

(3) “Conversion” means a transaction authorized by ss. 183.1041 to 183.1045.

(4) “Converted entity” means the converting entity as it continues in existence after a conversion.

(5) “Converting entity” means an entity that engages in a conversion.

(8) “Domesticated entity” means the domesticating entity as it continues in existence after a domestication.

(9) “Domesticating entity” means either a non-United States entity or a Wisconsin limited liability company that engages in a domestication.

(10) “Domestication” means a transaction authorized by ss. 183.1051 to 183.1055.

(16) “Interest” means any of the following:

(a) A share in a business corporation.

(b) A membership in a nonprofit or nonstock corporation.

(c) A partnership interest in a general partnership.

(d) A partnership interest in a limited partnership.

SENATE BILL 566**SECTION 616**

- 1 (e) A membership interest in a limited liability company.
- 2 (f) A membership interest or stock in a general cooperative association.
- 3 (g) A membership interest in a limited cooperative association.
- 4 (h) A membership in an unincorporated association.
- 5 (i) A beneficial interest in a statutory trust, business trust, or common-law
6 business trust.
- 7 (j) A comparable interest in any other type of unincorporated entity.
- 8 **(17)** “Interest exchange” means a transaction authorized by ss. 183.1031 to
9 183.1035.
- 10 **(18)** “Interest holder” means any of the following:
- 11 (a) A shareholder of a business corporation.
- 12 (b) A member of a nonprofit or nonstock corporation.
- 13 (c) A general partner of a general partnership.
- 14 (d) A general partner of a limited partnership.
- 15 (e) A limited partner of a limited partnership.
- 16 (f) A member of a limited liability company.
- 17 (g) A member or stockholder of a general cooperative association.
- 18 (h) A member of a limited cooperative association.
- 19 (i) A member of an unincorporated association.
- 20 (j) A beneficiary or beneficial owner of a statutory trust, business trust, or
21 common-law business trust.
- 22 (k) Any other direct holder of an interest.
- 23 **(19)** “Interest holder liability” means any of the following:
- 24 (a) Personal liability for a debt, obligation, or other liability of an entity which
25 is imposed on a person under any of the following circumstances:

SENATE BILL 566**SECTION 616**

1 1. Solely by reason of the status of the person as an interest holder of the entity
2 under its governing law.

3 2. Under the organizational documents of the entity in accordance with its
4 governing law which make one or more specified interest holders or categories of
5 interest holders liable in their capacity as interest holders for all or specified
6 liabilities of the entity.

7 (b) An obligation of an interest holder of an entity under its organizational
8 documents to contribute to the entity.

9 **(20)** “Merger” means a transaction authorized by ss. 183.1021 to 183.1025.

10 **(21)** “Merging entity” means an entity that is a party to a merger and exists
11 immediately before the merger becomes effective.

12 **(22m)** “Non-United States entity” means an entity whose governing law is the
13 law of any jurisdiction other than the United States or any state, but does not include
14 an entity that has domesticated under the law of any other state.

15 **(23m)** “Organizational documents” means, with respect to an entity, whether
16 in a record or, to the extent permitted under the entity’s governing law, other than
17 in a record, the following or its equivalent under the entity’s governing law:

18 (a) For a domestic or foreign corporation, whether or not for profit, its articles
19 of incorporation and bylaws.

20 (b) For a domestic or foreign partnership, its partnership agreement and, in the
21 case of a domestic or foreign limited liability partnership, its statement of
22 qualification as a limited liability partnership or foreign limited liability
23 partnership.

24 (c) For a domestic or foreign limited partnership, its certificate of limited
25 partnership and partnership agreement.

SENATE BILL 566**SECTION 616**

1 (d) For a domestic or foreign limited liability company, its certificate or articles
2 of organization and operating agreement.

3 (e) For a business trust, its agreement of trust and declaration of trust.

4 (f) For any other entity, the basic records, agreements, or other items that
5 create the entity and control its internal governance and the relations among its
6 interest holders.

7 **(24)** “Plan” means a plan of merger under s. 183.1022, a plan of interest
8 exchange under s. 183.1032, a plan of conversion under s. 183.1042, or a plan of
9 domestication under s. 183.1052.

10 **(37)** “Surviving entity” means the entity that continues in existence after or is
11 created by a merger.

12 **(38)** “Type of entity” means a generic form of entity that is any of the following:

13 (a) Recognized at common law.

14 (b) Recognized under a governing law.

15 **183.1002 Relationship of this subchapter to other laws.** (1) This
16 subchapter does not authorize an act prohibited by, and does not affect the
17 application or requirements of, law other than this subchapter.

18 **(2)** A transaction effected under this chapter may not create or impair a right,
19 duty, or obligation of a person under the law of this state, other than this subchapter,
20 relating to a change in control, takeover, business combination, control-share
21 acquisition, or similar transaction involving a domestic constituent, acquired, or
22 converting entity.

23 **183.1003 Existing purpose.** (2) Property held for a charitable purpose under
24 the law of this state by a domestic or foreign entity immediately before a transaction
25 under this subchapter becomes effective may not, as a result of the transaction, be

SENATE BILL 566**SECTION 616**

1 diverted from the objects for which it was donated, granted, devised, or otherwise
2 transferred. An entity that is or plans to be engaged in a transaction covered by this
3 subchapter may apply to the circuit court for a determination regarding the
4 transaction's compliance with cy pres or other law dealing with nondiversion of
5 charitable assets.

6 (3) A bequest, devise, gift, grant, or promise contained in a will or other
7 instrument of donation, subscription, or conveyance that is made to a merging entity
8 which is not the surviving entity and that takes effect or remains payable after the
9 merger inures to the surviving entity.

10 (4) A trust obligation that would govern property if transferred to a
11 nonsurviving entity applies to property that is transferred to the surviving entity
12 under this section.

13 **183.1004 Nonexclusivity.** The fact that a transaction under this subchapter
14 produces a certain result does not preclude the same result from being accomplished
15 in any other manner permitted by law other than this subchapter.

16 **183.1005 Reference to external facts.** A plan may refer to facts
17 ascertainable outside the plan if the manner in which the facts will operate upon the
18 plan is specified in the plan. The facts may include the occurrence of an event or a
19 determination or action by a person, whether or not the event, determination, or
20 action is within the control of a party to the transaction.

21 **183.1021 Merger authorized.** (1) One or more domestic limited liability
22 companies may merge with or into one or more other constituent entities pursuant
23 to ss. 183.1021 to 183.1025 and a plan of merger if the merger is permitted under the
24 governing law of each constituent entity and each constituent entity approves the
25 plan of merger in the manner required by its governing law.

SENATE BILL 566**SECTION 616**

1 **(2)** One or more other domestic or foreign entities may merge with or into a
2 domestic limited liability company pursuant to ss. 183.1021 to 183.1025 and a plan
3 of merger if the merger is permitted under the governing law of each constituent
4 entity and each constituent entity approves the plan of merger in the manner
5 required by its governing law.

6 **183.1022 Plan of merger.** **(1)** A plan of merger must be in a record and
7 contain all of the following:

8 (a) As to each constituent entity, its name, type of entity, and governing law.

9 (b) The terms and conditions of the merger.

10 (c) The manner and basis of converting the interests in each constituent entity
11 into interests, securities, or obligations of the surviving entity, rights to acquire such
12 interests or securities, money, other property, or any combination of the foregoing.

13 (d) If the surviving entity preexists the merger, any proposed amendments to
14 its organizational documents that are to be in a record immediately after the merger
15 becomes effective.

16 (e) If the surviving entity is to be created in the merger, any of its organizational
17 documents that are to be in a record immediately after the merger becomes effective.

18 (f) Any other matters required under the governing law of any constituent
19 entity.

20 **(2)** In addition to the requirements of sub. (1), a plan of merger may contain
21 any other provision relating to the merger and not prohibited by law.

22 **183.1023 Approval of merger; amendment; abandonment.** **(1)** Subject
23 to s. 183.1061, a plan of merger must be approved by a vote or consent of all the
24 members of each domestic limited liability company that is a constituent entity.

SENATE BILL 566**SECTION 616**

1 (2) Subject to s. 183.1061 and the governing law of each constituent entity, after
2 a plan of merger is approved, and at any time before a merger becomes effective, the
3 constituent entities may amend the plan of merger or abandon the merger as
4 provided in the plan of merger or, except as otherwise provided in the plan of merger,
5 with the same vote or consent as was required to approve the plan of merger.

6 (3) If, after articles of merger have been delivered to the department for filing
7 and before the merger becomes effective, the plan of merger is amended in a manner
8 that requires an amendment to the articles of merger or if the merger is abandoned,
9 a statement of amendment or abandonment, signed by a constituent entity, must be
10 delivered to the department for filing before the merger becomes effective. When the
11 statement of abandonment becomes effective, the merger is abandoned and does not
12 become effective. The statement of amendment or abandonment must contain all of
13 the following:

14 (a) The name of each constituent entity.

15 (b) The amendment to or the abandonment of the articles of merger.

16 (c) A statement that the amendment or abandonment was approved in
17 accordance with this section.

18 (4) In addition to approval under sub. (1), a plan of merger must be approved
19 by each constituent entity that is not a domestic limited liability company in
20 accordance with any requirements of its governing law.

21 **183.1024 Filings required for merger; effective date.** (1) After a merger
22 has been approved with respect to each constituent entity in accordance with its
23 governing law, the constituent entities shall deliver, or cause to be delivered, to the
24 department for filing articles of merger setting forth all of the following:

25 (a) The name, type of entity, and governing law of each constituent entity.

SENATE BILL 566**SECTION 616**

1 (b) The name, type of entity, and governing law of the surviving entity and, if
2 the surviving entity is created by the merger, a statement to that effect.

3 (c) A statement that the plan of merger has been approved and adopted by each
4 constituent entity in accordance with its governing law.

5 (d) 1. If the surviving entity preexists the merger, any amendments to its
6 organizational documents under s. 183.1022 (1) (d) that are to be in a public record
7 under its governing law or, if there are no such amendments, a statement to that
8 effect.

9 2. If the surviving entity is to be created in the merger, any of its organizational
10 documents that are to be in a public record under its governing law.

11 (e) A statement that the plan of merger is on file at the principal office of the
12 surviving entity.

13 (f) A statement that upon request the surviving entity will provide a copy of the
14 plan of merger to any interest holder of a constituent entity.

15 **(2)** In addition to the requirements of sub. (1), the articles of merger may
16 contain any other provisions relating to the merger, as determined by the constituent
17 entities in accordance with the plan of merger.

18 **(3)** If the surviving entity is a foreign entity that will be required to register to
19 do business in this state immediately after the merger and it has not previously
20 registered to do so or been assigned a registration to do so under s. 183.0909, it shall
21 so register.

22 **(4)** A merger takes effect at the effective date and time of the articles of merger.

23 **183.1025 Effect of merger. (1)** When a merger becomes effective, all of the
24 following apply:

SENATE BILL 566**SECTION 616**

1 (a) Each merging entity merges into the surviving entity, and the separate
2 existence of every constituent entity that is a party to the merger, except the
3 surviving entity, ceases.

4 (am) 1. Except as provided in this paragraph, no interest holder shall have
5 interest holder liability with respect to any of the constituent entities.

6 2. If, under the governing law of a constituent entity, one or more of the interest
7 holders thereof had interest holder liability prior to the merger with respect to the
8 entity, such interest holder or holders shall continue to have such liability and any
9 associated contribution or other rights to the extent provided in such governing law
10 with respect to debts, obligations, and other liabilities of the entity that accrued
11 during the period or periods in which such interest holder or holders had such
12 interest holder liability.

13 3. If, under the governing law of the surviving entity, one or more of the interest
14 holders thereof will have interest holder liability after the merger with respect to the
15 surviving entity, such interest holder or holders will have such liability and any
16 associated contribution and other rights to the extent provided in such governing law
17 with respect to the debts, obligations, and other liabilities of the surviving entity that
18 accrue on or after the merger.

19 4. This paragraph does not affect liability under any taxation laws.

20 (b) The title to all property owned by each constituent entity is vested in the
21 surviving entity without transfer, reversion, or impairment.

22 (c) The surviving entity has all debts, obligations, and other liabilities of each
23 constituent entity.

24 (d) A civil, criminal, or administrative proceeding pending by or against any
25 constituent entity may be continued as if the merger did not occur, or the surviving

SENATE BILL 566**SECTION 616**

1 entity may be substituted in the proceeding for a constituent entity whose existence
2 ceased.

3 (e) 1. If the surviving entity preexists the merger, its organizational documents
4 are amended to the extent, if any, provided in the plan of merger and, to the extent
5 such amendments are to be reflected in a public record, as provided in the articles
6 of merger.

7 2. If the surviving entity is created in the merger, its organizational documents
8 are as provided in the plan of merger and, to the extent such organizational
9 documents are to be reflected in a public record, as provided in the articles of merger.

10 (f) The interests of each constituent entity that are to be converted into
11 interests, securities, or obligations of the surviving entity, rights to acquire such
12 interests or securities, money, other property, or any combination of the foregoing,
13 are converted as provided in the plan of merger, and the former interest holders of
14 the interests are entitled only to the rights provided to them in the plan of merger
15 or to their rights, if any, under ss. 178.1161, 179.1161, 180.1301 to 180.1331,
16 181.1180, 183.1061, or otherwise under the governing law of the constituent entity.
17 All other terms and conditions of the merger also take effect.

18 (g) Except as prohibited by other law or as otherwise provided in the articles
19 and plan of merger, all of the rights, privileges, immunities, powers, and purposes
20 of each constituent entity vest in the surviving entity.

21 (h) Except as otherwise provided in the articles and plan of merger, if a merging
22 entity is a partnership, limited liability company, or other entity subject to
23 dissolution under its governing law, the merger does not dissolve the merging entity
24 for the purposes of its governing law.

SENATE BILL 566**SECTION 616**

1 **(2)** (a) When a merger takes effect, the department is the agent of any foreign
2 surviving entity for service of process in a proceeding to enforce any obligation or the
3 rights of interest holders, in their capacities as such, of each domestic constituent
4 entity.

5 (b) When a merger takes effect, any foreign surviving entity shall timely honor
6 the rights and obligations of interest holders under this chapter with respect to each
7 domestic limited liability company constituent entity.

8 **183.1031 Interest exchange authorized.** (1) A domestic limited liability
9 company may acquire all of one or more classes or series of interests of another
10 domestic or foreign entity pursuant to ss. 183.1031 to 183.1035 and a plan of interest
11 exchange if the interest exchange is permitted under the governing law applicable
12 to the limited liability company and the acquired entity.

13 **(2)** All of one or more classes or series of interests of a domestic limited liability
14 company may be acquired by another domestic or foreign entity pursuant to ss.
15 183.1031 to 183.1035 and a plan of interest exchange if the interest exchange is
16 permitted under the governing law applicable to the acquiring entity and the limited
17 liability company.

18 **183.1032 Plan of interest exchange.** (1) A plan of interest exchange must
19 be in a record and contain all of the following:

20 (a) As to both the acquiring entity and the acquired entity, its name, type of
21 entity, and governing law.

22 (b) The terms and conditions of the interest exchange.

23 (c) The manner and basis of exchanging the interests to be acquired for
24 interests, securities, or obligations of the surviving entity, rights to acquire such
25 interests or securities, money, other property, or any combination of the foregoing.

SENATE BILL 566**SECTION 616**

1 (d) Any proposed amendments to the organizational documents of the
2 acquiring or acquired entity that will take effect when the interest exchange becomes
3 effective.

4 (e) Any other matters required under the governing law of the acquired or
5 acquiring entity.

6 (2) In addition to the requirements of sub. (1), a plan of interest exchange may
7 contain any other provision relating to the interest exchange and not prohibited by
8 law.

9 **183.1033 Approval of interest exchange; amendment; abandonment.**

10 (1) Subject to s. 183.1061, a plan of interest exchange must be approved by a vote
11 or consent of all the members of each domestic limited liability company that is an
12 acquiring or acquired entity.

13 (2) Subject to s. 183.1061 and the governing law of each of the acquiring entity
14 and acquired entity, after a plan of interest exchange is approved, and at any time
15 before an interest exchange becomes effective, the acquiring and acquired entities
16 may amend the plan of interest exchange or abandon the interest exchange as
17 provided in the plan of interest exchange or, except as otherwise provided in the plan
18 of interest exchange, with the same vote or consent as was required to approve the
19 plan of interest exchange.

20 (3) If, after articles of interest exchange have been delivered to the department
21 for filing and before the interest exchange becomes effective, the plan of interest
22 exchange is amended in a manner that requires an amendment to the articles of
23 interest exchange or if the interest exchange is abandoned, a statement of
24 amendment or abandonment, signed by either the acquiring entity or the acquired
25 entity, must be delivered to the department for filing before the interest exchange

SENATE BILL 566**SECTION 616**

1 becomes effective. When a statement of abandonment becomes effective, the interest
2 exchange is abandoned and does not become effective. The statement of amendment
3 or abandonment must contain all of the following:

4 (a) The name of the acquiring and acquired entities.

5 (b) The amendment to or abandonment of the articles of interest exchange.

6 (c) A statement that the amendment or abandonment was approved in
7 accordance with this section.

8 (4) In addition to approval under sub. (1), a plan of interest exchange must be
9 approved by any acquiring or acquired entity that is not a domestic limited liability
10 company in accordance with any requirements of its governing law.

11 **183.1034 Filings required for interest exchange; effective date. (1)**

12 After an interest exchange has been approved with respect to the acquiring and
13 acquired entity in accordance with their governing laws, the acquiring entity shall
14 deliver, or cause to be delivered, to the department for filing articles of interest
15 exchange setting forth all of the following:

16 (a) The name, type of entity, and governing law of the acquired entity.

17 (b) The name, type of entity, and governing law of the acquiring entity.

18 (c) A statement that the plan of interest exchange has been approved by the
19 acquired and acquiring entities in accordance with their respective governing laws.

20 (d) Any amendments to the organizational documents of the acquired or
21 acquiring entity under s. 183.1032 (1) (d) that are to be in a public record under their
22 respective governing laws or, if there are no such amendments, a statement to that
23 effect.

24 (e) A statement that the plan of interest exchange is on file at the principal
25 office of the acquiring entity.

SENATE BILL 566**SECTION 616**

1 (f) A statement that upon request the acquiring entity will provide a copy of the
2 plan of interest exchange to any interest holder of the acquired entity.

3 (2) In addition to the requirements of sub. (1), articles of interest exchange may
4 contain any other provisions relating to the interest exchange, as determined by the
5 acquiring entity in accordance with the plan of interest exchange.

6 (3) An interest exchange takes effect at the effective date and time of the
7 articles of interest exchange.

8 **183.1035 Effect of interest exchange.** (1) When an interest exchange
9 becomes effective, all of the following apply:

10 (a) The interests in the acquired entity which are the subject of the interest
11 exchange are exchanged as provided in the plan of interest exchange, and the former
12 interest holders of those interests are entitled only to the rights provided to them
13 under the plan of interest exchange or to their rights, if any, under ss. 178.1161,
14 179.1161, 180.1301 to 180.1331, 181.1180, 183.1061, or otherwise under the
15 governing law of the acquired entity. All other terms and conditions of the interest
16 exchange also take effect.

17 (b) The acquiring entity becomes the interest holder of the interests which are
18 the subject of the interest exchange as provided in the plan of interest exchange.

19 (c) The provisions of the organizational documents of the acquiring and
20 acquired entity are amended to the extent, if any, provided in the plan of interest
21 exchange and to the extent such amendments are to be reflected in a public record,
22 as provided in the articles of interest exchange.

23 (2) Except as otherwise provided in the articles and plan of interest exchange,
24 if the acquired entity is a domestic or foreign partnership, limited liability company,

SENATE BILL 566**SECTION 616**

1 or other organization subject to dissolution under its governing law, the interest
2 exchange does not dissolve the acquired entity.

3 (3) (a) Except as provided in this subsection, no interest holder shall have
4 interest holder liability with respect to either the acquiring or acquired entity.

5 (b) If, under the governing law of either entity, one or more of the interest
6 holders thereof had interest holder liability prior to the interest exchange with
7 respect to the entity, such interest holder or holders shall continue to have such
8 liability and any associated contribution and other rights to the extent provided in
9 such governing law with respect to debts, obligations, and other liabilities of the
10 entity that accrued during the period or periods in which such interest holder or
11 holders had such interest holder liability.

12 (c) If, under the governing law of either entity, one or more of the interest
13 holders thereof will have interest holder liability after the interest exchange with
14 respect to the entity, such interest holder or holders shall have such liability and any
15 associated contribution and other rights to the extent provided in such governing law
16 with respect to the debts, obligations, and other liabilities of the entity that accrue
17 on or after the interest exchange.

18 (d) This subsection does not affect liability under any taxation laws.

19 (4) (a) When an interest exchange takes effect, the department is the agent of
20 any foreign acquiring entity for service of process in a proceeding to enforce any
21 obligation or the rights of interest holders, in their capacities as such, of each
22 domestic limited liability company that is a party to the interest exchange.

23 (b) When an interest exchange takes effect, any foreign acquiring entity shall
24 timely honor the rights and obligations of interest holders under this chapter with
25 respect to each domestic limited liability company acquired entity.

SENATE BILL 566**SECTION 616**

1 **183.1041 Conversion authorized. (1)** A domestic limited liability company
2 may convert to another type of entity, either domestic or foreign, pursuant to ss.
3 183.1041 to 183.1045 and a plan of conversion if the conversion is permitted under
4 the governing law of the converting entity and the governing law that is to apply to
5 the converted entity.

6 **(2)** A foreign or domestic entity, other than a domestic limited liability
7 company, may convert to a domestic limited liability company pursuant to ss.
8 183.1041 to 183.1045 and a plan of conversion if the conversion is permitted under
9 the governing law of the converting entity and the converted entity will satisfy the
10 definition of a limited liability company under this chapter immediately after the
11 conversion.

12 **183.1042 Plan of conversion. (1)** A plan of conversion must be in a record
13 and contain all of the following:

14 (a) The name, type of entity, and governing law of the converting entity.

15 (b) The name, type of entity, and governing law of the converted entity.

16 (c) The terms and conditions of the conversion.

17 (d) The manner and basis of converting the interests in the converting entity
18 into interests, securities, or obligations of the surviving entity, rights to acquire such
19 interests or securities, money, other property, or any combination of the foregoing.

20 (e) The organizational documents of the converted entity that are to be in a
21 record immediately after the conversion becomes effective.

22 (f) Any other matters required by the governing law of the converting entity.

23 **(2)** In addition to the requirements of sub. (1), a plan of conversion may contain
24 any other provision relating to the conversion and not prohibited by law.

SENATE BILL 566**SECTION 616****1 183.1043 Approval of conversion; amendment; abandonment. (1)**

2 Subject to s. 183.1061, a plan of conversion must be approved by all the members of
3 a converting domestic limited liability company. A plan of conversion into a
4 converted domestic limited liability company must be approved pursuant to the
5 governing law of the converting entity.

6 **(2)** Subject to s. 183.1061 and the governing law of each of the converting entity
7 and converted entity, after a plan of conversion is approved, and at any time before
8 a conversion becomes effective, the converting entity may amend the plan of
9 conversion or abandon the conversion as provided in the plan of conversion or, except
10 as otherwise provided in the plan of conversion, with the same vote or consent as was
11 required to approve the plan of conversion.

12 **(3)** If, after articles of conversion have been delivered to the department for
13 filing and before the conversion becomes effective, the plan of conversion is amended
14 in a manner that requires an amendment to the articles of conversion or if the
15 conversion is abandoned, a statement of amendment or abandonment, signed by the
16 converting entity, must be delivered to the department for filing before the
17 conversion becomes effective. When a statement of abandonment becomes effective,
18 the conversion is abandoned and does not become effective. The statement of
19 amendment or abandonment must contain all of the following:

20 (a) The name of the converting entity and the converted entity under the plan
21 of conversion.

22 (b) The amendment to or abandonment of the articles of conversion.

23 (c) A statement that the amendment or abandonment was approved in
24 accordance with this section.

SENATE BILL 566**SECTION 616**

1 **183.1044 Filings required for conversion; effective date. (1)** After the
2 converting entity has approved a plan of conversion in accordance with its governing
3 law, the converting entity shall deliver, or cause to be delivered, to the department
4 for filing articles of conversion setting forth all of the following:

5 (a) The name, type of entity, and governing law of the converting entity.

6 (b) The name, type of entity, and governing law of the converted entity.

7 (c) A statement that the plan of conversion has been approved and adopted by
8 the converting entity in accordance with its governing law.

9 (d) Any organizational documents of the converted entity that are to be in a
10 public record under its governing law.

11 (e) A statement that the plan of conversion is on file at the principal office of
12 the converted entity.

13 (f) A statement that upon request the converted entity will provide a copy of
14 the plan of conversion to any person that was an interest holder of the converting
15 entity.

16 **(2)** In addition to the requirements of sub. (1), the articles of conversion may
17 contain any other provisions relating to the conversion, as determined by the
18 converting entity in accordance with the plan of conversion.

19 **(3)** If the converted entity is a foreign entity that will be required to register
20 to do business in this state immediately after the conversion and it has not previously
21 registered to do so or been assigned a registration to do so under s. 183.0909, it shall
22 so register.

23 **(4)** A conversion takes effect at the effective date and time of the articles of
24 conversion.

SENATE BILL 566**SECTION 616**

1 **183.1045 Effect of conversion. (1)** When a conversion becomes effective, all
2 of the following apply:

3 (a) The converting entity continues its existence in the form of the converted
4 entity and is the same entity that existed before the conversion, except that the
5 converting entity is no longer subject to the governing law that applied prior to the
6 conversion and is subject to the governing law of the converted entity.

7 (am) 1. Except as provided in this paragraph, no interest holder shall have
8 interest holder liability with respect to the converting or converted entity.

9 2. If, under the governing law of the converting entity, one or more of the
10 interest holders thereof had interest holder liability prior to the conversion with
11 respect to the converting entity, such interest holder or holders shall continue to have
12 such liability and any associated contribution and other rights to the extent provided
13 in such governing law with respect to the debts, obligations, and other liabilities of
14 the converting entity that accrued during the period or periods in which such interest
15 holder or holders had such interest holder liability.

16 3. If, under the governing law of the converted entity, one or more of the interest
17 holders thereof will have interest holder liability after the conversion with respect
18 to the converted entity, such interest holder or holders will have such liability and
19 any associated contribution and other rights to the extent provided in such governing
20 law with respect to the debts, obligations, and other liabilities of the converted entity
21 that accrue after the conversion.

22 4. This paragraph does not affect liability under any taxation laws.

23 (b) The title to all property owned by the converting entity is vested in the
24 converted entity without transfer, reversion, or impairment.

SENATE BILL 566**SECTION 616**

1 (c) The converted entity has all debts, obligations, and other liabilities of the
2 converting entity.

3 (d) A civil, criminal, or administrative proceeding pending by or against the
4 converting entity may be continued as if the conversion did not occur, or the
5 converted entity may be substituted in the proceeding for the converting entity.

6 (e) The organizational documents of the converted entity are as provided in the
7 plan of conversion and, to the extent such organizational documents are to be
8 reflected in a public record, as provided in the articles of conversion.

9 (f) The interests of the converting entity that are to be converted into interests,
10 securities, or obligations of the surviving entity, rights to acquire such interests or
11 securities, money, other property, or any combination of the foregoing, are converted
12 as provided in the plan of conversion, and the former interest holders of the
13 converting entity are entitled only to the rights provided in the plan of conversion or
14 to their rights, if any, under ss. 178.1161, 179.1161, 180.0301 to 180.1331, 181.1180,
15 183.1061, or otherwise under the governing law of the converting entity. All other
16 terms and conditions of the conversion also take effect.

17 (g) Except as prohibited by other law or as otherwise provided in the articles
18 and plan of conversion, all of the rights, privileges, immunities, powers, and
19 purposes of the converting entity vest in the converted entity.

20 (h) Except as otherwise provided in the articles and plan of conversion, if the
21 converting entity is a partnership, limited liability company, or other entity subject
22 to dissolution under its governing law, the conversion does not dissolve the
23 converting entity for the purposes of its governing law.

SENATE BILL 566**SECTION 616**

1 **(2)** (a) When a conversion takes effect, the department is the agent of any
2 foreign converted entity for service of process in a proceeding to enforce any
3 obligation or the rights of interest holders of any domestic converting entity.

4 (b) When a conversion takes effect, any foreign converted entity shall timely
5 honor the rights and obligations of interest holders under this chapter with respect
6 to each domestic limited liability company converting entity.

7 **183.1051 Domestication authorized.** A domestic limited liability company
8 may domesticate as a non-United States entity subject to non-United States
9 governing law while continuing to be a domestic limited liability company, and a
10 non-United States entity may domesticate as a domestic limited liability company
11 subject to this chapter while continuing to be an entity subject to its non-United
12 States governing law pursuant to ss. 183.1051 to 183.1055 and a plan of
13 domestication, if the domestication is permitted under the governing law of the
14 domesticating entity and permitted under the governing law of the domesticated
15 entity.

16 **183.1052 Plan of domestication. (1)** A plan of domestication must be in a
17 record and contain all of the following:

18 (a) The name, type of entity, and governing law of the domesticating entity.

19 (b) The name, type of entity, and governing law of the domesticated entity.

20 (c) The terms and conditions of the domestication.

21 (d) The organizational documents of the domesticated entity that are to be in
22 a record immediately after the domestication becomes effective, including any
23 proposed amendments to the organizational documents of the domesticating entity
24 that are to be in a record immediately after the domestication becomes effective.

SENATE BILL 566**SECTION 616**

1 (2) In addition to the requirements of sub. (1), a plan of domestication may
2 contain any other provision relating to the domestication and not prohibited by law.

3 **183.1053 Approval of domestication; amendment; abandonment. (1)**
4 Subject to s. 183.1061, a plan of domestication must be approved by all the members
5 of a domesticating Wisconsin limited liability company. A plan of domestication of
6 a domesticating non-United States entity must be approved pursuant to the
7 governing law of the domesticating entity.

8 (2) Subject to s. 183.1061 and the governing law of the domesticating entity,
9 after a plan of domestication is approved, and at any time before a domestication
10 becomes effective, the domesticating entity may amend the plan of domestication or
11 abandon the domestication as provided in the plan of domestication or, except as
12 otherwise provided in the plan of domestication, with the same vote or consent as was
13 required to approve the plan of domestication.

14 (3) If, after articles of domestication have been delivered to the department for
15 filing and before the domestication becomes effective, the plan of domestication is
16 amended in a manner that requires an amendment to the articles of domestication
17 or if the domestication is abandoned, a statement of amendment or abandonment,
18 signed by the domesticating entity, must be delivered to the department for filing
19 before the domestication becomes effective. When a statement of abandonment
20 becomes effective, the domestication is abandoned and does not become effective.
21 The statement of amendment or abandonment must contain all of the following:

22 (a) The name of the domesticating entity and the domesticated entity under the
23 plan of domestication.

24 (b) The amendment to or abandonment of the articles of domestication.

SENATE BILL 566**SECTION 616**

1 (c) A statement that the amendment or abandonment was approved in
2 accordance with this section.

3 **183.1054 Filings required for domestication; effective date. (1)** After
4 the domesticating entity has approved a plan of domestication in accordance with its
5 governing law, the domesticating entity shall deliver, or cause to be delivered, to the
6 department for filing articles of domestication setting forth all of the following:

7 (a) The name, type of entity, and governing law of the domesticating entity.

8 (b) The name, type of entity, and governing law of the domesticated entity.

9 (c) A statement that a plan of domestication has been approved and adopted
10 by the domesticating entity in accordance with its governing law.

11 (d) Any amendments to the organizational documents of the domesticating
12 entity and any organizational documents of the domesticated entity under s.
13 183.1052 (1) (d) that are to be in a public record under their respective governing
14 laws.

15 (e) A statement that the plan of domestication is on file at the principal office
16 of the domesticated entity.

17 (f) A statement that upon request the domesticated entity will provide a copy
18 of the plan of domestication to any person that was an interest holder in the
19 domesticating entity at the time of the domestication.

20 **(2)** In addition to the requirements of sub. (1), the articles of domestication may
21 contain any other provisions relating to the domestication, as determined by the
22 domesticating entity in accordance with the plan of domestication.

23 **(3)** A domestication takes effect at the effective date and time of the articles of
24 domestication.

SENATE BILL 566**SECTION 616**

1 **183.1055 Effect of domestication.** (1) When a domestication becomes
2 effective, all of the following apply:

3 (a) The domesticating entity becomes a domestic entity under and becomes
4 subject to the governing law of the jurisdiction in which it has domesticated while
5 continuing to be a domestic organization under and subject to the governing law of
6 the domesticating entity.

7 (am) 1. Except as provided in this paragraph, no interest holder shall have
8 interest holder liability with respect to the domesticating or domesticated entity.

9 2. If, under the governing law of the domesticating entity, one or more of the
10 interest holders thereof has interest holder liability with respect to the
11 domesticating entity, such interest holder or holders shall continue to have such
12 liability and any associated contribution and other rights to the extent provided in
13 such governing law with respect to the debts, obligations, and other liabilities of the
14 domesticating entity.

15 3. If, under the governing law of the domesticated entity, one or more of the
16 interest holders thereof will have interest holder liability after the domestication
17 with respect to the domesticated entity, such interest holder or holders will have such
18 liability and associated contribution and other rights to the extent provided in such
19 governing law with respect to the debts, obligations, and other liabilities of the
20 domesticated entity that accrue after the domestication.

21 4. This paragraph does not affect liability under any taxation laws.

22 (b) The title to all property owned by the domesticating entity is vested in the
23 domesticated entity without transfer, reversion, or impairment.

24 (c) The domesticated entity has all debts, obligations, or other liabilities of the
25 domesticating entity.

SENATE BILL 566**SECTION 616**

1 (d) A civil, criminal, or administrative proceeding pending by or against the
2 domesticating entity may be continued as if the domestication did not occur, or the
3 domesticated entity may be substituted in the proceeding for the domesticating
4 entity.

5 (e) The non-United States organizational documents of the domesticated
6 entity are amended to the extent, if any, provided in the plan of domestication and,
7 to the extent such amendments are to be reflected in a public record, as provided in
8 the articles of domestication.

9 (f) The United States organizational documents of the domesticated entity are
10 as provided in the plan of domestication and, to the extent such organizational
11 documents are to be reflected in a public record, as provided in the articles of
12 domestication.

13 (g) Except as prohibited by other law or as otherwise provided in the articles
14 and plan of domestication, all of the rights, privileges, immunities, powers, and
15 purposes of the domesticating entity vest in the domesticated entity.

16 (2) Except as otherwise provided in the articles and plan of domestication, if
17 the domesticating entity is a partnership, limited liability company, or other entity
18 subject to dissolution under its governing law, the domestication does not dissolve
19 the domesticating entity for the purposes of its governing law.

20 (3) A domesticated Wisconsin entity consents to the jurisdiction of the courts
21 of this state to enforce any debt, obligation, or other liability owed by the
22 domesticating or domesticated entity.

23 **183.1061 Restrictions on approval of mergers, interest exchanges,**
24 **conversions, and domestications. (1)** Except as provided in sub. (2), a merger,
25 interest exchange, conversion, or domestication of a domestic limited liability

SENATE BILL 566**SECTION 616**

1 company may not materially increase the current or potential obligations of a
2 member in the constituent, acquiring, acquired, converting, or domesticating limited
3 liability company, whether as a result of becoming subject to interest holder liability
4 with respect to the obligations of the surviving, acquiring, converted, or
5 domesticated entity as a consequence of being an owner of the entity, becoming
6 subject to affirmative or negative obligations under the organizational documents of
7 the entity, becoming subject to tax on the income of the entity, or otherwise.

8 (2) Subsection (1) shall not apply with respect to a member if any of the
9 following applies:

10 (a) The member consents to the merger, interest exchange, conversion, or
11 domestication.

12 (b) The member has consented to the provision of the written operating
13 agreement that provides for approval of a merger, conversion, or domestication with
14 the consent of fewer than all the members.

15 (3) A member does not give the consent required by sub. (2) merely by
16 consenting to a provision of the written operating agreement that permits the
17 written operating agreement to be amended with the consent of fewer than all the
18 members.

19 SUBCHAPTER XI

20 MISCELLANEOUS PROVISIONS

21 **183.1101 Uniformity of application and construction.** In applying and
22 construing this chapter, consideration must be given to the need to promote
23 uniformity of the law with respect to its subject matter among states that enact the
24 uniform law.

SENATE BILL 566**SECTION 616**

1 **183.1102 Relation to Electronic Signatures in Global and National**
2 **Commerce Act.** This chapter modifies, limits, and supersedes the Electronic
3 Signatures in Global and National Commerce Act, 15 USC 7001 to 7031, but does not
4 modify, limit, or supersede section 101 (c) of that act, 15 USC 7001 (c), or authorize
5 electronic delivery of any of the notices described in section 103 (b) of that act, 15 USC
6 7003 (b).

7 **SECTION 617.** 185.045 of the statutes is amended to read:

8 **185.045 Reserved or registered name.** Sections 180.0122 ~~(1)~~ (1m) (c) to (i),
9 180.0402 and 180.0403 (2), (3), (3m) and (4) (b) apply to cooperatives, with the word
10 “cooperative” substituted for the words “corporate” and “corporation”.

11 **SECTION 618.** 190.01 (2) of the statutes is amended to read:

12 **190.01 (2)** The articles of incorporation and amendments thereto shall be filed
13 with the department of financial institutions; in the case of articles, the department
14 of financial institutions shall thereupon issue a certificate of incorporation and the
15 corporation then has legal existence. The articles of incorporation or special charter
16 of any railroad company may be amended by a majority vote of all the stock in the
17 respects and for the purposes provided in s. 180.1001. The fees for filing articles and
18 amendments thereto are as provided in s. 180.0122 ~~(1)-(a)~~ and ~~(m)~~ except that the fees
19 for filing an amendment which authorizes the issuance of redeemable preference
20 shares for sale to the U.S. secretary of transportation under sections 505 and 506 of
21 P.L. 94-210 is \$15 for the amendment and an additional sum equal to \$1 for each
22 \$100,000 or fraction thereof of par value redeemable preference shares authorized
23 by the amendment.

24 **SECTION 619.** 196.205 (1) (c) of the statutes is amended to read:

SENATE BILL 566**SECTION 619**

1 196.205 (1) (c) The articles of incorporation of the small telecommunications
2 utility under s. 181.1001 or the articles of organization of the small
3 telecommunications utility under s. ~~183.0203~~ 183.0201.

4 **SECTION 620.** 196.485 (1) (dv) of the statutes is amended to read:

5 196.485 (1) (dv) “Organizational start-up date” means, with respect to a
6 transmission company that is organized as a limited liability company under ch. 183,
7 the date on which the articles of organization become effective under s. ~~183.0111~~
8 183.0207 or, with respect to a transmission company that is organized as a
9 corporation under ch. 180, the date on which the articles of incorporation become
10 effective under s. 180.0123.

11 **SECTION 621.** 196.485 (1) (fe) of the statutes is amended to read:

12 196.485 (1) (fe) “Security” means, with respect to a transmission company
13 organized as a corporation under ch. 180, a share, as defined in s. 180.0103 (15), and,
14 with respect to a transmission company organized as a limited liability company
15 under ch. 183, a limited liability company transferable interest, as defined in s.
16 183.0102 ~~(11)~~ (24).

17 **SECTION 622.** 196.485 (3m) (c) (intro.) of the statutes is amended to read:

18 196.485 (3m) (c) *Organization.* (intro.) The operating agreement, as defined
19 in s. 183.0102 ~~(16)~~ (13), of a transmission company that is organized as a limited
20 liability company under ch. 183 or the bylaws of a transmission company that is
21 organized as a corporation under ch. 180 shall provide for each of the following:

22 **SECTION 623.** 204.104 (2) of the statutes is amended to read:

23 204.104 (2) **FUNDAMENTAL TRANSACTIONS.** If a corporation that is not a benefit
24 corporation is a party to a merger, consolidation, or division or is the exchanging
25 corporation in a share an interest exchange, and the surviving, new, or any resulting

SENATE BILL 566**SECTION 623**

1 corporation in the merger, consolidation, division, or ~~share~~ interest exchange is to be
2 a benefit corporation, then the plan of merger, consolidation, division, or ~~share~~
3 interest exchange shall not be effective unless the articles of the surviving, new, or
4 resulting corporation contain a statement that the corporation is a benefit
5 corporation.

6 **SECTION 624.** 221.0701 of the statutes is amended to read:

7 **221.0701 Share Interest exchange.** A bank or other corporation may
8 acquire all of the outstanding shares of one or more classes or series of a bank
9 organized under this chapter, with the approval of the division, if the board of
10 directors of the bank, by resolution adopted by the board, approves a plan of ~~share~~
11 interest exchange and its shareholders also approve a plan of ~~share~~ interest
12 exchange pursuant to ~~ss. 180.1102 to 180.1106~~. This section does not limit the power
13 of a corporation or bank to acquire all or part of the shares of one or more classes or
14 series of a bank through a voluntary exchange or otherwise. Application for approval
15 of ~~a share~~ an interest exchange shall be made to the division on a form prescribed
16 by the division. The application shall be accompanied by a fee established by the
17 division.

18 **SECTION 625.** 234.03 (28) of the statutes is amended to read:

19 234.03 (28) To cooperate and enter into agreements with state agencies,
20 partnerships, limited partnerships, and corporations organized under chs. 178 to
21 181 or limited liability companies organized under ch. 183 to promote economic
22 development activity within this state.

23 **SECTION 626.** 340.01 (6u) of the statutes is amended to read:

24 340.01 (6u) "Carsharing organization" means a business entity, as defined in
25 s. 180.1100 (~~1~~) (1g), that is a rental company that offers a membership service in

SENATE BILL 566**SECTION 626**

1 which members share type 1 automobiles, the use of which may be purchased from
2 the business entity on the basis of trip, trip distance, or trip duration.

3 **SECTION 627.** 440.92 (6) (b) 1. of the statutes is amended to read:

4 440.92 (6) (b) 1. If the preneed seller is a corporation that is required to file a
5 report under s. 180.1622 or ~~181.1622~~ 181.0214, a copy of that report and the name,
6 residence address and business address of each shareholder who beneficially owns,
7 holds or has the power to vote 5 percent or more of any class of securities issued by
8 the corporation.

9 **SECTION 628.** 611.72 (1) and (2) of the statutes are amended to read:

10 611.72 (1) GENERAL. Subject to this section, ~~ss. 180.1101, 180.1103 to 180.1106,~~
11 ~~180.1706, 180.1707, and 180.1708 (5)~~ the applicable provisions of ch. 180 apply to the
12 merger of a domestic stock insurance corporation or its parent insurance holding
13 corporation, except that papers required by those sections to be filed with the
14 department of financial institutions shall instead be filed with the commissioner.

15 (2) APPROVAL REQUIRED. No proposed plan of merger under ~~s. 180.1101 or~~
16 ~~180.1104~~ or other plan for acquisition of control of any domestic stock insurance
17 corporation or its parent insurance holding corporation participating in the
18 transaction may be executed unless it has been approved by the commissioner.

19 **SECTION 629.** 611.73 (1) (a) of the statutes is amended to read:

20 611.73 (1) (a) *In general.* Any 2 or more domestic mutuals may merge under
21 the procedures of this section and ~~ss. 181.1105 and 181.1106~~ 181.1101 to 181.11055,
22 except that papers required by those sections to be filed with the department of
23 financial institutions shall instead be filed with the commissioner.

24 **SECTION 630.** 612.22 (2) (intro.) of the statutes is renumbered 612.22 (2) and
25 amended to read:

SENATE BILL 566**SECTION 630**

1 612.22 (2) PLAN OF MERGER. The board of each participating corporation shall
2 adopt the same plan of merger under s. ~~181.1101 (2)~~ 181.1102 (1), by resolution
3 ~~stating: containing all of the items described in s. 181.1102 (1) (a) to (f), and s.~~
4 181.1102 shall apply.

5 **SECTION 631.** 612.22 (2) (a), (b), (c) and (d) of the statutes are repealed.

6 **SECTION 632.** 613.13 (2) (intro.) of the statutes is amended to read:

7 613.13 (2) ~~ISSUANCE OF CERTIFICATE OF INCORPORATION AND AUTHORITY.~~ (intro.)

8 The commissioner shall issue a certificate of incorporation and authority if:

9 **SECTION 633.** 613.13 (3) (title) of the statutes is amended to read:

10 613.13 (3) (title) ~~CONTENTS~~ ISSUANCE OF CERTIFICATE OF AUTHORITY.

11 **SECTION 634.** 613.13 (3) of the statutes is renumbered 613.13 (3) (b).

12 **SECTION 635.** 613.13 (3) (a) of the statutes is created to read:

13 613.13 (3) (a) The commissioner shall issue a certificate of authority if all of the
14 following apply:

15 1. The commissioner finds that cash or property has been received sufficient
16 to satisfy the requirements of s. 613.19.

17 2. A principal officer of the corporation submits a statement of any material
18 changes that have already taken place or are likely to take place in the facts on which
19 the issuance of the certificate of incorporation was based, and if any material changes
20 are proposed in the business plan, the additional information about such changes
21 that would be required if a certificate of incorporation were then being applied for.

22 3. The commissioner finds that all other applicable requirements of the law
23 have been met.

24 **SECTION 636.** 613.13 (4) of the statutes is amended to read:

SENATE BILL 566**SECTION 636**

1 613.13 (4) LEGAL EXISTENCE. Upon the issuance of the certificate of
2 incorporation ~~and authority~~ the legal existence of the corporation shall begin, the
3 articles and bylaws shall become effective and the proposed directors and officers
4 shall take office. The certificate is conclusive evidence of compliance with this
5 section, except in a proceeding by the state against the corporation.

6 **SECTION 637.** 613.51 (3m) of the statutes is created to read:

7 613.51 (3m) SUBSIDIARIES AND CLOSELY HELD CORPORATIONS. Subsection (3) and
8 s. 611.51 (2) (a) do not apply to an insurance subsidiary authorized under s. 613.26
9 nor to a nonstock insurance corporation with a single voting member or all of whose
10 voting members are either members of or are individually represented on the board.

11 **SECTION 638.** 766.51 (10) of the statutes is amended to read:

12 766.51 (10) At the death of a spouse if property described under s. 766.70 (3)
13 (a), ~~(aL)~~, (b), or (d) is held by either spouse, but not in the names of both spouses, such
14 property may be subject to the management and control of the holding spouse as
15 provided under s. 857.015.

16 **SECTION 639.** 766.70 (4) (c) of the statutes is amended to read:

17 766.70 (4) (c) This subsection does not apply to property described in sub. (3)
18 (a), ~~(aL)~~, (b), (d), and (e).

19 **SECTION 640.** 799.06 (2) of the statutes is amended to read:

20 799.06 (2) A person may commence and prosecute or defend an action or
21 proceeding under this chapter and may appear in his, her, or its own proper person
22 or by an attorney regularly authorized to practice in the courts of this state. Under
23 this subsection, a person is considered to be acting in his, her, or its own proper
24 person if the appearance is by a member, as defined in s. 183.0102 (15) ~~(11)~~, agent,
25 or authorized employee of the person, or by an agent of the member or an authorized

SENATE BILL 566**SECTION 640**

1 employee of the agent. An assignee of any cause of action under this chapter shall
2 not appear by a full-time authorized employee, unless the employee is an attorney
3 regularly authorized to practice in the courts of this state.

4 **SECTION 641.** 800.035 (1) of the statutes is amended to read:

5 800.035 (1) A defendant may make an initial appearance in person or by
6 submitting a written response to the citation or complaint except when the judge has
7 required an appearance under s. 800.02 (2) (ag) 4. For the purposes of this section,
8 if a defendant is a limited liability company, the defendant appears in person if the
9 appearance is by a member, as defined in s. 183.0102 ~~(15)~~ (11), by an agent or
10 authorized employee of the defendant, or by an agent of the member or an authorized
11 employee of the agent.

12 **SECTION 642.** 857.015 of the statutes is amended to read:

13 **857.015 Management and control of certain business property by**
14 **holding spouse.** A spouse who holds property described under s. 766.70 (3) (a), (aL),
15 (b), or (d) which is not also held by the other spouse may direct in a will or other signed
16 writing that the marital property interest of the nonholding spouse in such property
17 be satisfied as provided under s. 861.015. The holding spouse shall identify in a will
18 or other signed writing the property described under s. 766.70 (3) (a), (aL), (b), or (d)
19 to which the directive applies. The signature of the holding spouse on a directive
20 other than a will shall be acknowledged, attested or witnessed under ch. 140. The
21 estate of the holding spouse may not execute a directive under this section. If at the
22 death of a spouse the surviving spouse is the holding spouse, the surviving spouse
23 may execute a directive under this section if executed within 90 days after the
24 decedent spouse's death.

25 **SECTION 643. Nonstatutory provisions.**

SENATE BILL 566**SECTION 643**

1 (1) Using the procedure under s. 227.24, the department of financial
2 institutions may promulgate rules authorized under ss. 179.0124 (1) and (2) (c),
3 180.0122 (1g) and (5), 181.0507 (1) and (2) (c), and 183.0122 (1) and (2) (c), for the
4 period before the effective date of permanent rules promulgated under ss. 179.0124
5 (1) and (2) (c), 180.0122 (1g) and (5), 181.0507 (1) and (2) (c), and 183.0122 (1) and
6 (2) (c), but not to exceed the period authorized under s. 227.24 (1) (c), subject to
7 extension under s. 227.24 (2). Notwithstanding s. 227.24 (1) (a), (2) (b), and (3), the
8 department is not required to provide evidence that promulgating rules under this
9 subsection as emergency rules is necessary for the preservation of the public peace,
10 health, safety, or welfare and is not required to provide a finding of emergency for
11 rules promulgated under this subsection.

SECTION 644. Initial applicability.

12 (1) **MERGERS AND OTHER TRANSACTIONS.** The treatment of ss. 71.80 (21m), (22),
13 and (22m), 73.03 (58) (b), (c) and (d), 77.25 (6q) and (6t), 77.61 (15), 178.1102 (2),
14 178.1123 (2), 178.1124 (1) (d) 2., (f), and (g), 178.1125 (1) (f), (2) (a) and (b), and (3),
15 178.1132 (1) (f), 178.1133 (1) and (2), 178.1134 (1) (d) and (f), 178.1135 (1) (a), (5) (a)
16 and (b), and (6), 178.1141 (1), 178.1142 (1) (f), 178.1143 (1) and (2), 178.1144 (1) (a),
17 (d), (f), and (g), 178.1145 (1) (f), (2), and (3), 178.1153 (2), 178.1154 (1) (d), (f), and (g),
18 178.1155 (1) (e) and (f), 178.1161 (1) (intro.), (3), (4), and (5), 180.11001, 180.11002,
19 180.11003, 180.11004, 180.1101 (1) and (2m), 180.11012 (1) (d), (e), and (f), 180.1102
20 (1), (1m), and (2m), 180.11021 (1) (d) and (e), 180.11031, 180.1104 (1), (2) (intro.) and
21 (b), (3), and (4), 180.11045 (1) (a), 180.1105 (1) (intro.), (am), (bm), (cm), (dm), (e),
22 (em), (er), (f), and (g), (1g), and (2), 180.1106 (1) (intro.), (a), (am) 1g., and 2., (b), (c),
23 (d), (e) 2., (f), and (g), (1m), (2), and (3), 180.1130 (2) (a) and (3) (a) (intro.) and 2.,
24 180.1140 (4) (a) (intro.) and 2. and (e) 3., 180.1150 (3) (e) and (4) (f), 180.1161 (1), (2),
25

SENATE BILL 566**SECTION 644**

1 (3) (intro.), (a), (b), (d), and (e), (3m), (4) (intro.), (a) 1., (b), (c), (d), (f), (g), and (h), (5)
2 (am) 1., 2., 3., 4., 5., and 6., (bm), and (cm), (6), (7), and (8), 180.1171, 180.1172,
3 180.1173, 180.1174, 180.1175, 181.11001, 181.11002, 181.11003, 181.11004,
4 181.1101 (1), (2), (2m), and (3), 181.1102, 181.1103 (1m) (a), (2m), (3m), (4m), (5), and
5 (6), 181.11045, 181.11055, 181.1131, 181.1132, 181.1133, 181.1134, 181.1135,
6 181.1161 (3) (c), 181.1162 (1) (e) and (f) and (2), 181.1163, 181.1164, 181.1165,
7 181.1171, 181.1172, 181.1173, 181.1174, 181.1175, 181.1180, 204.104 (2), 221.0701,
8 611.72 (1) and (2), and 611.73 (1) (a), the repeal of ss. 178.1123 (3) (b), 178.1133 (3)
9 (b), 178.1143 (3) (b), 178.1153 (3) (b), 178.1161 (2) (a), 180.1101 (3) (a), 180.1103 (6),
10 180.1105 (1) (h), 180.1161 (5) (a), (b), and (c), 181.1104, 181.1105, 181.1106, 181.1107,
11 181.1161 (1) (b), (2) (b), (3) (e), (f), and (g), (4), (5), and (6), 181.1420 (5), 181.1533, and
12 612.22 (2) (a), (b), (c), and (d), the renumbering of s. 180.1103 (4) (intro.) and (a) and
13 (5) (a), the renumbering and amendment of ss. 180.1101 (2), 180.1102 (2), (3), and (4),
14 180.1103 (1), (2), (3), (4) (b), and (5) (b), 180.1105 (1) (i), 180.1106 (1) (am) 1. and (e),
15 180.1161 (5) (intro.), 181.1103 (1), (2), (3), and (4), 181.1161 (1) (a), (2) (a), (3) (intro.),
16 (a), (b), and (d), and 612.22 (2) (intro.), the consolidation, renumbering, and
17 amendment of ss. 178.1161 (2) (intro.) and (b) and 180.1101 (3) (intro.) and (b), and
18 the repeal and recreation of s. 180.1161 (3) (f) and (g) and (4) (a) 2. first apply to
19 transactions for which the articles are filed with the department of financial
20 institutions on the effective date of this subsection.

21

(END)