

Friday, 11-9

cjs

PM MR

NOTE

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

INSERTS

1 AN ACT *to repeal* 180.1107 and 183.1203 (1); *to renumber* 178.43 (intro.) and
2 551.02 (1); *to renumber and amend* 183.1203 (2); *to amend* 77.21 (1e),
3 178.51 (1), 179.03 (2), 179.04 (1) (b), subchapter VIII (title) of chapter 179
4 [precedes 179.70], 179.82 (4), 179.88, 180.0125 (1), 180.0402 (1), 180.0501 (2)
5 and (3), subchapter XI (title) of chapter 180 [precedes 180.1100], 180.1101 (1),
6 180.1101 (2) (a), 180.1101 (2) (c), 180.1101 (3) (a), 180.1102 (1), 180.1102 (2) (a),
7 180.1102 (2) (c), 180.1103 (6), 180.1104 (title), 180.1104 (1), 180.1104 (2) (b),
8 180.1104 (3), 180.1104 (4), 180.1104 (5), 180.1105 (1) (intro.), 180.1105 (1) (b),
9 180.1106 (1) (a), 180.1106 (1) (b), 180.1106 (1) (c), 180.1106 (1) (d), 180.1106 (1)
10 (f), 180.1150 (3) (e), 180.1421 (1) and (2), 180.1504 (1) (intro.) and (b), 180.1507
11 (2), 180.1507 (3), 180.1530 (1m) and (2), 180.1531 (1) and (2) (a) and (b),
12 180.1532 (1), 181.0402 (1), 181.0501 (2), 181.0501 (3), subchapter XI (title) of
13 chapter 181 [precedes 181.1100], 181.1101 (1), 181.1101 (2) (a), 181.1101 (2) (d),
14 181.1101 (3) (a), 181.1103 (6), 181.1104 (title), 181.1104 (1), 181.1104 (2) (b),
15 181.1104 (3), 181.1104 (4), 181.1105 (intro.), 181.1105 (2), 181.1106 (1),

1 181.1106 (2), 181.1106 (4), 181.1107 (2), 181.1108, 181.1421 (1), 181.1421 (4) (b),
2 181.1422 (2) (a) (intro.), 181.1423 (2), 181.1504 (1) (b), 181.1507 (2), 181.1507
3 (3), 181.1531 (1), 181.1531 (2) (a), (b) and (c) 1. (intro.), 181.1531 (3), 181.1532
4 (1), 183.0104 (1), 183.0105 (1) (b), 183.0105 (1) (c), 183.0110 (1), 183.0802 (3),
5 183.0901 (4) (intro.), 183.1001 (1), 183.1006 (1) (a), 183.1006 (1) (b), 183.1020
6 (2), 183.1020 (3), 183.1021 (1) and (2), 183.1021 (3), 183.1022 (1), subchapter
7 XII (title) of chapter 183 [precedes 183.1200], 183.1201 (2), 183.1201 (3),
8 183.1202 (3), 183.1202 (4), 183.1203 (2) (c), 183.1203 (2) (d), 183.1206, 551.23
9 (8) (g), 551.23 (10), 551.23 (11) (a) and 611.72 (2); **to repeal and recreate**
10 180.1106 (1) (e), 181.1106 (3), 181.1106 (5), 181.1403 (1) (e), 181.1421 (2),
11 183.0204, 183.1204 (1) and 183.1205; and **to create** 71.80 (21), 73.03 (58), 77.26
12 (9), 77.61 (15), 178.43 (2) and (3), 179.045, 179.70, 179.76, 179.77, 180.0121 (1)
13 (a) 4., 180.0122 (1) (yr), 180.1100, 180.1105 (1) (c), 180.1105 (1) (d), 180.1106 (1)
14 (am), 180.1106 (3), 180.1161, 180.1302 (1) (cm), 180.1421 (2m), 180.1531 (2m),
15 181.0121 (1) (a) 4., 181.0122 (1) (yr), 181.1100, 181.1105 (3) (c), 181.1105 (5),
16 181.1105 (6), 181.1106 (1m), 181.1106 (6), 181.1161, 181.1531 (2g), 181.1531
17 (2r), 183.0109 (1) (a) 5., 183.0114 (1) (mp), 183.0404 (2) (fm), 183.0504, 183.1021
18 (2g), 183.1021 (2r), 183.1200, 183.1202 (6), 183.1207, 551.02 (1g) and 551.31 (1)
19 (d) of the statutes; **relating to:** merger and conversion of business entities,
20 exemptions from securities registration requirements and licensing
21 requirements for securities broker-dealers and securities agents, registered
22 agents for business entities, administrative dissolution of business entities,

Filing of documents relating to
certain business entities

certain

1 and amended certificates of authority for foreign business entities and making
2 an appropriation.

*IN 3 SEP
ANALYSIS*

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

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

IN 3-8

3 SECTION 1. 71.80 (21) of the statutes is created to read: .

4 71.80 (21) BUSINESS ENTITY CONVERSION. Notwithstanding any provision of ss.
5 179.76, 180.1161, 181.1161, and 183.1207, *the conversion of* a business entity ~~that converts~~ to another
6 *form of* business entity under s. 179.76, 180.1161, 181.1161, or 183.1207 shall be ~~subject to~~

7 ~~the provisions under this chapter applicable to liquidations, reorganizations, and~~
8 ~~business entity formations.~~ *treated for state tax purposes in the same manner as the conversion is treated for federal tax purposes*

9 SECTION 2. 73.03 (58) of the statutes is created to read:

10 73.03 (58) ^(a) Notwithstanding any provision of ss. 179.76, 180.1161, 181.1161,
11 and 183.1207, to ~~subject~~ *treat for state tax purposes;* a business entity ~~that converts~~ to another *form of* business entity
12 under s. 179.76, 180.1161, 181.1161, or 183.1207 ~~to the provisions under ch. 71 and~~

13 ~~subject to and the provisions of ch. 71 applicable to liquidations, reorganizations, and business~~
14 ~~entity formations.~~ *in the same manner as the conversion is treated for federal tax purposes*

15 SECTION 3. 77.21 (1e) of the statutes is amended to read:

16 77.21 (1e) "Mergers of corporations" means the merger, combination, or
17 conversion of 2 one or more corporations, nonstock corporations, limited liability
18 companies, or limited partnerships, or any combination thereof, under a plan of
19 merger or, a plan of consolidation or ~~the combination of 2 or more limited liability~~

IN 3-14

(INSET)
4-2

1 companies under a plan of merger, or a plan of conversion permitted by the laws that
2 govern the entities.

3 ~~SECTION 4. 77.26 (9) of the statutes is created to read:~~
4 ~~77.26 (9) Notwithstanding any provision of ss. 179.76, 180.1161, 181.1161, and~~
5 ~~183.1207, a business entity that converts to another business entity under s. 179.76,~~
6 ~~180.1161, 181.1161, or 183.1207 shall be subject to the provisions under this~~
7 ~~subchapter applicable to liquidations, reorganizations, and business entity~~
8 ~~formations.~~

9 SECTION 5. 77.61 (15) of the statutes is created to read:
10 77.61 (15) Notwithstanding any provision of ss. 179.76, 180.1161, 181.1161,
11 and 183.1207, a business entity that converts to another business entity under s.
12 179.76, 180.1161, 181.1161, or 183.1207 shall be subject to the provisions under this
13 subchapter applicable to liquidations, reorganizations, and business entity
14 formations.

15 SECTION 6. 178.43 (intro.) of the statutes is renumbered 178.43 (1) (intro.)

keep period

16 SECTION 7. 178.43 (2) and (3) of the statutes are created to read:
17 178.43 (2) The registered agent of a registered limited liability partnership or
18 a foreign limited liability partnership may resign as registered agent by executing
19 and filing with the department a written statement that includes all of the following
20 information, as applicable:

- 21 (a) The name of the registered limited liability partnership or foreign
22 registered limited liability partnership for which the registered agent is acting.
- 23 (b) The name of the registered agent.
- 24 (c) If the registered agent is acting for a registered limited liability partnership,
25 the street address of the registered limited liability partnership.

1 (d) If the registered agent is acting for a foreign registered limited liability
2 partnership, the foreign registered limited liability partnership's current registered
3 office and the mailing address of the foreign registered limited liability partnership's
4 current principal office.

5 (e) A statement that the registered agent resigns.

6 (f) If the registered office is also discontinued, a statement to that effect.

7 (3) After the filing of a statement under sub. (2), the department shall mail a
8 copy of the statement to the registered limited liability partnership or foreign
9 registered limited liability partnership at the address provided under sub. (2) (c) or
10 (d).

11 SECTION 8. 178.51 (1) of the statutes is amended to read:

12 178.51 (1) Upon receipt of a document by the department for filing, the
13 department shall stamp or otherwise endorse the date and time of receipt on the
14 original document copy and, upon request, any additional document copy received.
15 The department shall return any additional document copy to the person delivering
16 it, as confirmation of the date and time of receipt.

17 SECTION 9. 179.03 (2) of the statutes is amended to read:

18 179.03 (2) ^{strike} The reservation shall be made by filing with the department an
19 application executed by the applicant to reserve a specified name together with a fee
20 of \$10, ^{or} making a telephone application to reserve a specified name. The fee for a
21 telephone application to reserve a specified name for 60 days is \$20. If the
22 department finds that the name is available for use by a domestic limited
23 partnership or foreign limited partnership, the department shall reserve the name
24 for the exclusive use of the applicant for a period of 60 days. ~~The department shall~~
25 ~~cancel the telephone application to reserve a specified name if the department does~~

~~cancel~~ such larger amount as the department requires by rule, if the
application is filed in paper format. The reservation may be made by

Except as otherwise
provided in this subsection,
the

20582
5-10A

20582
5-10B

20

STET: leave as typed; do not strike

1 not receive the proper fee within 15 business days after the application. Once having
 2 reserved a name, the same applicant may not again reserve the same name until
 3 more than 60 days after the expiration of the last 60 day period for which that
 4 applicant reserved that name. ^{Except as otherwise provided in this subsection, the} The right to the exclusive use of a reserved name may
 5 be transferred to any other person by filing with the department, together with a fee
 6 of \$10, a notice of the transfer executed by the applicant for whom the name was
 7 reserved and specifying the name and address of the transferee.

Strike ~

The department may, by rule, specify a larger fee for filing a notice of transfer in paper format

SECTION 10. 179.04 (1) (b) of the statutes is amended to read:

9 179.04 (1) (b) An agent for service of process on the limited partnership, which
 10 agent must be an individual resident of this state, a domestic corporation, nonstock
 11 corporation, limited partnership, registered limited liability partnership, or limited
 12 liability company, or a foreign corporation, nonstock corporation, limited
 13 partnership, registered limited liability partnership, or limited liability company
 14 authorized to do business in this state, whose business office is identical with the
 15 registered office.

SECTION 11. 179.045 of the statutes is created to read:

17 179.045 Resignation of agent for service of process. (1) An agent for
 18 service of process may resign by executing and filing with the department a
 19 statement, in duplicate, containing all of the following information, as applicable:

- 20 (a) The name of the domestic or foreign limited partnership for which the agent
- 21 is acting.
- 22 (b) The name and current street address of the agent.
- 23 (c) If the agent is acting for a domestic limited partnership, the address of the
- 24 domestic limited partnership's record office.

1 (d) If the agent is acting for a foreign limited partnership, the address of the
2 foreign limited partnership's office in its state of organization.

3 (e) A statement that the agent resigns.

4 (2) The department shall note on one of the duplicates filed under sub. (1) the
5 date of filing and shall mail that duplicate to the limited partnership at the address
6 provided under sub. (1) (c) or (d).

7 (3) A resignation under this section is effective on the earlier of the following:

8 (a) Thirty days after the date on which the statement is filed under sub. (1).

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

10 SECTION 12. Subchapter VIII (title) of chapter 179 [precedes 179.70] of the
11 statutes is amended to read:

12 **CHAPTER 179**

13 **SUBCHAPTER VIII**

14 **DISSOLUTION; CONVERSION; MERGER**

15 SECTION 13. 179.70 of the statutes is created to read:

16 **179.70 Definitions.** In this subchapter:

17 (1) "Business entity" means a domestic business entity and a foreign business
18 entity.

19 (2) "Domestic business entity" ~~includes~~ ^{means} a corporation, as defined in s. 180.0103
20 (5), a limited liability company, as defined in s. 183.0102 (10), a limited partnership,
21 or a corporation, as defined in s. 181.0103 (5).

22 (3) "Foreign business entity" ~~includes~~ ^{means} a foreign limited liability company, as
23 defined in s. 183.0102 (8), a foreign limited partnership, a foreign corporation, as
24 defined in s. 180.0103 (9), or a foreign corporation, as defined in s. 181.0103 (13).

25 SECTION 14. 179.76 of the statutes is created to read:

✓
INSERT
7-9A

✓
INSERT
7-9B

✓
INSERT
7-9C

1 **179.76 Conversion.** (1) A domestic limited partnership may convert to
2 another form of business entity if it satisfies the requirements under this section and
3 if the conversion is permitted under the applicable law of the jurisdiction that
4 governs the organization of the business entity into which the domestic limited
5 partnership is converting.

6 (2) (a) A business entity other than a domestic limited partnership may convert
7 to a domestic limited partnership if it satisfies the requirements under this section
8 and if the conversion is permitted under the applicable law of the jurisdiction that
9 governs the business entity.

10 (b) A business entity converting into a domestic limited partnership shall
11 comply with the procedurcs that govern the submission and approval of a plan of
12 conversion of the jurisdiction that governs the business entity.

13 (3) A plan of conversion shall set forth all of the following:

14 (a) The name, form of business entity, and the identity of the jurisdiction
15 governing the business entity that is to be converted.

16 (b) The name, form of business entity, and the identity of the jurisdiction that
17 will govern the business entity after conversion.

18 (c) The terms and conditions of the conversion.

19 (d) The manner and basis of converting the shares or other ownership interests
20 of the business entity that is to be converted into the shares or other ownership
21 interests of the new form of business entity.

22 (e) The effective date and time of the conversion, if the conversion is to be
23 effective other than at the time of filing the certificate of conversion, as provided
24 under s. 179.11 (2) or otherwise.

1 (f) A copy of the articles of incorporation, articles of organization, certificate of
2 limited partnership, or other similar governing document of the business entity after
3 conversion.

4 (g) Other provisions relating to the conversion, as determined by the business
5 entity.

6 (4) When a conversion is effective, all of the following apply:

7 1. (a) Except with respect to taxation laws of each jurisdiction that are applicable
8 upon the conversion of the business entity, the business entity that is converted is
9 no longer subject to the applicable law of the jurisdiction that governed the
10 organization of the prior form of business entity and is subject to the applicable law
11 of the jurisdiction that governs the new form of business entity. P 2. If the conversion is
12 from or to a business entity, under the laws applicable to which one or more of the
13 owners thereof is liable for the debts and obligations of such business entity, such
14 owner or owners shall be so liable only for debts and obligations accrued during the
15 period or periods in which such laws are applicable.

16 (b) The business entity continues to have all liabilities of the business entity
17 that was converted.

✓ 18 DUS 18
A (c) The business entity continues to be vested with title to all property owned
19 by the business entity that was converted without reversion or impairment.

20 (d) The articles of incorporation, articles of organization, certificate of limited
21 partnership, or other similar governing document, whichever is applicable, of the
22 business entity are as provided in the plan of conversion.

23 (e) All other provisions of the plan of conversion apply.

no # This subdivision does not affect liability under
any taxation laws.

✓
Except as provided under sub (7), after

1 (5) ~~After~~ a plan of conversion is submitted and approved, the business entity
2 that is to be converted shall deliver to the department for filing a certificate of
3 conversion that includes all of the following together with a fee of \$150:

4 (a) The plan of conversion.

5 (b) A statement that the plan of conversion was approved in accordance with
6 the applicable law of the jurisdiction that governs the organization of the business
7 entity.

8 (c) The registered agent and registered office, record agent and record office,
9 or other similar agent and office of the business entity before and after conversion.

10 (6) Any civil, criminal, administrative, or investigatory proceeding that is
11 pending by or against a business entity that is converted may be continued by or
12 against the business entity after the effective date of conversion.

13 SECTION 15. 179.77 of the statutes is created to read:

14 **179.77 Merger.** (1) One or more domestic limited partnerships may merge
15 with or into one or more other business entities if the merger is permitted under the
16 applicable laws of the jurisdiction that governs each other business entity that is a
17 party to the merger and each business entity approves the plan of merger in the
18 manner required by the laws applicable to the business entity.

19 (2) The plan of merger shall set forth all of the following:

20 (a) The name, form of business entity, and identity of the jurisdiction governing
21 each business entity that is a party to the merger and the name, form of business
22 entity, and identity of the jurisdiction of the surviving business entity with, or into,
23 which each other business entity proposes to merge.

24 (b) The manner and basis of converting the interests in each business entity
25 that is a party to the merger into shares, interests obligations, or other securities of

9 (7) The department, by rule, may specify a larger filing fee for filing a
certificate of conversion in paper format. (under sub. (5))

1 the surviving business entity or any other business entity or into cash or other
2 property in whole or in part.

3 (3) The plan of merger may set forth any of the following:

4 (a) Amendments to the certificate of limited partnership or other similar
5 governing document of the surviving business entity.

6 (b) Other provisions relating to the merger.

7 (4) After a merger is authorized, and at any time before the articles of merger
8 are filed with the department, the planned merger may be abandoned, subject to any
9 contractual rights, without further action on the part of the shareholders or other
10 owners, in accordance with the procedure set forth in the plan of merger or, if none
11 is set forth, in the manner determined by the governing body of any business entity
12 that is a party to the merger.

specified
the fee ~~provided~~ under sub. (5m) and

13 (5) After a plan of merger is approved by each business entity that is a party
14 to the merger in the manner required by the laws applicable to each business entity,
15 the surviving business entity shall deliver to the department articles of merger that
16 include all of the following:

17 (a) The plan of merger.

18 (b) A statement that the plan was approved by each business entity that is a
19 party to the merger in the manner required by the laws applicable to each business
20 entity.

21 (c) The effective date and time of the merger, if the merger is to take effect at
22 a time other than the close of business on the date of filing the articles of merger
23 under s. 179.11 (2).

24 (d) Other provisions relating to the merger, as determined by the surviving
25 business entity.

(5m) The fee for filing articles of merger is \$150, except that the department, by rule, may specify a larger fee for filing articles in a non-format

1 (6) A merger has the following effects:

2 (a) Every other business entity that is a party to the merger merges into the
3 surviving business entity, and the separate existence of every business entity, except
4 the surviving business entity, ceases.

5 (b) If the merger is with or into a business entity under the laws applicable to
6 which one or more of the owners of the business entity is liable for the debts and
7 obligations of the business entity, the owner or owners are so liable only for the debts
8 and obligations accrued during the period or periods in which such laws are
9 applicable.

10 (c) The title to all property owned by each business entity that is a party to the
11 merger is vested in the surviving business entity without reversion or impairment.

12 (d) The surviving business entity has all liabilities of each business entity that
13 is party to the merger.

14 (e) A civil, criminal, administrative, or investigatory proceeding pending by or
15 against any business entity that is a party to the merger may be continued as if the
16 merger did not occur, or the surviving business entity may be substituted in the
17 proceeding for the business entity whose existence ceased.

18 (f) The articles of incorporation, articles of organization, certificate of limited
19 partnership, or other similar governing document, whichever is applicable, of the
20 surviving business entity shall be amended to the extent provided in the plan of
21 merger.

22 (g) The shares or other interests of each business entity that is party to the
23 merger that are to be converted into shares, interests, obligations, or other securities
24 of the surviving business entity or any other business entity or into cash or other
25 property are converted, and the former holders of the shares or interests are entitled

1 only to the rights provided in the articles of merger or to their rights under the laws
2 applicable to each business entity that is a party to the merger.

3 (h) If the surviving business entity is a foreign business entity, the department
4 is the agent of the surviving foreign business entity for service of process in a
5 proceeding to enforce any obligation of any business entity that is a party to the
6 merger or the rights of the dissenting members or other owners of each business
7 entity that is a party to the merger.

8 (i) When a merger takes effect, any surviving foreign business entity of the
9 merger shall promptly pay to the dissenting shareholders of each domestic
10 corporation or dissenting owners of each other domestic business entity that is a
11 party to the merger the amount, if any, to which they are entitled under ss. 180.1301
12 to 180.1331 or under any law applicable to the other domestic business entity.

TWS
12-12
12

13 SECTION 16. 179.82 (4) of the statutes is amended to read:

14 179.82 (4) The name and address of an agent for service of process on the
15 foreign limited partnership, who must be an individual resident of this state, a
16 domestic corporation, nonstock corporation, limited partnership, registered limited
17 liability partnership, or limited liability company, or a foreign corporation, nonstock
18 corporation, limited partnership, registered limited liability partnership, or limited
19 liability company ~~having a place of business~~ and authorized to do business in this
20 state, whose business office is identical with the registered office.

TWS
13-20
20

21 SECTION 17. 179.88 of the statutes, as affected by 2001 Wisconsin Act 16, is
22 amended to read:

23 179.88 Substituted service. Service of process on the department under this
24 subchapter shall be made by serving of duplicate copies of the process on the
25 department, together with the fee established under s. 182.01 (4) (c). The

1 department shall mail notice of the service and a copy of the process within 10 days
 2 addressed to the foreign limited partnership at its office in the state of its
 3 organization or its principal office, as appearing on the records of the department
 4 from information supplied under s. 179.82 (6). The time within which the foreign
 limited partnership may answer or move to dismiss under s. 802.06 (2) does not start
 to run until 10 days after the date of the mailing. The department shall keep a record
 of service of process under this section showing the day and hour of service and the
 date of mailing.

10-24-06
14-86

5
 6
 7
 8
 9 **SECTION 18.** 180.0121 (1) (a) 4. of the statutes is created to read:

10 180.0121 (1) (a) 4. An application for a certificate of conversion under s.
 11 180.1161 (5).

DUSS
4-11

12 **SECTION 19.** 180.0122 (1) (yr) of the statutes is created to read:

13 180.0122 (1) (yr) A certificate of conversion, \$150.

14 **SECTION 20.** 180.0125 (1) of the statutes is amended to read:

15 180.0125 (1) Upon receipt of a document by the department for filing, the
 16 department shall stamp or otherwise endorse the date ~~and time~~ of receipt on the
 17 original, the document copy and, upon request, any additional document copy
 18 received. The department shall return any additional document copy to the person
 19 delivering it, as confirmation of the date ~~and time~~ of receipt.

15-13

20 **SECTION 21.** 180.0402 (1) of the statutes is amended to read:

21 180.0402 (1) A person may reserve the exclusive use of a corporate name,
 22 including a fictitious name for a foreign corporation whose corporate name is not
 23 available, by delivering an application to the department for filing or by making a
 24 telephone application. The application shall include the name and address of the
 25 applicant and the name proposed to be reserved. If the department finds that the

1 corporate name applied for under this subsection is available, the department shall
2 reserve the name for the applicant's exclusive use for a 120-day period, which may
3 be renewed by the applicant or a transferee under sub. (2) from time to time. ~~If an~~
4 ~~application to reserve a name or to renew a reserved name is made by telephone, the~~
5 ~~department shall cancel the reservation or renewal if the department does not~~
6 ~~receive the fee required under s. 180.0122 (1) (e) or (f) within 15 business days after~~
7 ~~the application is made.~~

8 **SECTION 22.** 180.0501 (2) and (3) of the statutes are amended to read:

9 180.0501 (2) A domestic corporation, a nonstock corporation, a limited
10 partnership, a registered limited liability partnership, or a limited liability company
11 incorporated, registered, or organized in this state, whose business office is identical
12 with the registered office.

13 (3) A foreign corporation, nonstock corporation, limited partnership,
14 registered limited liability partnership, or limited liability company authorized to
15 transact business in this state whose business office is identical with the registered
16 office.

17 **SECTION 23.** Subchapter XI (title) of chapter 180 [precedes 180.1100] of the
18 statutes is amended to read:

19 **CHAPTER 180**

20 **SUBCHAPTER XI**

21 **MERGER AND, SHARE**

22 **EXCHANGE, AND CONVERSION**

23 **SECTION 24.** 180.1100 of the statutes is created to read:

24 **180.1100 Definitions.** In this subchapter:

1 (1) “Business entity” means a domestic business entity and a foreign business
2 entity.

3 (2) “Domestic business entity” includes a corporation, a limited liability
4 company, as defined in s. 183.0102 (10), a limited partnership, as defined in s. 179.01
5 (7), or a corporation, as defined in s. 181.0103 (5).

6 (3) “Foreign business entity” includes a foreign limited liability company, as
7 defined in s. 183.0102 (8), a foreign limited partnership, as defined in s. 179.01 (4),
8 a foreign corporation, as defined in s. 180.0103 (9), or a foreign corporation, as
9 defined in s. 181.0103 (13).

10 **SECTION 25.** 180.1101 (1) of the statutes is amended to read:

11 180.1101 (1) One or more corporations may merge ~~into another corporation~~
12 with or into one or more other business entities if the board of directors of each
13 corporation, by resolution adopted by each board, approves a plan of merger and, if
14 required by s. 180.1103, its shareholders also approve the plan of merger, and if the
15 merger is permitted under the applicable law of the jurisdiction that governs each
16 other business entity that is a party to the merger and each such business entity
17 approves the plan of merger in the manner required by the laws applicable to the
18 business entity.

19 **SECTION 26.** 180.1101 (2) (a) of the statutes is amended to read:

20 180.1101 (2) (a) ~~The name of each corporation, form of business entity, and~~
21 identity of the jurisdiction governing each business entity planning to merge and the
22 name, form of business entity, and identity of the jurisdiction of the surviving
23 ~~corporation~~ business entity into which each other ~~corporation~~ business entity plans
24 to merge.

25 **SECTION 27.** 180.1101 (2) (c) of the statutes is amended to read:

1 180.1101 (2) (c) The manner and basis of converting the shares of each
2 corporation into shares or other interests in each business entity that is a party to
3 the merger into shares, interests, obligations, or other securities of the surviving
4 corporation business entity or any other corporation business entity or into cash or
5 other property in whole or part.

6 **SECTION 28.** 180.1101 (3) (a) of the statutes is amended to read:

7 180.1101 (3) (a) Amendments to the articles of incorporation or other similar
8 governing document of the surviving ~~corporation~~ business entity.

9 **SECTION 29.** 180.1102 (1) of the statutes is amended to read:

10 180.1102 (1) A corporation may acquire all of the outstanding shares of one or
11 more classes or series of another ~~corporation~~ business entity if the board of directors
12 of each corporation, by resolution adopted by each board, approves a plan of share
13 exchange and, if required by s. 180.1103, its shareholders also approve the plan of
14 share exchange, and if the share exchange is permitted under the applicable law of
15 the jurisdiction that governs the other business entity and the other business entity
16 approves the plan of share exchange in the manner required by the laws of the
17 jurisdiction that governs the other business entity.

18 **SECTION 30.** 180.1102 (2) (a) of the statutes is amended to read:

19 180.1102 (2) (a) The name ~~of the corporation,~~ form of business entity, and
20 identity of the jurisdiction governing the business entity whose shares will be
21 acquired and the name of the acquiring ~~corporation~~ business entity.

22 **SECTION 31.** 180.1102 (2) (c) of the statutes is amended to read:

23 180.1102 (2) (c) The manner and basis of exchanging the shares or other
24 ownership interests to be acquired for shares, obligations or other securities of the

1 acquiring or any other ~~corporation~~ business or for cash or other property in whole or
2 part.

3 **SECTION 32.** 180.1103 (6) of the statutes is amended to read:

4 **180.1103 (6) MERGER OR SHARE EXCHANGE ABANDONED.** After a merger or share
5 exchange is authorized, and at any time before articles of merger or share exchange
6 are filed, the planned merger or share exchange may be abandoned, subject to any
7 contractual rights, without further ~~shareholder~~ action on the part of shareholders or
8 other owners, in accordance with the procedure set forth in the plan of merger or
9 share exchange or, if none is set forth, in the manner determined by the board of
10 directors or other similar governing body of any other business entity that is a party
11 to the merger.

12 **SECTION 33.** 180.1104 (title) of the statutes is amended to read:

13 **180.1104 (title) Merger of subsidiary or parent.**

14 **SECTION 34.** 180.1104 (1) of the statutes is amended to read:

15 **180.1104 (1)** A parent corporation owning at least 90% of the outstanding
16 shares of each class of a subsidiary corporation or at least 90% of the outstanding
17 interests of each class of any other subsidiary business entity may merge the
18 subsidiary into ~~itself~~ the parent or the parent into the subsidiary without approval
19 of the shareholders of the parent or the shareholders or other owners of the
20 subsidiary.

21 **SECTION 35.** 180.1104 (2) (b) of the statutes is amended to read:

22 **180.1104 (2) (b)** The manner and basis of converting the shares or other
23 interests of the subsidiary or parent into shares, interests, obligations, or other
24 securities of the ~~parent~~ surviving business entity or any other ~~corporation~~ business
25 entity or into cash or other property in whole or part.

1 **SECTION 36.** 180.1104 (3) of the statutes is amended to read:

2 180.1104 (3) The parent shall mail a copy or summary of the plan of merger to
3 each shareholder or other owner of the subsidiary merging business entity who does
4 not waive the mailing requirement in writing.

5 **SECTION 37.** 180.1104 (4) of the statutes is amended to read:

6 180.1104 (4) The parent may not deliver articles of merger to the department
7 for filing until at least ~~30~~ 10 days after the date on which it mailed a copy of the plan
8 of merger to each shareholder or other owner of the subsidiary merging business
9 entity who did not waive the mailing requirement.

10 **SECTION 38.** 180.1104 (5) of the statutes is amended to read:

11 180.1104 (5) Articles of merger under this section may not contain
12 amendments to the articles of incorporation of the ~~parent corporation~~ surviving
13 business entity, except for amendments enumerated in s. 180.1002 or otherwise not
14 requiring the approval of the shareholders or other owners of the entity.

15 **SECTION 39.** 180.1105 (1) (intro.) of the statutes is amended to read:

16 180.1105 (1) (intro.) Except as provided in s. 180.1104 (4), after a plan of merger
17 or share exchange is approved by the shareholders of the corporation, or adopted by
18 the board of directors if shareholder approval is not required, and by each other
19 business entity that is a party to the merger in the manner required by the laws
20 applicable to the business entity, the surviving or acquiring ~~corporation~~ business
21 entity shall deliver to the department for filing articles of merger or share exchange
22 setting forth all of the following:

23 **SECTION 40.** 180.1105 (1) (b) of the statutes is amended to read:

24 180.1105 (1) (b) A statement that the plan was approved by each domestic
25 corporation that is a party to the merger in accordance with s. 180.1103 or 180.1104,

1 whichever is applicable, and by each other business entity that is a party to the
2 merger in the manner required by the laws applicable to the business entity.

3 SECTION 41. 180.1105 (1) (c) of the statutes is created to read:

4 180.1105 (1) (c) The effective date and time of the merger or share exchange,
5 if the merger or share exchange is to take effect at a time other than the close of
6 business on the date of filing the articles of merger, as provided under s. 180.0123.

7 SECTION 42. 180.1105 (1) (d) of the statutes is created to read:

8 180.1105 (1) (d) Other provisions relating to the merger, as determined by the
9 surviving business entity.

10 SECTION 43. 180.1106 (1) (a) of the statutes is amended to read:

11 180.1106 (1) (a) Every other ~~corporation~~ business entity that is party to the
12 merger merges into the surviving ~~corporation~~ business entity, and the separate
13 existence of every ~~corporation~~ business entity that is a party to the merger, except
14 the surviving ~~corporation~~ business entity, ceases.

15 SECTION 44. 180.1106 (1) (am) of the statutes is created to read:

16 180.1106 (1) (am) If the merger is with or into a business entity under the laws
17 applicable to which one or more of the owners of the business entity is liable for the
18 debts and obligations of the business entity, the owner or owners are so liable only
19 for the debts and obligations accrued during the period or periods in which such laws
20 are applicable. *(This paragraph does not affect liability under any taxation laws.)*

21 ✓ SECTION 45. 180.1106 (1) (b) of the statutes is amended to read:

22 *PARAGRAPH B*
23 entity that is party to the merger is vested in the surviving ~~corporation~~ business
24 entity without reversion or impairment.

25 SECTION 46. 180.1106 (1) (c) of the statutes is amended to read:

1 180.1106 (1) (c) The surviving ~~corporation~~ business entity has all liabilities of
2 each ~~corporation~~ business entity that is party to the merger.

3 **SECTION 47.** 180.1106 (1) (d) of the statutes is amended to read:

4 180.1106 (1) (d) A civil, criminal, administrative, or investigatory proceeding
5 pending by or against any corporation business entity that is a party to the merger
6 may be continued as if the merger did not occur, or the surviving ~~corporation~~ business
7 entity may be substituted in the proceeding for the ~~corporation~~ business entity whose
8 existence ceased.

9 **SECTION 48.** 180.1106 (1) (e) of the statutes is repealed and recreated to read:

10 180.1106 (1) (e) The articles of incorporation, articles of organization,
11 certificate of limited partnership, or other similar governing document, whichever
12 is applicable, of the surviving business entity shall be amended to the extent
13 provided in the plan of merger.

14 **SECTION 49.** 180.1106 (1) (f) of the statutes is amended to read:

15 180.1106 (1) (f) The shares or other interests of each ~~corporation~~ business
16 entity that is party to the merger that are to be converted into shares, interests,
17 obligations, or other securities of the surviving ~~corporation~~ business entity or any
18 other ~~corporation~~ business entity or into cash or other property are converted, and
19 the former holders of the shares or interests are entitled only to the rights provided
20 in the articles of merger or to their rights under ss. 180.1301 to 180.1331 or otherwise
21 under the laws applicable to each business entity that is party to the merger.

22 **SECTION 50.** 180.1106 (3) of the statutes is created to read:

23 180.1106 (3) (a) When a merger or share exchange under this section takes
24 effect, the department is the agent of any surviving foreign business entity of a
25 merger or any acquiring foreign business entity in a share exchange, for service of

1 process in a proceeding to enforce any obligation or the rights of dissenting
2 shareholders or other owners of each domestic business entity that is a party to the
3 merger or share exchange.

4 (b) When a merger or share exchange under this section takes effect, any
5 surviving foreign business entity of a merger or any acquiring foreign business entity
6 in a share exchange shall promptly pay to the dissenting shareholders of each
7 domestic corporation or dissenting owners of each other domestic business entity
8 that is a party to the merger or share exchange the amount, if any, to which they are
9 entitled under ss. 180.1301 to 180.1331 or under any law applicable to such other
10 domestic business entity.

11 **SECTION 51.** 180.1107 of the statutes is repealed.

12 **SECTION 52.** 180.1150 (3) (e) of the statutes is amended to read:

13 180.1150 (3) (e) Shares acquired under s. 180.1101, 180.1102, or 180.1104 ~~or~~
14 ~~180.1107~~ if the resident domestic corporation is a party to the merger or share
15 exchange.

16 **SECTION 53.** 180.1161 of the statutes is created to read:

17 **180.1161 Conversion.** (1) (a) A domestic corporation may convert to another
18 form of business entity if it satisfies the requirements under this section and if the
19 conversion is permitted under the applicable law of the jurisdiction that governs the
20 organization of the business entity into which the domestic corporation is converting.

21 (b) In addition to satisfying any applicable legal requirements of the
22 jurisdiction that governs the organization of the business entity into which the
23 domestic corporation is converting and that relate to the submission and approval
24 of a plan of conversion, the domestic corporation shall comply with the procedures

1 that govern a plan of merger under s. 180.1103 for the submission and approval of
2 a plan of conversion.

3 (2) (a) A business entity other than a domestic corporation may convert to a
4 domestic corporation if it satisfies the requirements under this section and if the
5 conversion is permitted under the applicable law of the jurisdiction that governs the
6 business entity.

7 (b) A business entity converting into a domestic corporation shall comply with
8 the procedures that govern the submission and approval of a plan of conversion of
9 the jurisdiction that governs the business entity.

10 (3) A plan of conversion shall set forth all of the following:

11 (a) The name, form of business entity, and the identity of the jurisdiction
12 governing the business entity that is to be converted.

13 (b) The name, form of business entity, and the identity of the jurisdiction that
14 will govern the business entity after conversion.

15 (c) The terms and conditions of the conversion.

16 (d) The manner and basis of converting the shares or other ownership interests
17 of the business entity that is to be converted into the shares or other ownership
18 interests of the new form of business entity.

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 of
21 conversion, as provided under s. 180.0123.

22 (f) A copy of the articles of incorporation, articles of organization, certificate of
23 limited partnership, or other similar governing document of the business entity after
24 conversion.

1 (g) Other provisions relating to the conversion, as determined by the business
2 entity.

3 (4) When a conversion is effective, all of the following shall occur:

4 ^{1.} (a) Except with respect to taxation laws of each jurisdiction that are applicable
5 upon the conversion of the business entity, the business entity that was converted
6 is no longer subject to the applicable law of the jurisdiction that governed the
7 organization of the prior form of business entity and is subject to the applicable law
8 of the jurisdiction that governs the new form of business entity. ^{2.} If the conversion
9 is from or to a business entity under the laws applicable to which one or more of the
10 owners thereof is liable for the debts and obligations of such business entity, such
11 owner or owners shall be so liable only for debts and obligations accrued during the
12 period or periods in which such laws are applicable.

This subdivision does not affect liability under any taxation laws.

13 (b) The business entity continues to have all liabilities of the business entity
14 that was converted.

15 Docket A

15 (c) The business entity continues to be vested with title to all property owned
16 by the business entity that was converted without 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, of the
19 business entity are as provided in the plan of conversion.

20 (e) All other provisions of the plan of conversion apply.

21 (5) After a plan of conversion is submitted and approved, the business entity
22 that is to be converted shall deliver to the department for filing a certificate of
23 conversion that includes all of the following:

24 (a) The plan of conversion.

1 (b) A statement that the plan of conversion was approved in accordance with
2 the applicable law of the jurisdiction that governs the organization of the business
3 entity.

4 (c) The registered agent and registered office, record agent and record office,
5 or other similar agent and office of the business entity before and after conversion.

6 (6) Any civil, criminal, administrative, or investigatory proceeding that is
7 pending by or against a business entity that is converted may be continued by or
8 against the business entity after the effective date of conversion.

9 **SECTION 54.** 180.1302 (1) (cm) of the statutes is created to read:

10 180.1302 (1) (cm) Consumation of a plan of conversion.

11 **SECTION 55.** 180.1421 (1) and (2) of the statutes are amended to read:

12 180.1421 (1) If the department determines that one or more grounds exist
13 under s. 180.1420 for dissolving a corporation, the department shall ~~serve~~ give the
14 corporation under s. 180.0504 ~~with written~~ 180.0141 notice of the determination.
15 Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall be in writing and
16 addressed to the registered office of the corporation.

17 (2) (a) Within 60 days after ~~service of the notice is perfected~~ takes effect under
18 s. 180.0504 180.0141 (5) (a), the corporation shall correct each ground for dissolution
19 or demonstrate to the reasonable satisfaction of the department that each ground
20 determined by the department does not exist.

21 (b) If the corporation fails to satisfy par. (a), the department shall
22 administratively dissolve the corporation ~~by issuing a certificate of dissolution that~~
23 ~~recites each ground for dissolution and its effective date.~~ The department shall file
24 ~~the original of the certificate and serve a copy on the corporation under s. 180.0504~~
25 enter a notation in its records to reflect each ground for dissolution and the effective

1 date of dissolution and shall give the corporation under s. 180.0141 notice of those
2 facts. Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall be in writing
3 and addressed to the registered office of the corporation.

4 **SECTION 56.** 180.1421 (2m) of the statutes is created to read:

5 180.1421 (2m) (a) If a notice under sub. (1) or (2) (b) is returned to the
6 department as undeliverable, the department shall again give notice to the
7 corporation under s. 180.0141. Notwithstanding s. 180.0141 (2) (b), (3), and (4) and
8 except as provided under par. (b), the notice under this paragraph shall be in writing
9 and addressed to the principal office of the corporation.

10 (b) If the notice under par. (a) is returned to the department as undeliverable
11 or if the corporation's principal office cannot be determined from the records of the
12 department, the department shall give the notice by publishing a class 2 notice under
13 ch. 985 in the official state newspaper.

14 **SECTION 57.** 180.1504 (1) (intro.) and (b) of the statutes are amended to read:

15 180.1504 (1) (intro.) A foreign corporation authorized to transact business in
16 this state shall obtain an amended certificate of authority from the department if it
17 the foreign corporation changes any of the following:

18 (b) The Its date of incorporation or the period of its duration.

19 **SECTION 58.** 180.1507 (2) of the statutes is amended to read:

20 180.1507 (2) A domestic corporation, a nonstock corporation, a limited
21 partnership, a registered limited liability partnership, or a limited liability company
22 incorporated, registered, or organized in this state, whose business office is identical
23 with the registered office.

24 **SECTION 59.** 180.1507 (3) of the statutes is amended to read:

1 180.1507 (3) A foreign corporation, nonstock corporation, limited partnership,
2 registered limited liability partnership, or limited liability company authorized to
3 transact business in this state, whose business office is identical with the registered
4 office.

5 **SECTION 60.** 180.1530 (1m) and (2) of the statutes are amended to read:

6 180.1530 (1m) If the department receives a certificate under sub. (1) (f) and a
7 statement by the foreign corporation that the certificate is submitted by the foreign
8 corporation to terminate its authority to transact business in this state, the
9 department shall ~~issue a certificate of revocation~~ revoke the foreign corporation's
10 certificate of authority under s. 180.1531 (2) (b).

11 (2) A court may revoke under s. 946.87 the certificate of authority of a foreign
12 corporation authorized to transact business in this state. The court shall notify the
13 department of the action, and the department shall ~~issue a certificate of revocation~~
14 revoke the foreign corporation's certificate of authority under s. 180.1531 (2) (b).

15 **SECTION 61.** 180.1531 (1) and (2) (a) and (b) of the statutes are amended to read:

16 180.1531 (1) If the department determines that one or more grounds exist
17 under s. 180.1530 (1) for revocation of a certificate of authority, the department shall
18 ~~serve~~ give the foreign corporation under s. ~~180.1510~~ with written 180.0141 notice of
19 the determination. Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall
20 be in writing and addressed to the registered office of the foreign corporation.

21 (2) (a) Within 60 days after ~~service of the notice is perfected~~ takes effect under
22 s. ~~180.1510~~ 180.0141 (5) (a), the foreign corporation shall correct each ground for
23 revocation or demonstrate to the reasonable satisfaction of the department that each
24 ground determined by the department does not exist.

1 (b) If the foreign corporation fails to satisfy par. (a), the department may revoke
2 the foreign corporation's certificate of authority by ~~issuing a certificate of revocation~~
3 ~~that recites entering a notation in the department's records to reflect~~ each ground for
4 revocation and ~~its~~ the effective date of the revocation. The department shall ~~file the~~
5 ~~original of the certificate and serve a copy on~~ give the foreign corporation under s.
6 ~~180.1510~~ 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 notice shall be in
8 writing and addressed to the registered office of the foreign corporation.

9 SECTION 62. 180.1531 (2m) of the statutes is created 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 as provided under par. (b), the notice under this paragraph shall be in writing
14 and addressed to the principal office of the foreign corporation.

15 (b) If the notice under par. (a) is returned to the department as undeliverable
16 or if the corporation's principal office cannot be determined from the records of the
17 department, the department shall give the notice by publishing a class 2 notice under
18 ch. 985 in the official state newspaper.

19 SECTION 63. 180.1532 (1) of the statutes is amended to read:

20 180.1532 (1) A foreign corporation may appeal the department's revocation of
21 its certificate of authority under s. 180.1530 (1) to the circuit court for the county
22 where the foreign corporation's principal office or, if none in this state, its registered
23 office is located, within 30 days after ~~service of the certificate~~ the notice of revocation
24 ~~is perfected~~ takes effect under s. ~~180.1510~~ 180.0141 (5) (a). The foreign corporation
25 shall appeal by petitioning the court to set aside the revocation and attaching to the

Insert
29-2

1 petition copies of its certificate of authority and the department's certificate notice
2 of revocation.

3 SECTION 64. 181.0121 (1) (a) 4. of the statutes is created to read:

Insert
29-5

4 181.0121 (1) (a) 4. An application for a certificate of conversion under s.
5 181.1161 (5).

6 SECTION 65. 181.0122 (1) (yr) of the statutes is created to read:

Insert
29-7

7 181.0122 (1) (yr) A certificate of conversion, \$150.

8 SECTION 66. 181.0402 (1) of the statutes is amended to read:

9 181.0402 (1) RESERVATION OF NAMES. A person may reserve the exclusive use
10 of a corporate name, including a fictitious name for a foreign corporation whose
11 corporate name is not available, by delivering an application to the department for
12 filing or by making a telephone application. The application shall include the name
13 and address of the applicant and the name proposed to be reserved. If the
14 department finds that the corporate name applied for under this subsection is
15 available, the department shall reserve the name for the applicant's exclusive use for
16 a 120-day period, which may be renewed by the applicant or a transferee under sub.
17 (2) from time to time. ~~If an application to reserve a name or to renew a reserved name~~
18 ~~is made by telephone, the department shall cancel the reservation or renewal if the~~
19 ~~department does not receive the fee required under s. 181.0122 (1) (e) or (f) within~~
20 ~~15 business days after the application is made.~~

21 SECTION 67. 181.0501 (2) of the statutes is amended to read:

22 181.0501 (2) DOMESTIC ENTITIES. A domestic corporation, stock corporation,
23 limited partnership, registered limited liability partnership, or limited liability
24 company, incorporated, registered, or organized in this state, whose business office
25 is identical with the registered office.

1 **SECTION 68.** 181.0501 (3) of the statutes is amended to read:

2 181.0501 (3) **FOREIGN ENTITIES.** A foreign corporation, stock corporation,
3 limited partnership, registered limited liability partnership, or limited liability
4 company, authorized to transact business in this state, whose business office is
5 identical with the registered office.

6 **SECTION 69.** Subchapter XI (title) of chapter 181 [precedes 181.1100] of the
7 statutes is amended to read:

8 **CHAPTER 181**

9 **SUBCHAPTER XI**

10 **MERGER; CONVERSION**

11 **SECTION 70.** 181.1100 of the statutes is created to read:

12 **181.1100 Definitions.** In this subchapter:

13 (1) “Business entity” means a domestic business entity and a foreign business
14 entity.

15 (2) “Domestic business entity” includes a corporation, as defined in s. 180.0103
16 (5), a limited liability company, as defined in s. 183.0102 (10), a limited partnership,
17 as defined in s. 179.01 (7), or a corporation, as defined in s. 181.0103 (5).

18 (3) “Foreign business entity” includes a foreign limited liability company, as
19 defined in s. 183.0102 (8), a foreign limited partnership, as defined in s. 179.01 (4),
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 71.** 181.1101 (1) of the statutes is amended to read:

23 181.1101 (1) **IN GENERAL.** One or more corporations may merge ~~into a~~
24 corporation or a stock corporation, with or into one or more other business entities
25 if the plan of merger is approved as provided in s. 181.1103 and if the merger is

1 permitted under the applicable law of the jurisdiction that governs each other
2 business entity that is a party to the merger and each business entity approves the
3 plan of merger in the manner required by the laws applicable to the business entity.

4 **SECTION 72.** 181.1101 (2) (a) of the statutes is amended to read:

5 181.1101 (2) (a) The name of each corporation, form of business entity, and
6 identity of the jurisdiction governing each business entity planning to merge and the
7 name, form of business entity, and identity of the jurisdiction of the surviving
8 corporation business entity into which each other corporation business entity plans
9 to merge.

10 **SECTION 73.** 181.1101 (2) (d) of the statutes is amended to read:

11 181.1101 (2) (d) The manner and basis, if any, of converting memberships of
12 each merging corporation into memberships, obligations or the shares or other
13 interests in each business entity that is a party to the merger into shares, interests,
14 obligations, or other securities of the surviving business entity or any other
15 corporation business entity or into cash or other property in whole or part.

16 **SECTION 74.** 181.1101 (3) (a) of the statutes is amended to read:

17 181.1101 (3) (a) If the surviving corporation is a domestic corporation,
18 amendments Amendments to the articles of incorporation or bylaws other similar
19 governing document of the surviving corporation to be effected by the planned
20 merger business entity.

21 **SECTION 75.** 181.1103 (6) of the statutes is amended to read:

22 181.1103 (6) ABANDONMENT OF PLANNED MERGER. After a merger is adopted, and
23 at any time before articles of merger are filed, the planned merger may be
24 abandoned, subject to any contractual rights, without further action by members or
25 other persons who approved the plan, in accordance with the procedure set forth in

1 the plan of merger or, if none is set forth, in the manner determined by the board or
2 other similar governing body of any other business entity that is a party to the
3 merger.

4 **SECTION 76.** 181.1104 (title) of the statutes is amended to read:

5 **181.1104 (title) Merger of subsidiary or parent.**

6 **SECTION 77.** 181.1104 (1) of the statutes is amended to read:

7 181.1104 (1) MEMBER APPROVAL NOT REQUIRED. A parent corporation that is a
8 member with at least 90% of the voting rights in a subsidiary corporation may merge
9 the subsidiary into ~~itself~~ the parent or the parent into the subsidiary without
10 approval of the members of the parent or the members or other owners of the
11 subsidiary.

12 **SECTION 78.** 181.1104 (2) (b) of the statutes is amended to read:

13 181.1104 (2) (b) The manner and basis of converting the memberships of the
14 subsidiary or parent into memberships or other interests of the parent surviving
15 business entity or any other ~~corporation~~ business entity or into cash or other
16 property in whole or part.

17 **SECTION 79.** 181.1104 (3) of the statutes is amended to read:

18 181.1104 (3) NOTICE REQUIREMENT. The parent shall mail a copy or summary
19 of the plan of merger to each member or other owner of the subsidiary merging
20 business entity who does not waive the mailing requirement in writing.

21 **SECTION 80.** 181.1104 (4) of the statutes is amended to read:

22 181.1104 (4) FILING WITH DEPARTMENT. The parent may not deliver articles of
23 merger to the department for filing until at least ~~30~~ 10 days after the date on which
24 it mailed a copy of the plan of merger to each member or other owner of the ~~subsidiary~~
25 merging business entity who did not waive the mailing requirement.

1 **SECTION 81.** 181.1105 (intro.) of the statutes is amended to read:

2 **181.1105 Articles of merger.** (intro.) After a plan of merger is approved by
3 the board, and, if required under s. 181.1103, by the members and any other persons,
4 and by each other business entity that is a party to the merger in the manner
5 required by the laws applicable to the business entity, the surviving or acquiring
6 ~~corporation~~ business entity shall deliver to the department for filing articles of
7 merger that include all of the following information:

8 **SECTION 82.** 181.1105 (2) of the statutes is amended to read:

9 **181.1105 (2) IF MEMBER APPROVAL NOT REQUIRED.** If approval of members was
10 not required, a statement to that effect and a statement that the plan was approved
11 by a sufficient vote of the board and by each other business entity that is a party to
12 the merger in the manner required by the laws applicable to the business entity.

13 **SECTION 83.** 181.1105 (3) (c) of the statutes is created to read:

14 **181.1105 (3) (c)** A statement that the plan was approved by each other business
15 entity that is a party to the merger in the manner required by the laws applicable
16 to the business entity.

17 **SECTION 84.** 181.1105 (5) of the statutes is created to read:

18 **181.1105 (5) EFFECTIVE DATE AND TIME.** The effective date and time of the
19 merger, if the merger ~~takes~~ ^{is to take} effect at a time other than the close of business on the
20 date of filing the articles of merger, as provided under s. 181.0123.

21 **SECTION 85.** 181.1105 (6) of the statutes is created to read:

22 **181.1105 (6) OTHER MATTERS.** ~~Any~~ any other provisions relating to the merger, as
23 determined by the surviving business entity.

24 **SECTION 86.** 181.1106 (1) of the statutes is amended to read:

SECTION 86

1 181.1106 (1) TERMINATION OF SEPARATE EXISTENCE. Every other ~~corporation~~
2 business entity that is a party to the merger merges into the surviving corporation
3 business entity, and the separate existence of every ~~corporation~~ business entity,
4 except the surviving ~~corporation~~ business entity, ceases.

5 **SECTION 87.** 181.1106 (1m) of the statutes is created to read:

6 181.1106 (1m) DEBTS AND OBLIGATIONS. If the merger is with or into a business
7 entity under the laws applicable to which one or more of the owners of the business
8 entity is liable for the debts and obligations of the business entity, the owner or
9 owners are so liable only for the debts and obligations accrued during the period or
10 periods in which such laws are applicable.

This subsection does not affect liability under any taxation laws.

11 **SECTION 88.** 181.1106 (2) of the statutes is amended to read:

12 181.1106 (2) TITLE TO PROPERTY. The title to all real estate and other property
13 owned by each ~~corporation~~ business entity that is a party to the merger is vested in
14 the surviving corporation business entity without reversion or impairment subject
15 to any conditions to which the property was subject before the merger.

13
14
Insert B

16 **SECTION 89.** 181.1106 (3) of the statutes is repealed and recreated to read:

17 181.1106 (3) LIABILITIES. The surviving business entity has all liabilities of
18 each business entity that is a party to the merger.

19 **SECTION 90.** 181.1106 (4) of the statutes is amended to read:

20 181.1106 (4) PENDING PROCEEDINGS. A civil, criminal, administrative, or
21 investigatory proceeding pending by or against any corporation business entity that
22 is a party to the merger may be continued as if the merger did not occur, or the
23 surviving corporation business entity may be substituted in the proceeding for the
24 corporation business entity whose existence ceased.

25 **SECTION 91.** 181.1106 (5) of the statutes is repealed and recreated to read:

1 181.1106 (5) ARTICLES OF INCORPORATION OR OTHER SIMILAR GOVERNING DOCUMENT.

2 The articles of incorporation, articles of organization, certificate of limited
3 partnership, or other similar governing document shall be amended to the extent
4 provided in the plan of merger.

5 **SECTION 92.** 181.1106 (6) of the statutes is created to read:

6 181.1106 (6) OWNERSHIP INTERESTS. The shares or other interests of each
7 business entity that is party to the merger that are to be converted into shares,
8 interests, obligations, or other securities of the surviving business entity or any other
9 business entity or into cash or other property are converted, and the former holders
10 of the shares or interests are entitled only to the rights provided in the articles of
11 merger or under laws applicable to each business entity that is party to the merger.

12 **SECTION 93.** 181.1107 (2) of the statutes is amended to read:

13 181.1107 (2) EFFECT OF MERGER. Upon the merger taking effect, the any
14 surviving foreign corporation or foreign stock corporation business entity is deemed
15 to have irrevocably appointed the department as its agent for service of process in
16 any proceeding brought against it.

17 **SECTION 94.** 181.1108 of the statutes is amended to read:

18 **181.1108 Bequests, devises, and gifts.** Any bequest, devise, gift, grant, or
19 promise contained in a will or other instrument of donation, subscription, or
20 conveyance, that is made to a constituent corporation business entity and that takes
21 effect or remains payable after the merger, inures to the surviving corporation
22 business entity unless the will or other instrument otherwise specifically provides.

23 **SECTION 95.** 181.1161 of the statutes is created to read:

24 **181.1161 Conversion.** (1) (a) A domestic corporation may convert to another
25 form of business entity if it satisfies the requirements under this section and if the

1 conversion is permitted under the applicable law of the jurisdiction that governs the
2 organization of the business entity into which the domestic corporation is converting.

3 (b) In addition to satisfying any applicable legal requirements of the
4 jurisdiction that governs the organization of the business entity into which the
5 domestic corporation is converting and that relate to the submission and approval
6 of a plan of conversion, the domestic corporation shall comply with the procedures
7 that govern a plan of merger under s. 181.1103 for the submission and approval of
8 a plan of conversion.

9 (2) (a) A business entity other than a domestic corporation may convert to a
10 domestic corporation if it satisfies the requirements under this section and if the
11 conversion is permitted under the applicable law of the jurisdiction that governs the
12 business entity.

13 (b) A business entity converting into a domestic corporation shall comply with
14 the procedures that govern the submission and approval of a plan of conversion of
15 the jurisdiction that governs the business entity.

16 (3) A plan of conversion shall set forth all of the following:

17 (a) The name, form of business entity, and the identity of the jurisdiction
18 governing the business entity that is to be converted.

19 (b) The name, form of business entity, and the identity of the jurisdiction that
20 will govern the new business entity.

21 (c) The terms and conditions of the conversion.

22 (d) The manner and basis of converting the shares or other ownership interests
23 of the business entity that is to be converted into the shares or other ownership
24 interests of the new form of business entity.

1 (e) The effective date and time of the conversion, if the conversion is to be
2 effective other than at the close of business on the date of filing the certificate of
3 conversion, as provided under s. 181.0123.

4 (f) A copy of the articles of incorporation, articles of organization, certificate of
5 limited partnership, or other similar governing document of the business entity after
6 conversion.

7 (g) Other provisions relating to the conversion, as determined by the business
8 entity.

9 (4) When a conversion is effective, all of the following shall occur:

10 1. (a) Except with respect to taxation laws of each jurisdiction that are applicable
11 upon the conversion of the business entity, the business entity that was converted
12 is no longer subject to the applicable law of the jurisdiction that governed the
13 organization of the prior form of business entity and is subject to the applicable law
14 of the jurisdiction that governs the new form of business entity. (IP 2. If the conversion is
15 from or to a business entity under the laws applicable to which one or more of the
16 owners thereof is liable for the debts and obligations of such business entity, such
17 owner or owners shall be so liable only for debts and obligations accrued during the
18 period or periods in which such laws are applicable. (This subdivision does not affect
19 liability under any taxation laws.)

20 (b) The business entity continues to have all liabilities of the business entity
21 that was converted.

22 (c) The business entity continues to be vested with title to all property owned
23 by the business entity that was converted without reversion or impairment.

24 (d) The articles of incorporation, articles of organization, certificate of limited
25 partnership, or other similar governing document, whichever is applicable, of the
business entity are as provided in the plan of conversion.

21
DUSSET A

1 (e) All other provisions of the plan of conversion apply.

2 (5) After a plan of conversion is submitted and approved, the business entity
3 that is to be converted shall deliver to the department for filing a certificate of
4 conversion that includes all of the following:

5 (a) The plan of conversion.

6 (b) A statement that the plan of conversion was approved in accordance with
7 the applicable law of the jurisdiction that governs the organization of the business
8 entity.

9 (c) The registered agent and registered office, the record agent and record
10 office, or other similar agent and office of the business entity before and after
11 conversion.

12 (6) Any civil, criminal, administrative, or investigatory proceeding that is
13 pending by or against a business entity that is converted may be continued by or
14 against the business entity after the effective date of conversion.

15 **SECTION 96.** 181.1403 (1) (e) of the statutes is repealed and recreated to read:

16 181.1403 (1) (e) If approval by members is required, a statement that
17 dissolution was approved by a sufficient vote of the members of each class entitled
18 to vote on dissolution.

19 **SECTION 97.** 181.1421 (1) of the statutes is amended to read:

20 181.1421 (1) NOTICE OF DETERMINATION. If the department determines that one
21 or more grounds exist under s. 181.1420 for dissolving a corporation, the department
22 shall give the corporation written notice of the department's determination by
23 ~~certified~~ first-class mail, return receipt requested, addressed to the corporation's
24 registered agent and to the corporation's principal office, as most recently designated
25 on the records of the department.

1 **SECTION 98.** 181.1421 (2) of the statutes is repealed and recreated to read:

2 181.1421 (2) **SECONDARY NOTICES.** (a) If a notice under sub. (1) is returned to
3 the department as undeliverable, the department shall again give the corporation
4 notice by first-class mail, addressed to the principal office of the corporation, as most
5 recently designated in the records of the department.

6 (b) If the notice under par. (a) is returned to the department as undeliverable
7 or if the corporation's principal office cannot be determined from the records of the
8 department, the department shall give the notice by publishing a class 2 notice under
9 ch. 985 in the official state newspaper.

10 **SECTION 99.** 181.1421 (4) (b) of the statutes is amended to read:

11 181.1421 (4) (b) If the corporation fails to satisfy par. (a), the department shall
12 administratively dissolve the corporation ~~by issuing a certificate of dissolution that~~
13 ~~recites each ground for dissolution and its effective date.~~ The department shall file
14 ~~the original of the certificate and shall provide notice to~~ enter a notation in the
15 department's records to reflect each ground for dissolution and the effective date of
16 dissolution and shall give the corporation of the certificate notice of those facts in the
17 same manner as a notice of determination under subs. (1) and (2).

18 **SECTION 100.** 181.1422 (2) (a) (intro.) of the statutes is amended to read:

19 181.1422 (2) (a) (intro.) The department shall cancel the ~~certificate~~ notice of
20 dissolution and issue a certificate of reinstatement that complies with par. (b) if the
21 department determines all of the following:

22 **SECTION 101.** 181.1423 (2) of the statutes is amended to read:

23 181.1423 (2) **TIME FOR APPEAL OF DENIAL.** The corporation may appeal the denial
24 of reinstatement to the circuit court for the county where the corporation's principal
25 office or, if none in this state, its registered office is located, within 30 days after

1 service of the notice of denial is perfected. 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~~ notice of dissolution, the corporation's application for
4 reinstatement, and the department's notice of denial.

5 SECTION 102. 181.1504 (1) (b) of the statutes is amended to read:

6 181.1504 (1) (b) ~~The~~ Its date of incorporation or the period of its duration.

7 SECTION 103. 181.1507 (2) of the statutes is amended to read:

8 181.1507 (2) DOMESTIC ENTITIES. A domestic corporation, stock corporation,
9 limited partnership, registered limited liability partnership, or limited liability
10 company, incorporated, registered, or organized in this state, whose business office
11 is identical with the registered office.

12 SECTION 104. 181.1507 (3) of the statutes is amended to read:

13 181.1507 (3) FOREIGN ENTITIES. A foreign corporation, stock corporation,
14 limited partnership, registered limited liability partnership, or limited liability
15 company, authorized to transact business in this state, whose business office is
16 identical with the registered office.

17 SECTION 105. 181.1531 (1) of the statutes is amended to read:

18 181.1531 (1) NOTICE OF PROCEEDING BY DEPARTMENT. If the department
19 determines that one or more grounds exist under s. 181.1530 (1) for revocation of a
20 certificate of authority, the department shall ~~serve~~ give the foreign corporation under
21 s. 181.1510 ~~with~~ written notice of the determination, addressed to the foreign
22 corporation's registered agent.

23 SECTION 106. 181.1531 (2) (a), (b) and (c) 1. (intro.) of the statutes are amended
24 to read:

1 181.1531 (2) (a) Within 60 days after ~~service of the notice is perfected under~~
2 ~~s. 181.1510 takes effect~~, the foreign corporation shall correct each ground for
3 revocation or demonstrate to the reasonable satisfaction of the department that each
4 ground determined by the department does not exist.

5 (b) If the foreign corporation fails to satisfy par. (a), the department may revoke
6 the foreign corporation's certificate of authority by ~~issuing a certificate of revocation~~
7 ~~that recites~~ entering a notation in the department's records to reflect each ground for
8 revocation and the ~~certificate's effective date of revocation~~. The department shall ~~file~~
9 ~~the original certificate and serve a copy on~~ give notice of those facts to the foreign
10 corporation in the same manner as a notice of determination under s. 181.1510 subs.
11 (1) and (2).

12 (c) 1. (intro.) If a foreign corporation's certificate of authority is revoked, the
13 department shall reinstate the certificate of authority if the foreign corporation does
14 all of the following within 6 months after the effective date of ~~the certificate of~~
15 ~~revocation~~:

16 **SECTION 107.** 181.1531 (2g) of the statutes is created to read:

17 181.1531 (2g) **SECONDARY NOTICES.** (a) If a notice under sub. (1) or (2) (b) is
18 returned to the department as undeliverable, the department shall again give
19 written notice to the foreign corporation, addressed to the principal office of the
20 foreign corporation, as most recently designated in the records of the department.

21 (b) If the notice under par. (a) is returned to the department as undeliverable
22 or if the corporation's principal office cannot be determined from the records of the
23 department, the department shall give the notice by publishing a class 2 notice under
24 ch. 985 in the official state newspaper.

7 **SECTION 108.** 181.1531 (2r) of the statutes is created to read:

1 181.1531 (2r) EFFECTIVE DATE OF NOTICE. A notice under sub. (1), (2) (b), or (2g)

2 (a) takes effect at the earliest of the following:

3 (a) When received.

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

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

9 SECTION 109. 181.1531 (3) of the statutes is amended to read:

10 181.1531 (3) EFFECT OF REVOCATION. The authority of a foreign corporation to
11 transact business in this state, ends on the effective date shown on the certificate
12 revoking of revocation of its certificate of authority, as reflected in the records of the
13 department.

14 SECTION 110. 181.1532 (1) of the statutes is amended to read:

15 181.1532 (1) RIGHT TO APPEAL. A foreign corporation may appeal the
16 department's revocation of its certificate of authority under s. 181.1530 (1) to the
17 circuit court for the county where the foreign corporation's principal office or, if none
18 exists in this state, its registered office is located, within 30 days after ~~service of the~~
19 ~~certificate the effective date of the notice of revocation is perfected under s. 181.1510.~~

20 The foreign corporation shall appeal by petitioning the court to set aside the
21 revocation and attaching to the petition copies of its certificate of authority and the
22 department's certificate notice of revocation.

23 SECTION 111. 183.0104 (1) of the statutes is amended to read:

24 183.0104 (1) A person may reserve the exclusive use of a limited liability
25 company name, including a fictitious name for a foreign limited liability company

1 whose name is not available, by delivering an application to the department for filing
 2 or by making a telephone application. The application shall include the applicant's
 3 name and address and the name proposed to be reserved. If the department finds
 4 that the name applied for under this subsection is available, the department shall
 5 reserve the name for the applicant's exclusive use for a 120-day period, which may
 6 be renewed by the applicant or a transferee under sub. (2) from time to time. If an
 7 application to reserve a name or to renew a reserved name is made by telephone, the
 8 department shall cancel the reservation or renewal if the department does not
 9 receive the fee required under s. 183.0114 (1) (e) or (f) within 10 business days after
 10 the day on which the application is made.

11 SECTION 112. 183.0105 (1) (b) of the statutes is amended to read:
 12 183.0105 (1) (b) A domestic corporation, a domestic limited liability company,
 13 limited partnership, registered limited liability partnership, or a nonstock
 14 corporation organized or registered in this state, whose business office is identical
 15 with the registered office.

16 SECTION 113. 183.0105 (1) (c) of the statutes is amended to read:
 17 183.0105 (1) (c) A foreign corporation, nonstock corporation, limited
 18 partnership, registered limited liability partnership, or a foreign limited liability
 19 company, that is authorized to transact business in this state and, whose business
 20 office is identical with the registered office.

INJEM
43-2019
20

21 SECTION 114. 183.0109 (1) (a) 5. of the statutes is created to read:
 22 183.0109 (1) (a) 5. An application for a certificate of conversion under s.
 23 183.1207 (5).

24 SECTION 115. 183.0110 (1) of the statutes is amended to read:

1 183.0110 (1) Upon receipt of a document by the department for filing under this
 2 chapter, the department shall stamp or otherwise endorse the date ~~and time~~ of
 3 receipt on the original, the document copy and, upon request, any additional
 4 document copy received. The department shall return any additional document copy
 5 to the person delivering it, as confirmation of the date ~~and time~~ of receipt.

6 **SECTION 116.** 183.0114 (1) (mp) of the statutes is created to read:

7 183.0114 (1) (mp) A certificate of conversion filed under s. 183.1207 (5), \$150.

8 **SECTION 117.** 183.0204 of the statutes is repealed and recreated to read:

9 **183.0204 Effect of delivery or filing of articles of organization and**
 10 **other documents.** (1) (a) A limited liability company is formed when the articles
 11 of organization become effective under s. 183.0111.

12 (b) The department's filing of the articles of organization is conclusive proof
 13 that the limited liability company is organized and formed under this chapter.

14 (c) The status of a limited liability company as a limited liability company or
 15 as a foreign limited liability company registered to transact business in this state and
 16 the liability of any member of any such limited liability company is not adversely
 17 affected by errors or subsequent changes in any information stated in any filing
 18 made under this chapter.

19 (2) The department's filing of the articles of organization of a foreign limited
 20 liability company under s. 183.1004 shall be considered the certificate of authority
 21 for that foreign limited liability company to transact business in this state and is
 22 notice of all other facts set forth in the registration statement.

23 (3) (a) If a limited liability company or a foreign limited liability company that
 24 is registered to transact business in this state dissolves, but its business continues
 25 without winding up and without liquidating the company, the status of the limited

Handwritten notes in the left margin:
 - A circle around line 3 with "JUSTIN" written above it and "44-5" written below it.
 - A circle around line 5 with an arrow pointing to the word "date" in the text.
 - A circle around line 7 with an arrow pointing to the word "conversion" in the text.
 - A circle around line 8 with "JMS:CM" written above it and "44-7" written below it.

1 liability company or foreign limited liability company before dissolution shall
2 continue to be applicable to the company as it continues its business, and the
3 company shall not be required to make any new filings under this chapter. Any
4 filings made by such a limited liability company or foreign limited liability company
5 before dissolution shall be considered to have been filed by the company while it
6 continues its business.

7 (b) If a limited liability company or a foreign limited liability company that is
8 registered to transact business in this state dissolves, any filings made by the
9 company before dissolution remain in effect as to the company and its members
10 during the period of winding up and to the members during the period after the
11 company's liquidation or termination with respect to the liabilities of the company.

12 **SECTION 118.** 183.0404 (2) (fm) of the statutes is created to read:

13 183.0404 (2) (fm) Convert to a new form of business entity under s. 183.1207.

14 **SECTION 119.** 183.0504 of the statutes is created to read:

15 **183.0504 Series of members, managers, or limited liability company**
16 **interests.** An operating agreement may establish, or provide for the establishment
17 of, designated series or classes of members, managers, or limited liability company
18 interests that have separate or different preferences, limitations, rights, or duties,
19 with respect to profits, losses, distributions, voting, property, or other incidents
20 associated with the limited liability company.

21 **SECTION 120.** 183.0802 (3) of the statutes is amended to read:

22 183.0802 (3) (a) Except as provided in par. (b), ~~unless an operating agreement~~
23 ~~provides that a member does not have the power to withdraw by voluntary act from~~
24 ~~a limited liability company, the~~ a member may ~~do so~~ voluntarily withdraw from a
25 limited liability company at any time by giving written notice to the other members,

1 or on any other terms as are provided in an operating agreement. ~~If the member has~~
2 ~~the power to withdraw but the withdrawal is a breach of an operating agreement or~~
3 ~~the withdrawal occurs as a result of otherwise wrongful conduct of the member, the~~
4 ~~limited liability company may recover from the withdrawing member damages for~~
5 ~~breach of the operating agreement or as a result of the wrongful conduct and may~~
6 ~~offset the damages against the amount otherwise distributable to the member, in~~
7 ~~addition to pursuing any remedies provided for in an operating agreement or~~
8 ~~otherwise available under applicable law. Unless otherwise provided in an operating~~
9 ~~agreement, in the case of a limited liability company for a definite term or particular~~
10 ~~undertaking, a withdrawal by a member before the expiration of that term or~~
11 ~~completion of that undertaking is a breach of the operating agreement.~~

12 (b) If a member acquired an interest in a limited liability company for no or
13 nominal consideration or owns an interest as to which the power to withdraw is
14 prohibited or otherwise restricted in the operating agreement, the member may
15 withdraw from the limited liability company with respect to that interest only in
16 accordance with the operating agreement and only at the time or upon the occurrence
17 of an event specified in the operating agreement. If the operating agreement does
18 not specify the time or the event upon the occurrence of which the member may
19 withdraw, a member who acquired an interest in the limited liability company for no
20 or nominal consideration may not withdraw prior to the time for the dissolution and
21 commencement of winding up of the limited liability company without the written
22 consent of all members of the limited liability company. Unless otherwise provided
23 in an operating agreement, in the case of a limited liability company that is organized
24 for a definite term or particular undertaking, the operating agreement shall be

1 considered to provide that a member may not withdraw before the expiration of that
2 term or completion of that undertaking.

3 **SECTION 121.** 183.0901 (4) (intro.) of the statutes is amended to read:

4 183.0901 (4) (intro.) An For a limited liability company organized before the
5 effective date of this subsection [revisor inserts date], an event of dissociation of
6 a member, unless any of the following applies:

7 **SECTION 122.** 183.1001 (1) of the statutes is amended to read:

8 183.1001 (1) The laws of the state or other jurisdiction under which a foreign
9 limited liability company is organized shall govern its organization and internal
10 affairs and the liability and authority of its managers and members, regardless of
11 whether the foreign limited liability company obtained or should have obtained a
12 certificate of registration under this chapter, except that a foreign limited liability
13 company that has filed a certificate of conversion under s. 183.1207 (5) to become a
14 domestic limited liability company shall be subject to the requirements of this
15 chapter governing domestic limited liability companies on the effective date of the
16 conversion and shall not be subject to the requirements of this chapter governing
17 foreign limited liability companies.

18 **SECTION 123.** 183.1006 (1) (a) of the statutes is amended to read:

19 183.1006 (1) (a) Its name or the fictitious name under which it has been issued
20 a certificate of registration.

21 **SECTION 124.** 183.1006 (1) (b) of the statutes is amended to read:

22 183.1006 (1) (b) The state or jurisdiction under whose laws it is organized or
23 its date of organization.

24 **SECTION 125.** 183.1020 (2) of the statutes is amended to read:

1 183.1020 (2) If the department receives a certificate under sub. (1) (f) and a
2 statement by the foreign limited liability company that the certificate is submitted
3 by the foreign limited liability company to terminate its registration to transact
4 business in this state, the department shall ~~issue a certificate of revocation~~ revoke
5 the foreign limited liability company's certificate of registration under s. 183.1021
6 (2) (b).

7 **SECTION 126.** 183.1020 (3) of the statutes is amended to read:

8 183.1020 (3) A court may revoke under s. 946.87 the certificate of registration
9 of a foreign limited liability company registered to transact business in this state.
10 The court shall notify the department of the action, and the department shall ~~issue~~
11 ~~a certificate of revocation~~ revoke the foreign limited liability company's certificate of
12 registration under s. 183.1021 (2) (b).

13 **SECTION 127.** 183.1021 (1) and (2) of the statutes are amended to read:

14 183.1021 (1) If the department determines that one or more grounds exist
15 under s. 183.1020 (1) for revocation of a certificate of registration, the department
16 shall ~~serve~~ give the foreign limited liability company under s. 183.1010 with written
17 notice of the determination by first class mail, addressed to the foreign limited
18 liability company's registered office.

19 (2) (a) Within 60 days after ~~service of the notice is perfected under s. 183.1010~~
20 takes effect, the foreign limited liability company shall correct each ground for
21 revocation or demonstrate to the reasonable satisfaction of the department that each
22 ground determined by the department does not exist.

23 (b) If the foreign limited liability company fails to satisfy par. (a), the
24 department may revoke the foreign limited liability company's certificate of
25 registration by ~~signing a certificate of revocation that recites~~ entering a notation in

1 the department's records to reflect each ground for revocation and its the effective
2 date of the revocation. The department shall file the original of the certificate and
3 serve a copy on give written notice of those facts to the foreign limited liability
4 company under s. 183.1010 by first class mail, addressed to the foreign limited
5 liability company's registered office.

6 **SECTION 128.** 183.1021 (2g) of the statutes is created to read:

7 183.1021 (2g) (a) If a notice under sub. (1) or (2) (b) is returned to the
8 department as undeliverable, the department shall again give written notice to the
9 foreign limited liability company, addressed to the principal office of the foreign
10 limited liability company.

11 (b) If the notice under par. (a) is returned to the department as undeliverable
12 or if the foreign limited liability company's principal office cannot be determined
13 from the records of the department, the department shall give the notice by
14 publishing a class 2 notice under ch. 985 in the official state newspaper.

15 **SECTION 129.** 183.1021 (2r) of the statutes is created to read:

16 183.1021 (2r) A notice under sub. (1), (2) (b), or (2g) (a) takes effect at the
17 earliest of the following:

18 (a) When received.

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

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

24 **SECTION 130.** 183.1021 (3) of the statutes is amended to read:

1 183.1021 (3) The authority of a foreign limited liability company to transact
2 business in this state, other than as provided in s. 183.1002 (2), ends on the effective
3 date shown on the certificate revoking of revocation of its certificate of registration
4 as reflected in the records of the department.

5 **SECTION 131.** 183.1022 (1) of the statutes is amended to read:

6 183.1022 (1) A foreign limited liability company may appeal the department's
7 revocation of its certificate of registration under s. 183.1020 (1) to the circuit court
8 for the county where the foreign limited liability company's principal office or, if none
9 in this state, its registered office is located, within 30 days after service notice of the
10 certificate of revocation is perfected takes effect under s. 183.1010 s. 183.1021 (2r).

11 The foreign limited liability company shall appeal by petitioning the court to set
12 aside the revocation and attaching to the petition copies of its certificate of
13 registration and the department's certificate notice of revocation.

14 **SECTION 132.** Subchapter XII (title) of chapter 183 [precedes 183.1200] of the
15 statutes is amended to read:

16 CHAPTER 183

17 SUBCHAPTER XII

18 MERGER; CONVERSION

19 **SECTION 133.** 183.1200 of the statutes is created to read:

20 **183.1200 Definitions.** In this subchapter:

21 (1) "Business entity" means a domestic business entity and a foreign business
22 entity.

23 (2) "Domestic business entity" includes a corporation, as defined in s. 180.0103
24 (5), a domestic limited liability company, a limited partnership, as defined in s.
25 179.01 (7), or a corporation, as defined in s. 181.0103 (5).

1 (3) “Foreign business entity” includes a foreign limited liability company, a
2 foreign limited partnership, as defined in s. 179.01 (4), a foreign corporation, as
3 defined in s. 180.0103 (9), or a foreign corporation, as defined in s. 181.0103 (13).

4 **SECTION 134.** 183.1201 (2) of the statutes is amended to read:

5 183.1201 (2) Unless otherwise provided in an operating agreement, one or
6 more limited liability companies may merge with or into one or more other limited
7 liability companies or one or more other foreign limited liability companies, with the
8 surviving limited liability company being the limited liability company provided in
9 the plan of merger business entities if the merger is permitted under the applicable
10 laws of the jurisdiction that governs each such other business entity and each
11 business entity approves the plan of merger in the manner required by the laws
12 applicable to the business entity.

13 **SECTION 135.** 183.1201 (3) of the statutes is amended to read:

14 183.1201 (3) Interests in a limited liability company that is a party to a merger
15 may be exchanged for or converted into cash, property, shares, obligations of or
16 interest interests in the surviving limited liability company business entity, or of any
17 other limited liability company business entity.

18 **SECTION 136.** 183.1202 (3) of the statutes is amended to read:

19 183.1202 (3) Each foreign business entity other than a domestic limited
20 liability company, that is a party to a proposed merger shall approve the merger in
21 the manner ~~and by the vote~~ required by the laws applicable to the foreign limited
22 liability company business entity.

23 **SECTION 137.** 183.1202 (4) of the statutes is amended to read:

24 183.1202 (4) Each ~~limited liability company~~ business entity that is a party to
25 the merger shall have any rights to abandon the merger that are provided for in the

1 plan of merger or in the laws applicable to the ~~limited liability company~~ business
2 entity.

3 SECTION 138. 183.1202 (6) of the statutes is created to read:

4 183.1202 (6) After a merger is authorized, and at any time before the articles
5 of merger are filed with the department, the planned merger may be abandoned,
6 subject to any contractual rights, without further action on the part of the
7 shareholders or other owners, in accordance with the procedure set forth in the plan
8 of merger or, if none is set forth, in the manner determined by the governing body of
9 any business entity that is a party to the merger.

10 SECTION 139. 183.1203 (1) of the statutes is repealed.

11 SECTION 140. 183.1203 (2) of the statutes is renumbered 183.1203, and
12 183.1203 (1), as renumbered, ^{(3) and (4) are} amended to read:

13 183.1203 (1) The name of, form of business entity, and identity of the
14 jurisdiction governing each limited liability company business entity that is a party
15 to the merger and the name, form of business entity, and identity of the jurisdiction
16 of the surviving limited liability company business entity with, or into, which each
17 other limited liability company business entity proposes to merge.

18 SECTION 141. ~~183.1203 (2) (c) of the statutes is amended to read:~~

19 ⁽³⁾ ~~183.1203 (2) (c)~~ The manner and basis of converting the interests in each
20 limited liability company business entity that is a party to the merger into limited
21 liability company shares, interests or, obligations, or other securities of the surviving
22 limited liability company business entity or any other business entity or into cash or
23 other property in whole or in part.

24 SECTION 142. ~~183.1203 (2) (d) of the statutes is amended to read:~~

1 ⁽⁴⁾ ~~183.1203(2)(d)~~ Amendments to the articles of organization or other similar
2 governing document of the surviving ~~limited liability company that will be effected~~
3 by the merger business entity.

4 SECTION 143. 183.1204 (1) of the statutes is repealed and recreated to read:

5 183.1204 (1) The surviving business entity shall deliver to the department
6 articles of merger that include all of the following:

7 (a) The plan of merger.

8 (b) The effective date and time of the merger, if the merger is to take effect at
9 a time other than the close of business on the date of filing the articles of merger
10 under s. 183.0111.

11 (c) A statement that the plan was approved by each domestic limited liability
12 company that is a party to the merger in accordance with s. 183.1202, and by each
13 other business entity that is a party to the merger in the manner required by the laws
14 applicable to the business entity.

15 (e) Other provisions relating to the merger, as determined by the surviving
16 business entity.

17 SECTION 144. 183.1205 of the statutes is repealed and recreated to read:

18 **183.1205 Effects of merger.** A merger has the following effects:

19 (1) Every other business entity that is a party to the merger merges into the
20 surviving business entity, and the separate existence of every business entity, except
21 the surviving business entity, ceases.

22 (1m) If the merger is with or into a business entity under the laws applicable
23 to which one or more of the owners of the business entity is liable for the debts and
24 obligations of the business entity, the owner or owners are so liable only for the debts

1 and obligations accrued during the period or periods in which such laws are
2 applicable.

3 *Dissent*
4 (2) The title to all property owned by each business entity that is a party to the
merger is vested in the surviving business entity without reversion or impairment.

5 (3) The surviving business entity has all liabilities of each business entity that
6 is party to the merger.

7 (4) A civil, criminal, administrative, or investigatory proceeding pending by or
8 against any business entity that is a party to the merger may be continued as if the
9 merger did not occur, or the surviving business entity may be substituted in the
10 proceeding for the business entity whose existence ceased.

11 (5) The articles of organization, certificate of limited partnership, or *other* similar
12 governing document, whichever is applicable, of the surviving business entity shall
13 be amended to the extent provided in the plan of merger.

14 (6) The shares or other interests of each business entity that is party to the
15 merger that are to be converted into shares, interests, obligations, or other securities
16 of the surviving business entity or any other business entity or into cash or other
17 property are converted, and the former holders of the shares or interests are entitled
18 only to the rights provided in the articles of merger or to their rights under the laws
19 applicable to each business entity that is a party to the merger.

20 (7) If the surviving business entity is a foreign business entity, the department
21 is the agent of the surviving foreign business entity for service of process in a
22 proceeding to enforce any obligation of any business entity that is a party to the
23 merger or the rights of the dissenting members or other owners of each business
24 entity that is a party to the merger.

1 (8) When a merger takes effect, any surviving foreign business entity of the
2 merger shall promptly pay to the dissenting shareholders of each domestic
3 corporation or dissenting owners of each other domestic business entity that is a
4 party to the merger the amount, if any, to which they are entitled under ss. 180.1301
5 to 180.1331 or under any law applicable to the other domestic business entity.

6 **SECTION 145.** 183.1206 of the statutes is amended to read:

7 **183.1206 Right to object.** Unless otherwise provided in an operating
8 agreement, upon receipt of the notice required by s. 183.1202 (5), a member of a
9 limited liability company who did not vote in favor of the merger may, within 20 days
10 after the date of the notice, voluntarily dissociate from the limited liability company
11 under s. 183.0802 (3) and receive fair value for the member's limited liability
12 company interest under s. 183.0604. The rights afforded to shareholders, partners,
13 or other owners of other business entities shall be as required or provided by the laws
14 applicable to the other business entities.

15 **SECTION 146.** 183.1207 of the statutes is created to read:

16 **183.1207 Conversion.** (1) (a) A domestic limited liability company may
17 convert to another form of business entity if it satisfies the requirements under this
18 section and if the conversion is permitted under the applicable law of the jurisdiction
19 that governs the organization of the business entity into which the domestic limited
20 liability company is converting.

21 (b) In addition to satisfying any applicable legal requirements of the
22 jurisdiction that governs the organization of the business entity into which the
23 domestic limited liability company is converting and that relate to the submission
24 and approval of a plan of conversion, the domestic limited liability company shall

1 comply with the procedures that govern a plan of merger under s. 183.1202 for the
2 submission and approval of a plan of conversion.

3 (2) (a) A business entity other than a domestic limited liability company may
4 convert to a domestic limited liability company if it satisfies the requirements under
5 this section and if the conversion is permitted under the applicable law of the
6 jurisdiction that governs the business entity.

7 (b) A business entity converting into a domestic limited liability company shall
8 comply with the procedures that govern the submission and approval of a plan of
9 conversion of the jurisdiction that governs the business entity.

10 (3) A plan of conversion shall set forth all of the following:

11 (a) The name, form of business entity, and the identity of the jurisdiction
12 governing the business entity that is to be converted.

13 (b) The name, form of business entity, and the identity of the jurisdiction that
14 will govern the business entity after conversion.

15 (c) The terms and conditions of the conversion.

16 (d) The manner and basis of converting the shares or other ownership interests
17 of the business entity that is to be converted into the shares or other ownership
18 interests of the new form of business entity.

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 of
21 conversion, as provided under s. 183.0111.

22 (f) A copy of the articles of incorporation, article of organization, certificate of
23 limited partnership or other governing document of the business entity after
24 conversion.

1 (g) Other provisions relating to the conversion, as determined by the business
2 entity.

3 (4) When a conversion is effective, all of the following shall occur:

4 ^{1.} (a) Except with respect to taxation laws of each jurisdiction that are applicable
5 upon the conversion of the business entity, the business entity that was converted
6 is no longer subject to the applicable law of the jurisdiction that governed the
7 organization of the prior form of business entity and is subject to the applicable law
8 of the jurisdiction that governs the new form of business entity. ^{TP 2.} If the conversion is
9 from or to a business entity under the laws applicable to which one or more of the
10 owners thereof is liable for the debts and obligations of such business entity, such
11 owner or owners shall be so liable only for debts and obligations accrued during the
12 period or periods in which such laws are applicable. ^{This subdivision does not affect liability under any taxation laws.}

13 (b) The business entity continues to have all liabilities of the business entity
14 that was converted.

✓ 15 ^{DOSSEA A} (c) The business entity continues to be vested with title to all property owned
16 by the business entity that was converted without 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, of the
19 business entity are as provided in the plan of conversion.

20 (e) All other provisions of the plan of conversion apply.

21 (5) After a plan of conversion is submitted and approved, the business entity
22 that is to be converted shall deliver to the department for filing a certificate of
23 conversion that includes all of the following:

24 (a) The plan of conversion.

1 (b) A statement that the plan of conversion was approved in accordance with
2 the applicable law of the jurisdiction that governs the organization of the business
3 entity.

4 (c) The registered agent and registered office, record agent and record office,
5 or other similar agent and office of the business entity before and after conversion.

6 (6) Any civil, criminal, administrative, or investigatory proceeding that is
7 pending by or against a business entity that is converted may be continued by or
8 against the business entity after the effective date of conversion.

9 **SECTION 147.** 551.02 (1) of the statutes is renumbered 551.02 (1r).

10 **SECTION 148.** 551.02 (1g) of the statutes is created to read:

11 551.02 (1g) “Accredited investor” has the meaning given in 17 CFR 230.501(a).

12 **SECTION 149.** 551.23 (8) (g) of the statutes is amended to read:

13 551.23 (8) (g) ~~An individual accredited investor, as defined by rule of the~~
14 ~~division, if the issuer reasonably believes immediately before the sale that the~~
15 ~~individual accredited investor, either alone or with the individual accredited~~
16 ~~investor’s representative, has such knowledge and experience in financial and~~
17 ~~business matters as to be capable of evaluating the merits and risks of the~~
18 ~~prospective investment.~~

19 **SECTION 150.** 551.23 (10) of the statutes is amended to read:

20 551.23 (10) Any offer or sale of its securities by an issuer having its principal
21 office in this state, if the aggregate number of persons holding directly or indirectly
22 all of the issuer’s securities, after the securities to be issued are sold, does not exceed
23 ~~15~~ 25, exclusive of persons under sub. (8), if no commission or other remuneration
24 is paid or given directly or indirectly for soliciting any person in this state, except to

1 broker-dealers and agents licensed in this state, and if no advertising is published
2 unless it has been permitted by the division.

3 **SECTION 151.** 551.23 (11) (a) of the statutes is amended to read:

4 551.23 (11) (a) Any transaction pursuant to an offer directed by the offeror to
5 not more than 10 25 persons in this state, excluding persons exempt under sub. (8)
6 but including persons exempt under sub. (10), during any period of 12 consecutive
7 months, whether or not the offeror or any of the offerees is then present in this state,
8 if the offeror reasonably believes that all the persons in this state are purchasing for
9 investment, and no commission or other remuneration is paid or given directly or
10 indirectly for soliciting any person in this state other than those exempt by sub. (8).

11 **SECTION 152.** 551.31 (1) (d) of the statutes is created to read:

12 551.31 (1) (d) An agent who is acting exclusively as an agent representing an
13 issuer of securities and who makes offers and sales of the issuer's securities in
14 transactions that are exempt under s. 551.23 (8) (g) or under a rule of the division
15 promulgated under s. 551.23 (18) that specifically exempts transactions involving
16 accredited investors and that is based on a model accredited investor exemption
17 adopted by the North American Securities Administrators Association.

18 **SECTION 153.** 611.72 (2) of the statutes is amended to read:

19 611.72 (2) APPROVAL REQUIRED. No proposed plan of merger under s. 180.1101,
20 or 180.1104 ~~or 180.1107~~ or other plan for acquisition of control may be submitted to
21 the shareholders of any domestic stock insurance corporation or its parent insurance
22 holding corporation participating in the transaction or executed unless it has been
23 approved by the commissioner.

24 **SECTION 154.** Appropriation changes.

Conversion of Business Entities

Current law does not permit the conversion of one form of business entity into another form of business entity. This bill authorizes limited partnerships, limited liability companies, business corporations, and nonstock corporations to convert into any other forms of business entity. Under the bill, the business entity that is to be converted into another business entity must submit to the department of financial institutions (DFI) the plan of conversion, a statement that the conversion was approved in accordance with the applicable law of the jurisdiction that governs the organization of the business entity, and the registered agent and registered office, * record agent, and record office, or other similar agent and office of the business entity before and after conversion.

The bill requires that the plan of conversion set forth the name, form of business entity, and the identity of the jurisdiction governing the business entity that is to be converted; the name, form of business entity, and the identity of the jurisdiction that will govern the business entity after conversion; the terms and conditions of the conversion; the manner and basis of converting the shares or other ownership interests of the business entity that is to be converted into the shares or other ownership interests of the new form of business entity; the effective date and time of the conversion; a copy of the articles of incorporation, articles of organization, certificate of limited partnership, or other similar governing document of the business entity after conversion; and, any other provision relating to the conversion, as determined by the business entity.

Under the bill, when a conversion becomes effective, except with respect to taxation laws of each jurisdiction that are applicable upon the conversion of the business entity, the business entity that is converted is no longer subject to the applicable law of the jurisdiction that governed the organization of the prior form of business entity and is subject to the applicable law of the jurisdiction that governs the new form of business entity; the business entity continues to have all liabilities of the business entity that was converted; the articles of incorporation, articles of organization, certificate of limited partnership, or other similar governing document, whichever is applicable, of the business entity are as provided in the plan of conversion; and, all other provisions of the plan of conversion apply.

Finally, under the bill, any civil, criminal, administrative, or investigatory proceeding that is pending by or against a business entity that is converted may be continued by or against the business entity after the effective date of conversion.

Merger of Business Entities

Current law authorizes business corporations to merge into other business corporations, nonstock corporations to merge into other nonstock corporations or into a business corporation, and limited liability companies to merge into other limited liability companies. This bill authorizes limited partnerships, limited liability companies, business corporations, and nonstock corporations to merge into any other form of business entity, not just into the same form of business entity. Under the bill, the surviving business entity of the merger must submit to DFI the

plan of merger, a statement that the plan of merger was approved by each business entity that is a party to the merger in the manner required by the laws applicable to each business entity, the effective date and time of the merger, and any other provision relating to the merger, as determined by the surviving business entity.

Under the bill, the plan of merger must set forth the name, form of business entity, and identity of the jurisdiction governing each business entity that is a party to the merger; the name, form of business entity, and identity of the jurisdiction of the surviving business entity with or into which each other business entity proposes to merge; and, the manner and basis of converting the interests in each business entity that is a party to the merger into shares, interests, obligations, or other securities of the surviving business entity or any other business entity or into cash or other property in whole or in part. In addition, the plan of merger may set forth amendments to the governing document of the surviving business entity and any other provision relating to the merger.

Under the bill, a merger has the following effects:

1. Every other business entity that is a party to the merger merges into the surviving business entity, and the separate existence of every business entity, except the surviving business entity, ceases.

2. If the merger is with or into a business entity under the laws applicable to which one or more of the owners of the business entity is liable for the debts and obligations of the business entity, the owner or owners are so liable only for the debts and obligations accrued during the period or periods in which such laws are applicable.

provided that, in the case of real estate located in Wisconsin, the real estate is properly conveyed to the surviving business entity

3. The title to all property owned by each business entity that is a party to the merger is vested in the surviving business entity without reversion or impairment.

4. The surviving business entity has all liabilities of each business entity that is party to the merger.

5. A civil, criminal, administrative, or investigatory proceeding pending by or against any business entity that is a party to the merger may be continued as if the merger did not occur, or the surviving business entity may be substituted in the proceeding for the business entity whose existence ceased.

6. The articles of incorporation, articles of organization, certificate of limited partnership, or other similar governing document, whichever is applicable, of the surviving business entity are amended to the extent provided in the plan of merger.

7. The shares or other interests of each business entity that is party to the merger that are to be converted into shares, interests, obligations, or other securities of the surviving business entity or any other business entity or into cash or other property are converted, and the former holders of the shares or interests are entitled only to the rights provided in the articles of merger or to their rights under the laws applicable to each business entity that is a party to the merger.

8. If the surviving business entity is a foreign business entity, DFI is the agent of the surviving foreign business entity for service of process in a proceeding to enforce any obligation of any business entity that is a party to the merger or the rights of the dissenting members or other owners of each business entity that is a party to the merger.

9. When a merger takes effect, any surviving foreign business entity of the merger must promptly pay to the dissenting shareholders of each domestic corporation or dissenting owners of each other domestic business entity that is a party to the merger the amount, if any, to which they are entitled under ~~any~~ laws applicable to the other domestic business entity.

Merger fees

domestic corporation or

Under current law, the fee for filing documents of merger varies depending upon the type of entity executing the merger. The fee for filing articles of merger by a corporation is \$50 per corporation, plus a specified amount based upon the number of authorized shares of the acquiring domestic corporation, with a maximum fee of ~~\$10,000~~. For an investment company that has an indefinite number of authorized shares, the fee is \$50 per company, plus \$12,500, minus a credit for each share that is authorized immediately before the merger. For an investment company that has a definite number of authorized shares, the fee is \$50 per company, plus a specified amount based upon the number of authorized shares of the acquiring domestic company, with a maximum fee of ~~\$10,000~~. For a nonstock corporation, the fee is \$30 per corporation. For a limited liability company, the fee is \$50 per company. For a cooperative, the fee is \$10.

This bill sets these filing fees uniformly at \$150.

Filing fees

In certain limited circumstances, current law specifies a higher fee for documents filed in paper format.

Current law specifies numerous fees that limited liability partnerships, limited partnerships, corporations, nonstock corporations, limited liability companies, unincorporated nonprofit associations, and cooperatives must pay in order file certain documents with DFI. This bill permits DFI, by rule, to establish a higher fee that applies if these documents are filed in paper format.

any of

Registered agents

Current law requires every limited partnership, corporation, nonstock corporation, and limited liability company to appoint a registered agent, who receives certain communications on behalf of the business organization and who accepts service of process (for example, service of a summons and complaint). Current law permits these business organizations to appoint a business entity, rather than an individual, as registered agent; however, the types of business entities authorized to serve as registered agent are not uniform across all of the laws governing these business organizations. Current law does not authorize any of these business organizations to appoint a limited partnership or limited liability partnership as registered agent. Under this bill, these business organizations may appoint a limited partnership, limited liability partnership, corporation, nonstock corporation, or limited liability company as registered agent.

Current law specifies a procedure which the registered agent of a corporation, nonstock corporation, or limited liability company may follow to resign. This bill creates a similar procedure applicable to the registered agent of a limited partnership or limited liability partnership.

Dissolution of nonstock corporations

Currently, in order to dissolve, a nonstock corporation must file articles of dissolution with DFI. If approval by members of the nonstock corporation is required for the dissolution, the articles of dissolution must itemize the number of votes cast on the question by each class of members entitled to vote. This bill repeals this requirement and, instead, requires that the articles of dissolution include a statement ~~the~~ the dissolution was approved by a sufficient vote of the members of each class entitled to vote.

*

that

Amended certificates of authority for foreign entities

Under current law, a foreign corporation or foreign nonstock corporation must obtain a certificate of authority from DFI in order to transact business in this state. Similarly, a foreign limited liability company must obtain a certificate of registration from DFI. Current law specifies certain conditions under which a foreign corporation, foreign nonstock corporation, or foreign limited liability company must obtain an amended certificate (for example, if the entity changes the jurisdiction under which it is organized). This bill further requires a foreign corporation, foreign nonstock corporation, or foreign limited liability company to obtain an amended certificate if the entity changes the date of its incorporation or organization.

Notice of administrative dissolution or revocation

Current law requires DFI to "serve" a domestic or foreign corporation with notice of grounds for administratively dissolving the corporation. A similar requirement applies with regard to foreign limited liability companies. This bill, instead, requires DFI to "give" a notice to the affected entity. The notice must be addressed to the entity's registered office. The bill also creates a procedure that DFI must follow to give notice, if the original notice is returned as undeliverable.

instead

Electronic filing

Wisconsin law currently specifies that documents required to be filed by corporations with DFI may be filed in electronic format. This bill specifies that documents required to be filed by limited partnerships, limited liability partnerships, nonstock corporations, and limited liability companies, may be filed in electronic format, as well.

Exemptions from securities registration requirements and licensing requirements for securities broker-dealers and securities agents

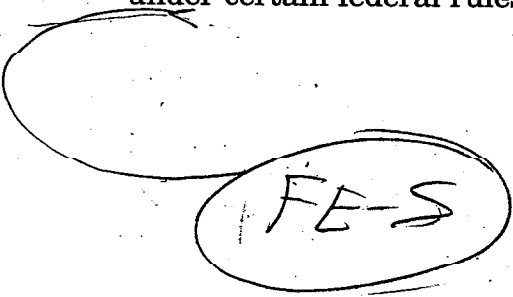
Under current law, a person may not offer or sell any security in this state unless a registration statement relating to the security is filed with the division of securities in DFI (division) or unless the security is exempt from state registration requirements under federal law. However, current law exempts certain types of securities and transactions from this registration requirement. For example, an offer or sale of a security currently is exempt from registration if the offer or sale is made to an individual who qualifies as an accredited investor under the rules of the division, as long as the issuer of the security reasonably believes that the accredited investor has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment. In addition, with certain exceptions, an offer or sale of a security by the issuer of that security is

exempt from registration if the issuer has its principal office in this state and if, among other things, not more than 15 persons will hold all of the securities after the sale. Also, under current law, any transaction that is entered into pursuant to an offer made to not more than ten persons in this state during any period of 12 consecutive months is exempt from registration, if certain other requirements are satisfied.

This bill expands these exemptions from registration. Under this bill, an offer or sale of a security to an accredited investor is exempt from registration if the individual or person receiving the offer or making the purchase qualifies as an accredited investor under certain federal rules. These federal rules define "accredited investor" to include, among other things, certain financial entities, such as banking institutions, and individuals who have a net worth of greater than \$1,000,000 or who have had an income of greater than \$200,000 in the two most recent years. The bill also repeals the requirement that the issuer reasonably believe the accredited investor has a specified level of knowledge and experience in financial and business matters. In addition, under this bill, an offer or sale of a security by the issuer of that security generally is exempt from registration if the issuer has its principal office in this state and if, among other things, not more than 25 persons will hold all of the issuer's securities after the sale. Also, under this bill, any transaction that is entered into pursuant to an offer made to not more than 25 persons in this state during any period of 12 consecutive months generally is exempt from registration, if the other requirements under current law are satisfied.

Currently, in order to transact business as a securities broker-dealer or securities agent in this state, a person must obtain a license from the division, unless the person is exempt from the licensing requirement. Current law exempts persons who give certain group presentations relating to securities, persons who engage exclusively in transactions on account of or with certain financial and governmental entities, and certain persons who are exempt from state licensing requirements under federal law.

This bill creates an additional exemption from this licensing requirement. This bill exempts any securities agent who is acting exclusively on behalf of an issuer of securities (as opposed to acting on behalf of a securities broker-dealer) and who makes offers and sales of the issuer's securities in transactions that are exempt from registration under the rules of the division that specifically exempt transactions involving accredited investors or to persons who qualify as accredited investors under certain federal rules.



FES

INSERT A

, provided that, if the converting business entity has an interest in real estate in Wisconsin on the date of the conversion, the converting business entity shall transfer that interest to the business entity surviving the conversion and shall execute any ~~required~~ real estate transfer return. The business entity surviving the conversion shall promptly record the instrument of conveyance under s. 59.43 in the office of the register of deeds for each county in which the real estate is located.

required
under
s. 77.22

INSERT B

, provided that, if a merging business entity has an interest in real estate in Wisconsin on the date of the merger, the merging business entity shall transfer that interest to the business entity surviving the merger and shall execute any ~~required~~ real estate transfer return. The business entity surviving the merger shall promptly record the instrument of conveyance under s. 59.43 in the office of the register of deeds for each county in which the real estate is located.

↑
These inserts are
used more than
once in the
bill

Insert 3 - 8

1 ~~SECTION 1.~~ 71.80 (22) of the statutes is created to read:

2 71.80 (22) BUSINESS ENTITY MERGER. Notwithstanding any provision of ss.
3 179.77, 180.1101, 180.1104, 181.1101, 181.1104, and 183.1201, the merger of a
4 business entity with one or more business entities under s. 179.77, 180.1101,
5 180.1104, 181.1101, 181.1104, or 183.1201 shall be treated for state tax purposes in
6 the same manner as the merger is treated for federal tax purposes.

Insert 3 - 14

7 (b) Notwithstanding any provision of ss. 179.77, 180.1101, 180.1104, 181.1101,
8 181.1104, and 183.1201, to treat, for state tax purposes, the merger of a business
9 entity with one or more business entities under s. 179.77, 180.1101, 180.1104,
10 181.1101, 181.1104, or 183.1201 in the same manner as the merger is treated for
11 federal tax purposes.

Insert 4 - 2

12 ~~SECTION 2.~~ 77.25 (6d) of the statutes is created to read:

13 77.25 (6d) Pursuant to partnerships registering as limited liability
14 partnerships under s. 178.40.

15 ~~SECTION 3.~~ 77.25 (6m) of the statutes is created to read:

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

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-374/1
RJM insm

X INSERT 5-10A

SECTION 1. 178.46 (1) of the statutes is renumbered 178.46 (1r).

X
SECTION 2. 178.46 (1g) of the statutes is created to read:

178.46 (1g) In this section:

(a) "Deliver" means deliver by hand, mail, commercial delivery service, electronic transmission, or any other method of delivery used in conventional commercial practice.

(b) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(c) "Electronic signature" means an electronic sound, symbol, or process, attached to or logically associated with a writing and executed or adopted by a person with intent to authenticate the writing.

(d) "Sign" means to execute or adopt a manual, facsimile, conformed, or electronic signature or any symbol with intent to authenticate a writing.

SECTION 3. 178.46 (2) and (4) of the statutes are amended to read:

178.46 (2) The department shall file photocopies or other reproduced copies of typewritten or printed documents if the copies satisfy ~~sub. (1)~~ sub. (1r) and are originally executed to satisfy sub. (3).

History: 1995 a. 97; 1997 a. 35.

(4) The department may waive any of the requirements of ~~subs. (1) to (3)~~ subs. (1r) to (3) if it appears from the face of the document that the document's failure to satisfy the requirement is immaterial.

History: 1995 a. 97; 1997 a. 35.

X INSERT 7-9B

SECTION 4. 179.14 (1) of the statutes is renumbered 179.14 (1r).

X
SECTION 5. 179.14 (1g) of the statutes is created to read:

✓
179.14 (1g) In this section:

(a) "Electronic" has the meaning given in s. 179.16 (1g) (b). ✓

(b) "Electronic signature" means an electronic sound, symbol, or process, attached to or logically associated with a writing and executed or adopted by a person with intent to authenticate the writing.

(c) "Sign" means to execute or adopt a manual, facsimile, conformed, or electronic signature or any symbol with intent to authenticate a writing.

SECTION 6. 179.16 (1) of the statutes is renumbered 179.16 (1r). ✕

SECTION 7. 179.16 (1g) of the statutes is created to read: ✕

✓
179.16 (1g) In this section:

(a) "Deliver" means deliver by hand, mail, commercial delivery service, electronic transmission, or any other method of delivery used in conventional commercial practice.

(b) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

✓
3cc #. RP, 180-1709

Insert 29-2

SECTION 8. 181.0103 (7) of the statutes is repealed and recreated to read: ✕

181.0103 (7) "Deliver" means deliver by hand, mail, commercial delivery service, electronic transmission, or any other method of delivery used in conventional commercial practice.

SECTION 9. 181.0103 (10m) and (10p) of the statutes are created to read: ✕

181.0103 (10m) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(10p) "Electronic signature" means an electronic sound, symbol, or process, attached to or logically associated with a writing and executed or adopted by a person with intent to authenticate the writing.

SECTION 10. 181.0103 (23) of the statutes is repealed and recreated to read:

181.0103 (23) "Sign" means to execute or adopt a manual, facsimile, conformed, or electronic signature or any symbol with intent to authenticate a writing.

SECTION 11. 183.0107 (1) of the statutes is renumbered 183.0107 (1r).

SECTION 12. 183.0107 (1g) of the statutes is created to read:

183.0107 (1g) In this section:

(a) "Electronic" has the meaning given in s. 183.0108 (1g) (b).

(b) "Electronic signature" means an electronic sound, symbol, or process, attached to or logically associated with a writing and executed or adopted by a person with intent to authenticate the writing.

(c) "Sign" means to execute or adopt a manual, facsimile, conformed, or electronic signature or any symbol with intent to authenticate a writing.

SECTION 13. 183.0108 (1) of the statutes is renumbered 183.0108 (1r).

SECTION 14. 183.0108 (1g) of the statutes is created to read:

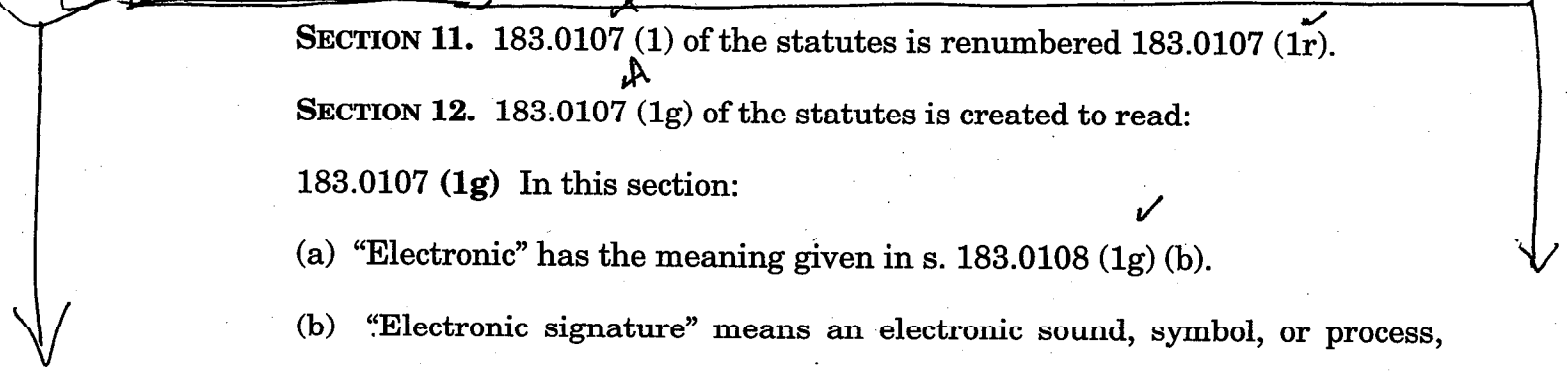
183.0108 (1g) In this section:

(a) "Deliver" means deliver by hand, mail, commercial delivery service, electronic transmission, or any other method of delivery used in conventional commercial practice.

(b) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

SECTION 15. 183.0108 (3) of the statutes is amended to read:

INSERT
43-20



183.0108 (3) The department may waive any of the requirements of ~~subs. (1) and (2)~~ subs. (1r) and (2) and of s. 183.0107 if it appears from the face of the document that the document's failure to satisfy the requirement is immaterial.

History: 1993 a. 112; 1993 a. 27.

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3724/linsrm3
RJM:.....

INSERT 14-11A

SECTION 1. 180.0122 (1) (x) of the statutes, as affected by 2001 Wisconsin Act 16, is amended to read:

180.0122 (1) (x) Annual report of a domestic corporation ~~that is submitted to the department by authorized electronic means, \$25; annual report of a domestic corporation that is submitted to the department on paper, \$40.~~

History: 2001 a. 16.

SECTION 2. 180.0122 (1) (y) of the statutes, as affected by 2001 Wisconsin Act 16, is amended to read:

180.0122 (1) (y) Annual report of a foreign corporation ~~that is submitted to the department by authorized electronic means, \$65, and annual report submitted to the department on paper, \$80,~~ and in case the annual report shows that the foreign corporation employs in this state capital in excess of the amount of capital on which a fee has previously been paid, computed as provided in s. 180.1503, an additional fee which, with previous payments made on account of capital employed in this state, will amount to \$2 for each \$1,000 or fraction thereof of the excess.

History: 2001 a. 16.

INSERT 44-7A

SECTION 3. 183.0114 (1) (w) of the statutes, as affected by 2001 Wisconsin Act 16, is amended to read:

183.0114 (1) (w) Annual report of a foreign limited liability company ~~that is submitted to the department by authorized electronic means, \$65; annual report submitted to the department on paper, \$80.~~

History: 2001 a. 16.

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB 3724/lin
VJSM.....
p m a

INSERT 5-10 B

SECTION 1. 178.48 (1) (intro.) of the statutes is amended to read:

178.48 (1) (intro.) The Except as provided under sub. (4), the department shall collect the following fees when the documents described under this subsection are delivered to the department for filing:

History: 1995 a. 97.

SECTION 2. 178.48 (4) of the statutes is created to read:

178.48 (4) The department, by rule, may specify a larger fee for filing documents described in sub. (1) in paper format.

INSERT 7-9 A

History: 1983 a. 173; 1985 a. 338; 1993 a. 214; 1995 a. 27. ✓

SECTION 3. 179.11 (1) (intro.) of the statutes is amended to read:

179.11 (1) (intro.) To form a limited partnership, a certificate of limited partnership must be executed and filed with the department. The certificate shall be filed together with a fee of \$70 and, except that the department, by rule, may specify a larger fee for certificates that are filed in paper format. Each certificate shall contain all of the following information: ✓

History: 1983 a. 173; 1985 a. 29, 133; 1989 a. 232; 1995 a. 27. ✓

SECTION 4. 179.12 (1) (intro.) of the statutes is amended to read:

179.12 (1) (intro.) A certificate of limited partnership is amended by filing a certificate of amendment with the department, together with a fee of \$25, except that the department, by rule, may specify a larger fee for certificates that are filed in paper format. The certificate shall specify all of the following: ✓

History: 1983 a. 173; 1985 a. 29; 1989 a. 232; 1995 a. 27, 417. ✓

SECTION 5. 179.13 (intro.) of the statutes is amended to read:

179.13 **Cancellation of certificate.** (intro.) A certificate of limited partnership shall be canceled upon the dissolution and the commencement of

winding up of the limited partnership or at any other time that there are no limited partners. A certificate of cancellation shall be filed together with a fee of \$10 with the department and, except that the department, by rule, may specify a larger fee for certificates that are filed in paper format. Each certificate shall specify all of the following:

History: 1983 a. 173; 1995 a. 27.

INSERT 7-9 C

SECTION 6. 179.185 (1) of the statutes is amended to read:

179.185 (1) A limited partnership may integrate into a single instrument the operative provisions of its certificate of limited partnership, as shown by the original certificate and amendments filed under this subchapter, and it may at the same time also further amend its certificate of limited partnership by adopting a restated certificate of limited partnership. The restated certificate shall be filed together with a fee of \$25 with the department, except that the department, by rule, may specify a larger fee for certificates that are filed in paper format.

History: 1983 a. 173; 1989 a. 232; 1995 a. 27.

SECTION 7. 179.24 (1) (b) of the statutes is amended to read:

179.24 (1) (b) Withdraws from future equity participation in the enterprise by executing and filing with the department, together with a \$15 filing fee, a certificate declaring withdrawal under this paragraph, except that the department, by rule, may specify a larger fee for certificates that are filed in paper format.

History: 1983 a. 173; 1989 a. 56, 232, 359; 1995 a. 27.

INSERT 13-12

SECTION 8. 179.82 (intro.) of the statutes is amended to read:

179.82 Registration. (intro.) Before transacting business in this state, a foreign limited partnership shall register with the department. A foreign limited

partnership shall submit in duplicate, together with a filing fee of \$75, an application for registration as a foreign limited partnership, signed and sworn to by a general partner ~~and setting, except that the department, by rule, may specify a larger fee for applications that are filed in paper format.~~ Each application shall set forth all of the following:

History: 1983 a. 173; 1989 a. 232; 1993 a. 112; 1995 a. 27.

INSERT 13-20

SECTION 9. 179.86[✓] (1) of the statutes is amended to read:

179.86 (1) A foreign limited partnership may cancel its registration by filing with the department, together with a filing fee of \$15, a certificate of cancellation signed and sworn to by a general partner, ~~except that the department, by rule, may specify a larger fee for certificates that are filed in paper format.~~ ✓

History: 1983 a. 173; 1995 a. 27.

INSERT 14-8

X

SECTION 10. 180.0103 (7g) of the statutes is created to read:

180.0103 (7g) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

SECTION 11. 180.0103^X (7^{7K}) of the statutes is created to read: ✓

180.0103 (7^{7KB}) "Electronic signature" means an electronic sound, symbol, or process, attached to or logically associated with a writing and executed or adopted by a person with intent to authenticate the writing. ✓

SECTION 12. 180.0103[✓] (16) of the statutes is amended to read:

180.0103 (16) "Signed" or "signature" includes ~~any~~ the execution or adoption of a manual, facsimile, conformed, or electronic signature, or any symbol executed

~~or adopted by a party with present intention to authenticate a writing or electronic transmission, with intent to authenticate a writing.~~

History: 1989 a. 303; 1991 a. 16, 221; 1993 a. 112; 1995 a. 27, 271; 1999 a. 9.

INSERT 14-11

SECTION 13. 180.0122 (1) (intro.) of the statutes is amended to read:

180.0122 (1) (intro.) The Except as provided under sub. (5), the department shall collect the following fees when the documents described in this subsection are delivered for filing or, under pars. (e) and (f), the telephone applications are made:

History: 1989 a. 303; 1991 a. 16, 269; 1993 a. 214, 323, 331; 1995 a. 27, 271; 1997 a. 27.

SECTION 14. 180.0122 (1) (o) of the statutes ~~is~~ repealed and recreated to read:

180.0122 (1) (o) Articles of merger, \$150.

INSERT 14-13

SECTION 15. 180.0122 (1m) (intro.) of the statutes is amended to read:

180.0122 (1m) (intro.) ~~The Except as provided under sub. (5), the department shall collect the following fees when the documents described in this subsection are delivered to the department for filing by an investment company:~~

History: 1989 a. 303; 1991 a. 16, 269; 1993 a. 214, 323, 331; 1995 a. 27, 271; 1997 a. 27.

SECTION 16. 180.0122 (1m) (d) of the statutes is repealed and recreated to read:

180.0122 (1m) (d) Articles of merger, \$150.

SECTION 17. 180.0122 (5) of the statutes is created to read:

180.0122 (5) The department, by rule, may specify a larger fee for filing documents described in ~~subs. (1) and (1m)~~ ^{sub.} in paper format.

INSERT 29-5

SECTION 18. 181.0122 (1) (intro.) of the statutes is amended to read:

181.0122 (1) FILING FEE SCHEDULE. (intro.) The Except as provided under sub. (5), the department shall collect the following fees when the documents described in

INSERT 14-11A

as affected by 2001 Wisconsin Act 16,

Handwritten arrows pointing down and up.

this subsection are delivered to the department for filing or, under pars. (e) and (f), when the telephone applications are made:

History: 1997 a. 79.

SECTION 19. 181.0122 (1) (o) of the statutes is repealed and recreated to read:
181.0122 (1) (o) Articles of merger, \$150.

INSERT 29-7

SECTION 20. 181.0122 (5) of the statutes is created to read:
181.0122 (5) The department, by rule, may specify a larger fee for filing documents described in sub. (1) in paper format.

INSERT 44-5

SECTION 21. 183.0114 (1) (intro.) of the statutes is amended to read:
183.0114 (1) (intro.) The Except as provided under sub. (3), the department shall collect the following fees when the documents described in this subsection are delivered for filing, or, under pars. (e) and (f), the telephone applications are made:

History: 1993 a. 112; 1995 a. 27; 1997 a. 35.

INSERT 44-7

SECTION 22. 183.0114 (1) (n) of the statutes is repealed and recreated to read:
183.0114 (1) (n) Articles of merger, \$150.

INSERT
44-7A

SECTION 23. 183.0114 (3) of the statutes is created to read:
183.0114 (3) The department, by rule, may specify a larger fee for filing documents described in sub. (1) in paper format.

INSERT 58-8

SECTION 24. 184.10 (4) of the statutes is amended to read:
184.10 (4) The department of financial institutions shall collect a fee of \$15 for filing a statement appointing an agent to receive service of process, an amended and

restated statement, or a resignation, except that the department of financial institutions, by rule, may specify a larger fee for documents filed in paper format.

History: 1997 a. 140.

SECTION 25. 185.48 (4) of the statutes is amended to read:

185.48 (4) Any report not filed as required by sub. (3) may be filed only upon payment to the department of \$26 or, if the report is filed in paper format, upon payment of such larger fee as the department prescribes by rule.

History: 1977 c. 29; 1979 c. 221; 1985 a. 29; 1985 a. 30 ✓ 42; 1985 a. 338; 1989 a. 123; 1995 a. 27.

SECTION 26. 185.48 (6) of the statutes is amended to read:

185.48 (6) ~~The~~ Except as otherwise provided in this subsection, the cooperative may be restored to good standing by delivering to the department a current annual report and by paying the \$26 late filing fee plus \$15 for each calendar year or part thereof during which it was not in good standing, not exceeding a total of \$176. The department, by rule, may specify a larger fee for the filing of an annual report in paper format.

History: 1977 c. 29; 1979 c. 221; 1985 a. 29; 1985 a. 30 a. 42; 1985 a. 338; 1989 a. 123; 1995 a. 27.

SECTION 27. 185.83 (1) (intro.) of the statutes is amended to read:

185.83 (1) (intro.) ~~The~~ Except as provided under sub. (1m), the department shall charge and collect for:

History: 1977 c. 29; 1979 c. 221; 1983 a. 27 ss. 1587, 1588, 2204 (47); 1983 a. 134; 1985 a. 29; 1985 a. 30 ss. 39m, 42; 1985 a. 338; 1987 a. 27; 1989 a. 123; 1995 a. 27.

SECTION 28. 185.83 (1) (b) of the statutes is amended to read:

185.83 (1) (b) Filing an amendment to or restatement of the articles or articles of merger, consolidation or division, \$10, except that no fee may be collected for an amendment showing only a change of address resulting from the action of a governmental agency if there is no corresponding change in physical location and if 2 copies of the notice of the action are submitted to the department; and an additional

fee of \$1.25 for each \$1,000 of authorized stock not authorized at the time of amendment, restatement, ~~merger~~, consolidation or division.

History: 1977 c. 29; 1979 c. 221; 1983 a. 27 ss. 1587, 1588, 2204 (47); 1983 a. 134; 1985 a. 29; 1985 a. 30 ss. 39m, 42; 1985 a. 338; 1987 a. 27; 1989 a. 123; 1995 a. 27.

SECTION 29. 185.83 (1) (bm) of the statutes is created to read:

185.83 (1) (bm) Filing articles of merger, \$150.

SECTION 30. 185.83 (1m) of the statutes is created to read:

185.83 (1m) The department, by rule, may specify a larger fee for filing documents described in sub. (1) in paper format.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3724/1dn
RJM&RAC/.....

df
UK

The draft does not amend s. 77.25(6) as recommended because the definition of "mergers of corporations" under s. 77.21(1e), as amended by the bill, incorporates the recommended language. The draft does not duplicate in subchapter II of chapter 77 the recommended language regarding conveyances under ss. 179.76(4)(c) and 179.77 because such treatment isn't necessary. (P) In addition,

LPS:
do not put in a new paragraph number

Lisa Roys:

We have now completed an introducible version of the "next economy" package. This draft incorporates all of your instructions, as we understand them. Please note the following items:

1. This draft changes the existing filing fee for articles of merger in ss. 180.0122 (1) (o), 181.0122 (1) (o), 183.0114 (1) (n), and 185.83 (1) (b) to \$150 (or such larger amount as the department sets by rule, if the articles are filed in paper format), so as to make the fee uniform. In some cases, this fee is significantly different from the fee provided under current law. Please let us know if we have misunderstood your intent.

2. This draft alters the definitions in s. 180.0103 in order to make them more consistent with the definitions in the federal Electronic Signatures in Global and National Commerce Act. See 15 USC 7006.

3. This draft incorporates some, but not all, of the requested changes from the Department of Revenue (DOR). The draft does not change the first two sentences in proposed s. 179.76 (4) (a) and similar proposed statutes, as requested by DOR, because it appeared to us that the revision accomplished the same result but was not as clearly drafted as the current language. If DOR intends to alter the result of the language, it would be helpful if they would provide us with an explanation, in plain English, of the intended result. We did add a new final sentence to the provision, based on the language suggested by DOR. You may want the interested parties to review the language to ensure it is agreeable.

current

4. Also with regard to proposed s. 179.76 (4) (a) and similar proposed statutes, the instructions from DOR appear to conflict with regard to passthrough liability. The instructions seem to indicate that the bill should limit an owner's passthrough liability, but the language proposed for the last sentence of s. 179.76 (4) (a) seems to exempt passthrough liability from any limits on liability. We assumed for the purposes of this draft that the intended result is to exempt passthrough liability from any limits on liability established under the draft.

and similar proposed statutes

Please feel free to contact us if you have any questions or desire any changes. ~~If you desire changes, it would likely help us to produce a draft more quickly if you would provide us with a plain English explanation of the intent of the changes.~~

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: robert.marchant@legis.state.wi.us

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.state.wi.us

JK

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3724/1dn
RJM/RAC/JK:cjs:ch

November 9, 2001

Lisa Roys:

We have now completed an introducible version of the "next economy" package. This draft incorporates all of your instructions, as we understand them. Please note the following items:

1. This draft changes the existing filing fee for articles of merger in ss. 180.0122 (1) (o), 181.0122 (1) (o), 183.0114 (1) (n), and 185.83 (1) (b) to \$150 (or such larger amount as the department sets by rule, if the articles are filed in paper format), so as to make the fee uniform. In some cases, this fee is significantly different from the fee provided under current law. Please let us know if we have misunderstood your intent.
2. This draft alters the definitions in s. 180.0103 in order to make them more consistent with the definitions in the federal Electronic Signatures in Global and National Commerce Act. See 15 USC 7006.
3. This draft incorporates some, but not all, of the requested changes from the Department of Revenue (DOR). The draft does not amend s. 77.25 (6) as recommended because the definition of "mergers of corporations" under s. 77.21 (1e), as amended by the bill, incorporates the recommended language. The draft does not duplicate in subchapter II of chapter 77 the recommended language regarding conveyances under ss. 179.76 (4) (c) and 179.77 because such treatment isn't necessary.

In addition, the draft does not change the first two sentences in proposed s. 179.76 (4) (a) and similar proposed statutes, as requested by DOR, because it appeared to us that the revision accomplished the same result but was not as clearly drafted as the current language. If DOR intends to alter the result of the current language, it would be helpful if they would provide us with an explanation, in plain English, of the intended result. We did add a new final sentence to the provision, based on the language suggested by DOR. You may want the interested parties to review the language to ensure it is agreeable.

4. Also with regard to proposed s. 179.76 (4) (a) and similar proposed statutes, the instructions from DOR appear to conflict with regard to passthrough liability. The instructions seem to indicate that the bill should limit an owner's passthrough liability, but the language proposed for the last sentence of s. 179.76 (4) (a) and similar proposed statutes seems to exempt passthrough liability from any limits on liability. We

assumed for the purposes of this draft that the intended result is to exempt passthrough liability from any limits on liability established under the draft.

Please feel free to contact us if you have any questions or desire any changes.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: robert.marchant@legis.state.wi.us

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.state.wi.us

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us