

**2001 DRAFTING REQUEST**

**Assembly Amendment (AA-AB650)**

Received: **02/01/2002**

Received By: **rmarchan**

Wanted: **Today**

Identical to LRB:

For: **Suzanne Jeskewitz (608) 266-3796**

By/Representing: **erin**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Addl. Drafters:

Subject: **Bus. Assn. - corporations**  
**Bus. Assn. - LLCs**  
**Bus. Assn. - miscellaneous**  
**Bus. Assn. - partnerships**  
**Fin. Inst. - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Jeskewitz@legis.state.wi.us**

Carbon copy (CC:) to: **robert.marchant@legis.state.wi.us**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

AA (liability of owners) to AB-650 (next economy)

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**Instructions:**

See attached. Include changes not only to the ch. 179 provisions but also to all similar provisions in bill.

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 02/04/2002			_____			
/1	rmarchan	csicilia	jfrantze	_____	lrb_docadmin	lrb_docadmin	

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	02/05/2002	02/05/2002	02/04/2002 _____		02/04/2002	02/04/2002	
/2			rschluet _____ 02/05/2002 _____		lrb_docadmin 02/05/2002	lrb_docadmin 02/05/2002	

FE Sent For:

<END>



<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			02/04/2002 _____		02/04/2002	02/04/2002	

FE Sent For:

<END>

2001 DRAFTING REQUEST

Assembly Amendment (AA-AB650)

Received: 02/01/2002

Received By: rmarchan

Wanted: Today

Identical to LRB:

For: Suzanne Jeskewitz (608) 266-3796

By/Representing: erin

This file may be shown to any legislator: NO

Drafter: rmarchan

May Contact:

Addl. Drafters:

Subject: Bus. Assn. - corporations
Bus. Assn. - LLCs
Bus. Assn. - miscellaneous
Bus. Assn. - partnerships
Fin. Inst. - miscellaneous

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Carbon copy (CC:) to: robert.marchant@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

AA (liability of owners) to AB-650 (next economy)

Instructions:

See attached. Include changes not only to the ch. 179 provisions but also to all similar provisions in bill.

Drafting History:

Table with columns: Vers., Drafted, Reviewed, Typed, Proofed, Submitted, Jacketed, Required. Includes handwritten entries for dates and initials.

FE Sent For:

<END>



**STATE BAR  
of WISCONSIN®**

5302 Eastpark Blvd.  
P.O. Box 7158  
Madison, WI 53707-7158

**MEMORANDUM**

**To:** Sen. Mark Meyer  
Rep. Sue Jeskewitz

**From:** Atty. Tom Nichols, Business Law Section  
Jenny Boese, Senior Government Relations Coordinator

**Date:** February 1, 2002

**Re:** Next Economy - Suggested Language

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Rep. Wayne Wood questioned a provision in AB 650/SB 333 regarding proposed Section 179.76(4)(a)2 and related provisions. His concern was whether there was any loophole in this language which could be used to avoid liability. The Business Law Section does not believe so, however, we have drafted language we hope will help provide a higher comfort level and move us forward to enactment.

**ISSUE**

From the Business Law Section's perspective, s.179.76(4)(a)2 was clearly intended to confirm that a general partner in a limited partnership would continue to be liable for debts and obligations of the partnership that accrued while he, she or it was the general partner of the limited partnership, even after conversion of the entity into an LLC or other limited liability business entity. The language in AB 650/SB 333 provides as follows:

"If the conversion is from or to a business entity under the laws applicable to which one or more of the owners thereof is liable for the debts and obligations of such business entity, such owner or owners shall be so liable only for debts and obligations accrued during a period or periods in which such laws are applicable."

It would be difficult to interpret this language to mean that a general partner of a limited partnership that was converting into a limited liability company might somehow not be liable after the conversion for liabilities that accrued before the conversion. The language specifically provides that the general partner "shall be so liable", and the "during the period . . ." language fairly clearly modifies the word "accrued" in the statute. The "during" clause should not be interpreted to modify "shall be so liable", because then the word "accrued" would be surplusage; it wouldn't serve any purpose in the sentence.

### **SUGGESTED AMENDMENT LANGUAGE**

If there is still a concern, however, the language could be modified to read as follows:

"such owner or owners shall continue to be or become so liable for debts and obligations of such business entity, but only for such debts and obligations accrued during the period or periods in which such laws are applicable."

The reason the language is a little more cumbersome is because the statute needs to cover both the situation where a limited partnership is converting into another form of entity (thereby eliminating pass-through liability) and also the situation where another entity is becoming a limited partnership (thereby creating pass-through liability).

We don't believe the language is necessary in order to prevent the "liability avoidance" result, but this new language, although a little more awkward, should establish an even higher comfort level for legislators.

Please contact Atty. Tom Nichols at (414) 273-1300 or Jenny Boese at 608-250-6045 or [jboese@wisbar.org](mailto:jboese@wisbar.org) if you have questions.

## Marchant, Robert

---

**From:** Marchant, Robert  
**Sent:** Friday, February 01, 2002 2:17 PM  
**To:** 'tjn@mftn.com'  
**Cc:** Huber, Grant; Bilot, Erin  
**Subject:** FW: AB-650/SB-333

Tom--

In thinking about this a little more, even if the current result of the merger provisions is what was intended, I think it would be helpful to amend the provisions in order to clarify the result. I would suggest the following (without the italics):

If the merging entity merges with or into a surviving entity under the laws applicable to which one or more of the owners of the surviving entity is liable for the debts and obligations of the surviving entity, then the owner or owners of the merging entity are liable for the debts and obligations of the surviving entity, *including the debts and obligations accrued prior to the merger.*

Let me know what you think.

-----Original Message-----

**From:** Marchant, Robert  
**Sent:** Friday, February 01, 2002 2:06 PM  
**To:** 'tjn@mftn.com'  
**Cc:** Huber, Grant; Bilot, Erin  
**Subject:** AB-650/SB-333

Tom--

As I mentioned on the phone, the language of the amendment is an improvement over the language it replaces. Upon closer examination, though, it is possible that neither the amendment nor the language it replaces accomplishes the intended result in the context of merging entities. This issue is best explained with a hypothetical.

Assume entity A is an LLC. Assume entity B is an entity, "under the laws applicable to which" the owners are liable. If A and B merge, then the owners of A would be liable for "such debts and obligations accrued during the period or periods in which such laws are applicable." Because the laws were applicable to B before the merger, the owners of A would assume responsibility for liabilities that B accrued *before* the merger.

Do you agree? Is this the intended result? If so, then I don't think the provisions relating to merger need to be amended.

If this result is not intended, do you think the following language (without the italics) accomplishes the intended result:

If the merging entity merges with or into a surviving entity under the laws applicable to which one or more of the owners of the surviving entity is liable for the debts and obligations of the surviving entity, then the owner or owners of the merging entity become liable for the debts and obligations of the surviving entity, but only for the debts and obligations accrued *during the period following the merger.*

Let me know what you think.

Robert J. Marchant  
Legislative Attorney  
State of Wisconsin Legislative Reference Bureau  
608-261-4454



## Marchant, Robert

---

**From:** Marchant, Robert  
**Sent:** Sunday, February 03, 2002 5:59 PM  
**To:** 'tjn@mtfn.com'  
**Cc:** Bilot, Erin; Huber, Grant  
**Subject:** SB-333/AB-650

Hello, Tom--

Thanks again for taking the time to examine this issue. Some would say this is tedious, but they don't know what fun is. I have made another attempt at drafting the merger language, giving regard to your voicemail from Saturday. What is your opinion on the following language:

- (b) 1. If, under the laws applicable to a business entity that is a party to the merger, one or more of the owners thereof is liable for the debts and obligations of such business entity, the owner or owners of the business entity shall continue to be liable for the debts and obligations, but only for such debts and obligations accrued during the period or periods in which such laws are applicable.
2. If, under the laws applicable to the surviving business entity, one or more of the owners thereof is liable for the debts and obligations of such business entity, the owner or owners of a business entity that is party to the merger shall become liable for the debts and obligations of the surviving business entity, but only for such debts and obligations accrued after the merger. The owner or owners of the surviving business entity continue to be liable for the debts and obligations of the surviving business entity pursuant to subd. 1.
3. This paragraph does not affect liability under any taxation laws.

I look forward to hearing from you.

Robert J. Marchant  
Legislative Attorney  
State of Wisconsin Legislative Reference Bureau  
608-261-4454

**MEISSNER TIERNEY FISHER & NICHOLS S.C.  
ATTORNEYS AT LAW**

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STEVEN F. STANASZAK  
ADAM J. TUTAJ  
AMY M. ALGIERS  
CATHERINE A. RITTERBUSCH  
WILLIAM F. GRADY IV

**FACSIMILE COVER SHEET**

OF COUNSEL:  
PAUL F. MEISSNER

+ Also licensed in Iowa

Date: February 4, 2002

<b>From:</b>	Thomas J. Nichols
<b>To:</b>	Robert J. Marchant
<b>Company:</b>	State of Wisconsin, Legislative Bureau
<b>Fax Number:</b>	1-608-264-6948
<b>Internal Reference:</b>	Firm
<b>Total Pages (Including Cover Sheet):</b>	2
<b>Original/Copy:</b>	Will Not Follow
<b>Operator:</b>	Brenda

**Message:**

If this transmission is interrupted or of poor quality, please contact the operator, identified above, by calling (414) 273-1300. Our Facsimile number is (414) 273-5840.

<p>The information contained in this Facsimile is attorney privileged and confidential information intended for the use of the individual or entity named above. If the reader of this Facsimile is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this facsimile in error, please notify us immediately by telephone and return the original message to us at the above address, via the U.S. Postal Service, at our expense. Thank you.</p>
---

From: "Marchant, Robert" <Robert.Marchant@legis.state.wi.us>  
 To: "tjn@mtfn.com" <tjn@mtfn.com>  
 Date: 2/3/02 5:53PM  
 Subject: SB-333/AB-650

① Just the general partner, not the limited partner should be liable.

Hello, Tom--

Thanks again for taking the time to examine this issue. Some would say this is tedious, but they don't know what fun is. I have made another attempt at drafting the merger language, giving regard to your voicemail from Saturday. What is your opinion on the following language:

② This is just to better define "the debts and obligations"; also editorial.

(b) 1. If, under the laws applicable to a business entity that is a party to the merger, one or more of the owners thereof is liable for the debts and obligations of such business entity, the owner or owners of the business entity shall continue to be liable for the debts and obligations, but only for such debts and obligations accrued during the period or periods in which such laws are applicable *to such owner or owners.*

③ To match language of subdivision

2. If, under the laws applicable to the surviving business entity, one or more of the owners thereof is liable for the debts and obligations of such business entity, the owner or owners of a business entity that is party to the merger shall be ~~not~~ liable for the debts and obligations of the surviving business entity, but only for such debts and obligations accrued after the merger. The owner or owners of the surviving business entity shall continue to be liable for the debts and obligations of the surviving business entity pursuant to subd. 1.

④ To confirm that new owners are not hooked in

3. This paragraph does not affect liability under any taxation laws.

⑤ This is to limit liability of incoming partners per § 178.14

I look forward to hearing from you.

Robert J. Marchant  
 Legislative Attorney  
 State of Wisconsin Legislative Reference Bureau  
 608-261-4454

CC: "Bilot, Erin" <Erin.Bilot@legis.state.wi.us>, "Huber, Grant" <Grant.Huber@legis.state.wi.us>

(other than the surviving business entity) who become subject to such laws

③ You shouldn't limit liability of a continuing general partner of a surviving general partnership to just post-merger liabilities



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRBa1226# 1  
RJM:Y:...

Zpn

ES  
Rm NR  
DUSTE

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION  
ASSEMBLY AMENDMENT,  
TO 2001 ASSEMBLY BILL 650

Identical  
drafts

- 1 At the locations indicated, amend the bill as follows:
- 2 **1.** Page 9, line 9: delete "2 one" and substitute "2".
- 3 **2.** Page 18, line 8: delete the material beginning with "such" and ending with
- 4 "applicable" on line 9 and substitute "such owner or owners shall continue to be or
- 5 become so liable for debts and obligations of such business entity, but only for such
- 6 debts and obligations accrued during the period or periods in which such laws are
- 7 applicable".
- 8 **3.** Page 21, line 12: delete lines 12 to 16 and substitute:
- 9 "(b) 1. If, under the laws applicable to a business entity that is a party to the
- 10 merger, one or more of the owners thereof is liable for the debts and obligations of
- 11 such business entity, such owner or owners shall continue to be liable for the debts
- 12 and obligations of the business entity, but only for such debts and obligations accrued

1 during the period or periods in which such laws are applicable to such owner or  
2 owners.

3 2. If, under the laws applicable to the surviving business entity, one or more of  
4 the owners thereof is liable for the debts and obligations of such business entity, the  
5 owner or owners of a business entity that is party to the merger, other than the  
6 surviving business entity, shall be liable for the debts and obligations of the surviving  
7 business entity, but only for such debts and obligations accrued after the merger. The  
8 owner or owners of the surviving business entity prior to the merger shall continue  
9 to be liable for the debts and obligations of the surviving business entity to the extent  
10 provided in subd. 1. ” .

11 ~~3. This paragraph does not affect liability under any taxation laws.~~

12 4. Page 26, line 13: after that line insert:

13 “SECTION 47d. 180.0125 (2) (b) of the statutes is amended to read:

14 180.0125 (2) (b) If a domestic corporation or foreign corporation is in default  
15 in the payment of any fee required under s. 180.0122 (1) (a) to (j) or (m) to ~~(ym)~~ (yr),  
16 the department shall refuse to file any document relating to the domestic corporation  
17 or foreign corporation until all delinquent fees are paid by the domestic corporation  
18 or foreign corporation.”.

19 5. Page 32, line 13: delete lines 13 to 17 and substitute:

20 “180.1106 (1) (am) 1. If, under the laws applicable to a business entity that is  
21 a party to the merger, one or more of the owners thereof is liable for the debts and  
22 obligations of such business entity, such owner or owners shall continue to be liable  
23 for the debts and obligations of the business entity, but only for such debts and

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

3 2. If, under the laws applicable to the surviving business entity, one or more of  
4 the owners thereof is liable for the debts and obligations of such business entity, the  
5 owner or owners of a business entity that is party to the merger, other than the  
6 surviving business entity, shall be liable for the debts and obligations of the surviving  
7 business entity, <sup>to the extent provided in such laws</sup> but only for such debts and obligations accrued after the merger. The  
8 owner or owners of the surviving business entity prior to the merger shall continue  
9 to be liable for the debts and obligations of the surviving business entity to the extent  
10 provided in subd. 1.

11 3. This paragraph does not affect liability under any taxation laws.”.

12 6. Page 36, line 14: delete the material beginning with “such” and ending with  
13 “applicable” on line 15 and substitute “such owner or owners shall continue to be  
14 or become so liable for debts and obligations of such business entity, but only for such  
15 debts and obligations accrued during the period or periods in which such laws are  
16 applicable”.

17 7. Page 47, line 18: delete lines 18 to 23 and substitute:

18 “181.1106 (1m) DEBTS AND OBLIGATIONS. (a) If, under the laws applicable to a  
19 business entity that is a party to the merger, one or more of the owners thereof is  
20 liable for the debts and obligations of such business entity, such owner or owners  
21 shall continue to be liable for the debts and obligations of the business entity, but only  
22 for such debts and obligations accrued during the period or periods in which such  
23 laws are applicable to such owner or owners.

1 (b) If, under the laws applicable to the surviving business entity, one or more  
2 of the owners thereof is liable for the debts and obligations of such business entity,  
3 the owner or owners of a business entity that is party to the merger, other than the  
4 surviving business entity, shall be liable for the debts and obligations of the surviving  
5 business entity, <sup>to the extent provided in such laws</sup> but only for such debts and obligations accrued after the merger. The  
6 owner or owners of the surviving business entity prior to the merger shall continue  
7 to be liable for the debts and obligations of the surviving business entity to the extent  
8 provided in ~~subd. 1c~~ <sup>par. (a)</sup>

9 (c) This subsection does not affect liability under any taxation laws.”

10 **8.** Page 51, line 11: delete the material beginning with “such” and ending with  
11 “applicable” on line 12 and substitute: “such owner or owners shall continue to be  
12 or become so liable for debts and obligations of such business entity, but only for such  
13 debts and obligations accrued during the period or periods in which such laws are  
14 applicable”.

15 **9.** Page 69, line 10: delete lines 10 to 14 and substitute:

16 “(1m) (a) If, under the laws applicable to a business entity that is a party to the  
17 merger, one or more of the owners thereof is liable for the debts and obligations of  
18 such business entity, such owner or owners shall continue to be liable for the debts  
19 and obligations of the business entity, but only for such debts and obligations accrued  
20 during the period or periods in which such laws are applicable to such owner or  
21 owners.

22 (b) If, under the laws applicable to the surviving business entity, one or more  
23 of the owners thereof is liable for the debts and obligations of such business entity,  
24 the owner or owners of a business entity that is party to the merger, other than the

*to the extent provided in such laws*

1 surviving business entity, shall be liable for the debts and obligations of the surviving  
 2 business entity, but only for such debts and obligations accrued after the merger. The  
 3 owner or owners of the surviving business entity prior to the merger shall continue  
 4 to be liable for the debts and obligations of the surviving business entity to the extent  
 5 provided in (subd. 1)."

*par. (a).*

~~(c) This subsection does not affect liability under any taxation laws.~~

7 **10.** Page 73, line 5: delete the material beginning with "such" and ending with  
 8 "applicable" on line 6 and substitute "such owner or owners shall continue to be or  
 9 become so liable for debts and obligations of such business entity, but only for such  
 10 debts and obligations accrued during the period or periods in which such laws are  
 11 applicable".

(END)



**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBa1226/dn  
RJM:.....

js

Representative Teskewitz:

Attached is the amendment you requested making technical changes and adjusting the language regarding the liability of owners of converting and merging business entities. Among other things, this amendment provides that the owners of a converting or merging business entity continue to be liable for the debts and obligations of the business entity that accrued before the merger or conversion and become liable for the debts and obligations of the new or surviving entity that accrue after the conversion or merger (provided liability for the debts and obligations exists under current law).

By contrast, the bill would instead require a different result in the context of merging business entities. This issue <sup>is</sup> best explained with a hypothetical. Assume entity A is an LLC (where the owners have limited liability) and entity B is a limited partnership (where at least one general partner has personal liability). If A merges into B, then, under the bill, the owners of A would assume personal responsibility for the liabilities of B, even if those liabilities accrued *before* the merger.

If you have any questions or would like any additional changes, please feel free to call.

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

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBa1226/1dn  
RJM:cjs:jf

February 4, 2002

Representative Jeskewitz:

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By contrast, the bill would instead require a different result in the context of merging business entities. This issue is best explained with a hypothetical. Assume entity A is an LLC (where the owners have limited liability) and entity B is a limited partnership (where at least one general partner has personal liability). If A merges into B, then, under the bill, the owners of A would assume personal responsibility for the liabilities of B, even if those liabilities accrued *before* the merger.

If you have any questions or would like any additional changes, please feel free to call.

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

## Marchant, Robert

---

**From:** Bilot, Erin  
**Sent:** Tuesday, February 05, 2002 8:36 AM  
**To:** Marchant, Robert  
**Subject:** FW: Next Economy Amendment - Problem

Erin Bilot  
Office of Suzanne Jeskewitz  
State Representative  
24th Assembly District

-----Original Message-----

**From:** Jenny Boese [mailto:jboese@wisbar.org]  
**Sent:** Monday, February 04, 2002 7:23 PM  
**To:** erin.bilot@legis.state.wi.us; Grant.Huber@legis.state.wi.us  
**Cc:** Lisa.Roys@dfi.state.wi.us  
**Subject:** Next Economy Amendment - Problem



Next Economy -  
Amendment Langu..

Erin and Grant

While the Business Law Section talked with LRB about the changes in the amendment, we did not see the final language until late Monday afternoon. After reviewing it, we unfortunately think there are a few missing words which make the amendment somewhat problematic. The attached document has the changes to fix the problems but I am not sure there is enough time to get it redrafted before Finance meets Tuesday morning.

So, the three options as I see them are:

- 1) Redraft amendment (problem is getting it done in time for Finance)
- 2) Don't go with the amendment at all. (DFI says that they are fine with that and can do the two other technical changes in remedial legislation. We are fine with not doing the amendment because we feel the language in the bill as currently drafted is fine.)
- 3) Go with the problem amendment (this is the least palatable).

Please advise on how your offices want to proceed. I will be in the office early on Tuesday morning (about 7am) and then heading to the Capitol around 8:30am.

Thank you very much and sorry about all of this.  
Jenny

Jenny Roese  
Senior Government Relations Coordinator  
State Bar of Wisconsin  
Direct Dial: 608-250-6045  
Fax: 608-257-4343  
jboese@wisbar.org

**LRB 1226/1**  
**Amendment to AB 650/SB 333**

There are basically two changes that need to be made and they are repeated throughout this amendment.

All the changes are outlined below:

Page 1, Line 7 – after the word “applicable” **add** “*to such owner or owners.*”

Page 2, Line 6 – after “surviving business entity” **add** “*who become subject to such laws*”

Page 3, Line 4 – after “surviving business entity” **add** “*who become subject to such laws*”

Page 3, Line 14 – **add** “*to such owner or owners.*”

Page 4, Line 1 – after “surviving business entity” **add** “*who become subject to such laws*”

Page 4, Line 11 **add** “*to such owner or owners.*”

Page 4, Line 22 – after “surviving business entity” **add** “*who become subject to such laws*”

Page 5, Line 7 – **add** “*to such owner or owners.*”

*Now*

*Rundt*

**ASSEMBLY AMENDMENT ,  
TO 2001 ASSEMBLY BILL 650**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 9, line 9: delete "2 one" and substitute "2".

3 **2.** Page 18, line 8: delete the material beginning with "such" and ending with  
4 "applicable" on line 9 and substitute "such owner or owners shall continue to be or  
5 become so liable for debts and obligations of such business entity, but only for such  
6 debts and obligations accrued during the period or periods in which such laws are  
7 applicable". *to such owner or owners*

8 **3.** Page 21, line 12: delete lines 12 to 16 and substitute:

9 "(b) 1. If, under the laws applicable to a business entity that is a party to the  
10 merger, one or more of the owners thereof is liable for the debts and obligations of  
11 such business entity, such owner or owners shall continue to be liable for the debts  
12 and obligations of the business entity, but only for such debts and obligations accrued

1 during the period or periods in which such laws are applicable to such owner or  
2 owners.

3 2. If, under the laws applicable to the surviving business entity, one or more of  
4 the owners thereof is liable for the debts and obligations of such business entity, the  
5 owner or owners of a business entity that is party to the merger, other than the  
6 surviving business entity, <sup>who became subject to such laws</sup> shall be liable for the debts and obligations of the surviving  
7 business entity to the extent provided in such laws, but only for such debts and  
8 obligations accrued after the merger. The owner or owners of the surviving business  
9 entity prior to the merger shall continue to be liable for the debts and obligations of  
10 the surviving business entity to the extent provided in subd. 1.”

11 4. Page 26, line 13: after that line insert:

12 “SECTION 47d. 180.0125 (2) (b) of the statutes is amended to read:

13 180.0125 (2) (b) If a domestic corporation or foreign corporation is in default  
14 in the payment of any fee required under s. 180.0122 (1) (a) to (j) or (m) to ~~(ym)~~ (yr),  
15 the department shall refuse to file any document relating to the domestic corporation  
16 or foreign corporation until all delinquent fees are paid by the domestic corporation  
17 or foreign corporation.”

18 5. Page 32, line 13: delete lines 13 to 17 and substitute:

19 “180.1106 (1) (am) 1. If, under the laws applicable to a business entity that is  
20 a party to the merger, one or more of the owners thereof is liable for the debts and  
21 obligations of such business entity, such owner or owners shall continue to be liable  
22 for the debts and obligations of the business entity, but only for such debts and  
23 obligations accrued during the period or periods in which such laws are applicable  
24 to such owner or owners.

1           2. If, under the laws applicable to the surviving business entity, one or more of  
2 the owners thereof is liable for the debts and obligations of such business entity, the  
3 owner or owners of a business entity that is party to the merger, other than the  
4 surviving business entity, <sup>who become subject to such laws</sup> shall be liable for the debts and obligations of the surviving  
5 business entity to the extent provided in such laws, but only for such debts and  
6 obligations accrued after the merger. The owner or owners of the surviving business  
7 entity prior to the merger shall continue to be liable for the debts and obligations of  
8 the surviving business entity to the extent provided in subd. 1.

9           3. This paragraph does not affect liability under any taxation laws.”.

10           **6.** Page 36, line 14: delete the material beginning with “such” and ending with  
11 “applicable” on line 15 and substitute “such owner or owners shall continue to be or  
12 become so liable for debts and obligations of such business entity, but only for such  
13 debts and obligations accrued during the period or periods in which such laws are  
14 applicable”. <sup>to such owner or owners</sup>

15           **7.** Page 47, line 18: delete lines 18 to 23 and substitute:

16           “181.1106 (1m) DEBTS AND OBLIGATIONS. (a) If, under the laws applicable to a  
17 business entity that is a party to the merger, one or more of the owners thereof is  
18 liable for the debts and obligations of such business entity, such owner or owners  
19 shall continue to be liable for the debts and obligations of the business entity, but only  
20 for such debts and obligations accrued during the period or periods in which such  
21 laws are applicable to such owner or owners.

22           (b) If, under the laws applicable to the surviving business entity, one or more  
23 of the owners thereof is liable for the debts and obligations of such business entity,  
24 the owner or owners of a business entity that is party to the merger, other than the

1 surviving business entity, <sup>who became subject to such laws</sup> shall be liable for the debts and obligations of the surviving  
2 business entity to the extent provided in such laws, but only for such debts and  
3 obligations accrued after the merger. The owner or owners of the surviving business  
4 entity prior to the merger shall continue to be liable for the debts and obligations of  
5 the surviving business entity to the extent provided in par. (a).

6 (c) This subsection does not affect liability under any taxation laws.”.

7 **8.** Page 51, line 11: delete the material beginning with “such” and ending with  
8 “applicable” on line 12 and substitute “such owner or owners shall continue to be or  
9 become so liable for debts and obligations of such business entity, but only for such  
10 debts and obligations accrued during the period or periods in which such laws are  
11 applicable”. <sup>to such owner or owners</sup>

12 **9.** Page 69, line 10: delete lines 10 to 14 and substitute:

13 “(1m) (a) If, under the laws applicable to a business entity that is a party to the  
14 merger, one or more of the owners thereof is liable for the debts and obligations of  
15 such business entity, such owner or owners shall continue to be liable for the debts  
16 and obligations of the business entity, but only for such debts and obligations accrued  
17 during the period or periods in which such laws are applicable to such owner or  
18 owners.

19 (b) If, under the laws applicable to the surviving business entity, one or more  
20 of the owners thereof is liable for the debts and obligations of such business entity,  
21 the owner or owners of a business entity that is party to the merger, other than the  
22 surviving business entity, <sup>who become subject to such laws</sup> shall be liable for the debts and obligations of the surviving  
23 business entity to the extent provided in such laws, but only for such debts and  
24 obligations accrued after the merger. The owner or owners of the surviving business



1 entity prior to the merger shall continue to be liable for the debts and obligations of  
2 the surviving business entity to the extent provided in par. (a).”

3 **10.** Page 73, line 5: delete the material beginning with “such” and ending with  
4 “applicable” on line 6 and substitute “such owner or owners shall continue to be or  
5 become so liable for debts and obligations of such business entity, but only for such  
6 debts and obligations accrued during the period or periods in which such laws are  
7 applicable”. *to such owner or owners*

8

(END)