

2003 DRAFTING REQUEST

Bill

Received: 10/14/2002

Received By: **rmarchan**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Mawdsley**

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

Drafter: **rmarchan**

May Contact:

Addl. Drafters:

Subject: **Bus. Assn. - LLCs**

Extra Copies:

Submit via email: **YES**

Requester's email:

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

Pre Topic:

DOA:.....Mawdsley - BB0175

Topic:

LLC annual reports

Instructions:

Require annual report of updated information per attached.

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 10/15/2002	csicilia 10/15/2002		_____			State
/1	rmarchan 02/04/2003	kgilfoy 02/04/2003	jfrantze 10/16/2002	_____	sbasford 10/16/2002		State
/2			rschluet	_____	mbarman		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			02/04/2003 _____		02/04/2003		

FE Sent For:

<END>

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/?	rmarchan 10/15/2002	csicilia 10/15/2002					State
/1		12 - 2/4/03 King	jfrantze 10/16/2002		sbasford 10/16/2002		

FE Sent For:

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342
~~67~~ <END> 5F

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LLC annual reports

Instructions:

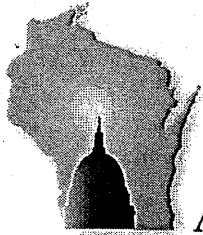
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1?	rmarchan	1 g/s 10/15/02	10/10/16	To/RS 10/16			

FE Sent For:

<END>



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: October 9, 2002

To: Stephen R. Miller, Chief
Legislative Reference Bureau

From: Kate Mawdsley
Policy and Budget Analyst
ECR Team

Subject: **Biennial Budget Drafting Request**
Agency 144 - Department of Financial Institutions (DFI)

Budget Office Request Title:
Domestic LLC Annual Report

BB0175

Request Description:

Create a new requirement that domestic limited liability companies file an updated information report annually with the Department of Financial Institutions. The report should list business name, status, address, registered agent and other key information, similar to the type now filed by foreign limited liability companies. Include a filing fee and provisions for administratively dissolving limited liability companies and for reinstating administratively dissolved limited liability companies.

Attached is the agency's description of this request.

RJM

Decision Item 4005: Limited Liability Company Annual Reports

Project Description

Domestic limited liability companies (LLC's) do not currently file annual reports with the Department. A proposed change to Chapter 183 of state statutes would require these LLC's to report updated information annually to the Department.

This project will develop and implement an on-line annual report filing system for domestic limited liability companies. Programming already in place for the filing of corporate annual reports will be used as a basis for creating the new LLC annual report application.

There were 56,500 domestic LLC's on record at the end of calendar 2001. During that year, 13,900 new LLC's were created. There is continued growth in this business formation type, and a projected 17,600 new LLC's are expected to be formed in calendar 2002. This type of business organization structure is growing at a far faster rate than other business types. For instance, there were only 5,800 new domestic corporations created in CY 2001.

Currently, once an LLC files an initial application, there is no requirement to update their status, address, or any other key information. It is impossible to know whether an LLC is still in business, where it is located, or who the registered agent is. An example of the problems this creates is illustrated by the "name reservation" process. Business names cannot be duplicated, so without requirements to indicate whether or not an LLC is still in business, names that would be usable and valuable to a customer cannot be made available.

Project Cost

Cost to implement an on-line annual reporting process:		\$140,000
Network components (hardware, disk space, etc.)	\$20,000	
Project Lead 400 hours @ \$75/hr	30,000	
Contract Developers 1,500 hours @ \$60/hr	90,000	
Postage, Printing, etc.		<u>35,000</u>
Total Project Cost		\$175,000
On-going costs to support this new program		\$ 25,000



SA ✓
K-ref ✓

State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0419/1
RJM:.....

js (Amur)
(D LOTS)
(INSERTS)

DOA:.....Mawdsley - BB0175, LLC annual reports
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

Do NOT GEN

1 AN ACT...; relating to: the budget •

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT ✓
COMMERCE ✓

Limited liability companies

Under current law, any limited liability company that is organized in a jurisdiction other than this state and that is permitted to operate in this state must file an annual report with DFI. ✓ Generally, the annual report must contain the current names and addresses of the limited liability company, the limited liability company's registered agent, and certain individuals involved in the business of the limited liability company, along with certain information concerning the management and business of the limited liability company. This bill requires limited liability companies that are organized under the laws of this state to file a similar annual report. The bill also establishes a procedure by which DFI may administratively dissolve a limited liability company that is organized under the laws of this state for failure to file a complete annual report.

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

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

DIRECT 1-1

1 SECTION 1. 183.0114 (1) (w) of the statutes is amended to read:

2 183.0114 (1) (w) Annual report of a foreign limited liability company, \$65.

History: 1993 a. 112; 1995 a. 27; 1997 a. 35; 2001 a. 16, 44.

3 SECTION 2. 183.0120 (title) of the statutes is amended to read:

4 183.0120 (title) Annual report for foreign limited liability companies.

History: 1995 a. 27, 225.

5 SECTION 3. 183.0120 (1) of the statutes is amended to read:

6 183.0120 (1) Each foreign limited liability company registered to transact
7 business in this state and each domestic limited liability company shall file with the
8 department an annual report that includes all of the following information:

9 (a) The name of the domestic or foreign limited liability company and, if a
10 foreign limited liability company, the state or country under whose law it is
11 organized.

12 (b) The address of the domestic or foreign limited liability company's registered
13 office and the name of its registered agent at that office in this state.

14 (c) The address of the domestic or foreign limited liability company's principal
15 office.

16 (d) If management of the domestic or foreign limited liability company is vested
17 in one or more managers, the name and business address of each manager.

18 (e) The name and business address of each member of the domestic or foreign
19 limited liability company.

20 (f) A brief description of the nature of the domestic or foreign limited liability
21 company's business.

History: 1995 a. 27, 225.

22 SECTION 4. 183.0120 (2) of the statutes is amended to read:

23 183.0120 (2) Information in the annual report shall be current as of the date
24 on which the annual report is executed on behalf of a the domestic or foreign limited

1 liability company, except that the information required by sub. (1) (e) shall be current
2 as of the close of the domestic or foreign limited liability company's fiscal year
3 immediately before the date by which the annual report is required to be delivered
4 to the department.

History: 1995 a. 27, 225.

5 **SECTION 5.** 183.0120 (3) of the statutes is amended to read:

6 183.0120 (3) A domestic limited liability company shall deliver its annual
7 report to the department during the first calendar quarter of each year following the
8 calendar year in which the limited liability company's articles of organization
9 become effective under s. 183.0111. A foreign limited liability company registered
10 to transact business in this state shall deliver its annual report to the department
11 during the first calendar quarter of each year following the calendar year in which
12 the foreign limited liability company becomes registered to transact business in this
13 state.

History: 1995 a. 27, 225.

14 **SECTION 6.** 183.0120 (4) of the statutes is amended to read:

15 183.0120 (4) If an annual report does not contain the information required by
16 this section, the department shall promptly notify the reporting domestic or foreign
17 limited liability company in writing and return the report to it for correction.

History: 1995 a. 27, 225.

18 **SECTION 7.** 183.0901 (3) of the statutes is created to read:

19 183.0901 (3) The department administratively dissolves the limited liability
20 company under s. 183.09025 (2) (c), unless the limited liability company is
21 subsequently reinstated under s. 183.09025 (4) (b) or pursuant to judicial review
22 under ss. 227.52 to 227.58.

23 **SECTION 8.** 183.09025 of the statutes is created to read:

183.09025 Administrative dissolution and reinstatement. (1) GROUNDS

FOR ADMINISTRATIVE DISSOLUTION. The department may bring a proceeding under sub.

(2) to administratively dissolve any limited liability company that does not deliver to the department the limited liability company's complete annual report within one year after the annual report is due under s. 183.0120.

(2) PROCEDURE FOR ADMINISTRATIVE DISSOLUTION. (a) If the department

determines that grounds exist under sub. (1) for dissolving a limited liability company, the department shall mail the limited liability company a notice of the determination. The notice shall be in writing and addressed to the registered office of the limited liability company.

(or the date on which the second insertion of the class 2 notice under par. (d) is published)

(b) Within 60 days after the date on which the notice is received, the limited

liability company shall correct each ground for dissolution or demonstrate to the reasonable satisfaction of the department that each ground determined by the department does not exist.

(c) If a limited liability company fails to satisfy par. (b), the department shall

administratively dissolve the limited liability company. The department shall enter a notation in its records to reflect each ground for dissolution and the effective date of dissolution and shall mail the limited liability company a notice of those facts and a certificate of dissolution. The notice and certificate shall be in writing and addressed to the registered office of the limited liability company. The dissolution is subject to judicial review as provided in ss. 227.52 to 227.58.

(d) If a notice under par. (b) or (c) is returned to the department as

undeliverable, the department shall again mail the notice to the limited liability company as provided under that paragraph. If that notice is returned to the

a

the

again

1 department as undeliverable, the department shall give the notice by publishing a
2 class 2 notice under ch. 985 in the official state newspaper. ADMINISTRATIVE CS ✓

3 (3) USE OF NAME FOLLOWING DISSOLUTION. A limited liability company's right to
4 the exclusive use of its name terminates on the date of the administrative dissolution
5 under sub. (2) (c).

6 (4) REINSTATEMENT. (a) A limited liability company that is administratively
7 dissolved under sub. (2) (c) may apply to the department for reinstatement within
8 30 days after the date on which the limited liability company is dissolved. The
9 application shall include all of the following:

10 1. The name of the limited liability company and the date on which it was
11 administratively dissolved. ✓

12 2. A statement that each ground for dissolution either did not exist or has been
13 cured. ✓

14 3. A statement that the limited liability company's name satisfies s. 183.0103. ✓

15 (b) The department shall cancel the certificate of dissolution and issue a
16 certificate of reinstatement under this paragraph if the department determines that
17 the application contains the information required under par. (a), that the
18 information is correct, and that all fees and penalties owed by the limited liability
19 company to the department under this chapter have been paid. The certificate of
20 reinstatement shall state the department's determination under this paragraph and
21 the effective date of reinstatement. The department shall file the certificate and
22 provide a copy to the limited liability company or its representative.

23 (c) When the reinstatement becomes effective, it shall relate back to and take
24 effect as of the effective date of the administrative dissolution, and the limited

1 liability company may resume carrying on its business as if the administrative
2 dissolution had never occurred.

3 (d) If the department denies a limited liability company's application for
4 reinstatement under par. (a), the department shall serve the limited liability
5 company ~~under ss. 193.0105(1)(b)~~ with a written notice of denial that explains each
6 reason for the denial. The denial is subject to judicial review as provided in ss. 227.52
7 to 227.58.

8

(END)

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

LRB-0419/1dn

RJM:.....

gjs

Kate Mawdsley:

Attached is the draft you requested concerning annual reports of limited liability companies. You may want to have DFI review the draft. Because the instructions were quite sketchy, I filled in a number of the details, using both the current LLC laws and ch. 180 as my guide. If you have any questions or desire any changes, please feel free to call. ✓

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

Section #: 183.0105 (2) (c) of the statutes is amended to read:

Including

183.0105 (2) (c) ~~In the case of a foreign limited liability company, including~~ the name of its registered agent and the street address of its registered office, as changed, in its annual report under s. 183.0120. A change under this paragraph is effective on the date the annual report is filed by the ~~office~~ of the department.

History: 1993 a. 112; 1995 a. 27, 400; 2001 a. 44.

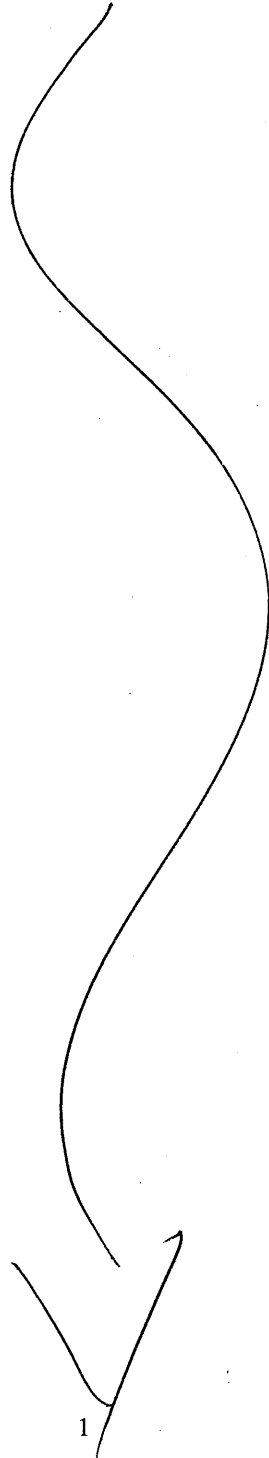
This paragraph also applies to a foreign limited liability company.

X

Section #. 183.0109 (1) (a) 4. of the statutes is amended to read:

183.0109 (1) (a) 4. ~~A foreign limited liability company's~~ ^{An} annual report under s. 183.0120.

History: 1993 a. 112; 1995 a. 27, 225; 2001 a. 44.



X

Section #. 183.0113 (2) (b) 1m. of the statutes is amended to read:

The domestic or

↓

183.0113 (2) (b) 1m. ~~In the case of a foreign limited liability company, the~~ foreign limited liability company has, during its most recently completed report year, filed with the department an annual report required by s. 183.0120.

✓

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

~

(end as 1-1)

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

LRB-0419/dn
RJM:cjs:jf

October 15, 2002

Kate Mawdsley:

Attached is the draft you requested concerning annual reports of limited liability companies. You may want to have DFI review the draft. Because the instructions were quite sketchy, I filled in a number of the details, using both the current LLC laws and ch. 180 as my guide. If you have any questions or desire any changes, please feel free to call.

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E-mail: robert.marchant@legis.state.wi.us

eking
RM NR

DOA:.....Mawdsley - BB0175 LLC annual reports

FOR 2003-05 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT <sup>DON'T
GEN. CAT.</sup>; relating to: the budget.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT
COMMERCE

Limited liability companies

Under current law, any limited liability company that is organized in a jurisdiction other than this state and that is permitted to operate in this state must file an annual report with DFI. Generally, the annual report must contain the current names and addresses of the limited liability company, the limited liability company's registered agent, and certain individuals involved in the business of the limited liability company, along with certain information concerning the management and business of the limited liability company. This bill requires limited liability companies that are organized under the laws of this state to file a similar annual report. The bill also establishes a procedure by which DFI may administratively dissolve a limited liability company that is organized under the laws of this state for failure to file a complete annual report.

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

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

1 SECTION 1. 183.0105 (2) (c) of the statutes is amended to read:

2 183.0105 (2) (c) ~~In the case of a foreign limited liability company, including~~
3 Including the name of its registered agent and the street address of its registered
4 office, as changed, in its annual report under s. 183.0120. This paragraph also
5 applies to a foreign limited liability company. A change under this paragraph is
6 effective on the date the annual report is filed by ~~the office of~~ the department.

7 SECTION 2. 183.0109 (1) (a) 4. of the statutes is amended to read:

8 183.0109 (1) (a) 4. ~~A foreign limited liability company's~~ An annual report under
9 s. 183.0120.

10 SECTION 3. 183.0113 (2) (b) 1m. of the statutes is amended to read:

11 183.0113 (2) (b) 1m. ~~In the case of a foreign limited liability company, the~~ The
12 domestic or foreign limited liability company has, during its most recently completed
13 report year, filed with the department an annual report required by s. 183.0120.

Fix comp. ④

14 SECTION 4. 183.0114 (1) ~~(a)~~ ^(v) of the statutes is ~~amended~~ ^{created} to read:

15 183.0114 (1) ~~(a)~~ ^(v) Annual report ~~of a foreign limited liability company.~~ ^{of a domestic limited liability company, #25}

16 SECTION 5. 183.0120 (title) of the statutes is amended to read:

17 **183.0120 (title) Annual report for foreign limited liability companies.**

18 SECTION 6. 183.0120 (1) of the statutes is amended to read:

19 183.0120 (1) Each foreign limited liability company registered to transact
20 business in this state and each domestic limited liability company shall file with the
21 department an annual report that includes all of the following information:

22 (a) The name of the domestic or foreign limited liability company and, if a
23 foreign limited liability company, the state or country under whose law it is
24 organized.

1 (b) The address of the domestic or foreign limited liability company's registered
2 office and the name of its registered agent at that office in this state.

3 (c) The address of the domestic or foreign limited liability company's principal
4 office.

5 (d) If management of the domestic or foreign limited liability company is vested
6 in one or more managers, the name and business address of each manager.

7 (e) The name and business address of each member of the domestic or foreign
8 limited liability company.

9 (f) A brief description of the nature of the domestic or foreign limited liability
10 company's business.

11 **SECTION 7.** 183.0120 (2) of the statutes is amended to read:

12 183.0120 (2) Information in the annual report shall be current as of the date
13 on which the annual report is executed on behalf of a the domestic or foreign limited
14 liability company, except that the information required by sub. (1) (e) shall be current
15 as of the close of the domestic or foreign limited liability company's fiscal year
16 immediately before the date by which the annual report is required to be delivered
17 to the department.

18 **SECTION 8.** 183.0120 (3) of the statutes is amended to read:

19 183.0120 (3) A domestic limited liability company shall deliver its annual
20 report to the department during the first calendar quarter of ~~each~~ ^{the} year following the
21 calendar year in which the limited liability company's articles of organization
22 become effective under s. 183.0111. A foreign limited liability company registered
23 to transact business in this state shall deliver its annual report to the department
24 during the first calendar quarter of each year following the calendar year in which

and shall deliver each subsequent annual report during the first calendar quarter
of each subsequent year.

1 the foreign limited liability company becomes registered to transact business in this
2 state.

3 SECTION 9. 183.0120 (4) of the statutes is amended to read:

4 183.0120 (4) If an annual report does not contain the information required by
5 this section, the department shall promptly notify the reporting domestic or foreign
6 limited liability company in writing and return the report to it for correction.

7 SECTION 10. 183.0901 (3) of the statutes is created to read:

8 183.0901 (3) The department administratively dissolves the limited liability
9 company under s. 183.09025 (2) (c), unless the limited liability company is
10 subsequently reinstated under s. 183.09025 (4) (b) or pursuant to judicial review
11 under ss. 227.52 to 227.58.

12 SECTION 11. 183.09025 of the statutes is created to read:

13 **183.09025 Administrative dissolution and reinstatement. (1) GROUNDS**
14 **FOR ADMINISTRATIVE DISSOLUTION.** The department may bring a proceeding under sub.
15 (2) to administratively dissolve any limited liability company that does not deliver
16 to the department the limited liability company's complete annual report within one
17 year after the annual report is due ~~under s. 183.0120~~

18 (2) PROCEDURE FOR ADMINISTRATIVE DISSOLUTION. (a) If the department
19 determines that grounds exist under sub. (1) for dissolving a limited liability
20 company, the department shall mail the limited liability company a notice of the
21 determination. The notice shall be in writing and addressed to the registered office
22 of the limited liability company.

23 (b) Within 60 days after the date on which the notice is received or the date on
24 which the second insertion of the class 2 notice under par. (d) is published, the limited
25 liability company shall correct each ground for dissolution or demonstrate to the

1 reasonable satisfaction of the department that each ground determined by the
2 department does not exist.

3 (c) If a limited liability company fails to satisfy par. (b), the department shall
4 administratively dissolve the limited liability company. The department shall enter
5 a notation in its records to reflect each ground for dissolution and the effective date
6 of dissolution and shall mail the limited liability company a notice of those facts and
7 a certificate of dissolution. The notice and certificate shall be in writing and
8 addressed to the registered office of the limited liability company. The dissolution
9 is subject to judicial review as provided in ss. 227.52 to 227.58.

10 (d) If a notice under par. (a) or (c) is returned to the department as
11 undeliverable, the department shall again mail the notice to the limited liability
12 company as provided under that paragraph. If the notice is again returned to the
13 department as undeliverable, the department shall give the notice by publishing a
14 class 2 notice under ch. 985 in the official state newspaper.

15 **(3) USE OF NAME FOLLOWING ADMINISTRATIVE DISSOLUTION.** A limited liability
16 company's right to the exclusive use of its name terminates on the date of the
17 administrative dissolution under sub. (2) (c).

18 **(4) REINSTATEMENT.** (a) A limited liability company that is administratively
19 dissolved under sub. (2) (c) may apply to the department for reinstatement within
20 30 days after the date on which the limited liability company is dissolved. The
21 application shall include all of the following:

22 1. The name of the limited liability company and the date on which it was
23 administratively dissolved.

24 2. A statement that each ground for dissolution either did not exist or has been
25 cured.

**2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0419/2ins
RJM:.....

INSERT 6-17 ✓

SECTION 9120. Nonstatutory provisions; financial institutions.

(1) LIMITED LIABILITY COMPANY ANNUAL REPORTS. Notwithstanding section 183.0120 (3) ✓ of the statutes, as affected by this act, a domestic limited liability company in existence on the effective date of this subsection shall deliver its initial annual report under section 183.0120 ✓ of the statutes to the department of financial institutions during the first calendar quarter of 2004. ✓



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0419/2
RJM:cjs&kmg:rs

DOA:.....Mawdsley – BB0175 LLC annual reports

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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COMMERCE

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

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1 **SECTION 1.** 183.0105 (2) (c) of the statutes is amended to read:

2 183.0105 (2) (c) ~~In the case of a foreign limited liability company, including~~
3 Including the name of its registered agent and the street address of its registered
4 office, as changed, in its annual report under s. 183.0120. This paragraph also
5 applies to a foreign limited liability company. A change under this paragraph is
6 effective on the date the annual report is filed by ~~the office of the department.~~

7 **SECTION 2.** 183.0109 (1) (a) 4. of the statutes is amended to read:

8 183.0109 (1) (a) 4. ~~A foreign limited liability company's~~ An annual report under
9 s. 183.0120.

10 **SECTION 3.** 183.0113 (2) (b) 1m. of the statutes is amended to read:

11 183.0113 (2) (b) 1m. ~~In the case of a foreign limited liability company, the~~ The
12 domestic or foreign limited liability company has, during its most recently completed
13 report year, filed with the department an annual report required by s. 183.0120.

14 **SECTION 4.** 183.0114 (1) (v) of the statutes is created to read:

15 183.0114 (1) (v) Annual report of a domestic limited liability company, \$25.

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23 foreign limited liability company, the state or country under whose law it is
24 organized.

1 (b) The address of the domestic or foreign limited liability company's registered
2 office and the name of its registered agent at that office in this state.

3 (c) The address of the domestic or foreign limited liability company's principal
4 office.

5 (d) If management of the domestic or foreign limited liability company is vested
6 in one or more managers, the name and business address of each manager.

7 (e) The name and business address of each member of the domestic or foreign
8 limited liability company.

9 (f) A brief description of the nature of the domestic or foreign limited liability
10 company's business.

11 **SECTION 7.** 183.0120 (2) of the statutes is amended to read:

12 183.0120 (2) Information in the annual report shall be current as of the date
13 on which the annual report is executed on behalf of a the domestic or foreign limited
14 liability company, except that the information required by sub. (1) (e) shall be current
15 as of the close of the domestic or foreign limited liability company's fiscal year
16 immediately before the date by which the annual report is required to be delivered
17 to the department.

18 **SECTION 8.** 183.0120 (3) of the statutes is amended to read:

19 183.0120 (3) A domestic limited liability company shall deliver its initial
20 annual report to the department during the first calendar quarter of the year
21 following the calendar year in which the limited liability company's articles of
22 organization become effective under s. 183.0111 and shall deliver each subsequent
23 annual report during the first calendar quarter of each subsequent year. A foreign
24 limited liability company registered to transact business in this state shall deliver
25 its annual report to the department during the first calendar quarter of each year

1 following the calendar year in which the foreign limited liability company becomes
2 registered to transact business in this state.

3 **SECTION 9.** 183.0120 (4) of the statutes is amended to read:

4 183.0120 (4) If an annual report does not contain the information required by
5 this section, the department shall promptly notify the reporting domestic or foreign
6 limited liability company in writing and return the report to it for correction.

7 **SECTION 10.** 183.0901 (3) of the statutes is created to read:

8 183.0901 (3) The department administratively dissolves the limited liability
9 company under s. 183.09025 (2) (c), unless the limited liability company is
10 subsequently reinstated under s. 183.09025 (4) (b) or pursuant to judicial review
11 under ss. 227.52 to 227.58.

12 **SECTION 11.** 183.09025 of the statutes is created to read:

13 **183.09025 Administrative dissolution and reinstatement.** (1) GROUNDS
14 FOR ADMINISTRATIVE DISSOLUTION. The department may bring a proceeding under sub.
15 (2) to administratively dissolve any limited liability company that does not deliver
16 to the department the limited liability company's complete annual report within one
17 year after the annual report is due.

18 (2) PROCEDURE FOR ADMINISTRATIVE DISSOLUTION. (a) If the department
19 determines that grounds exist under sub. (1) for dissolving a limited liability
20 company, the department shall mail the limited liability company a notice of the
21 determination. The notice shall be in writing and addressed to the registered office
22 of the limited liability company.

23 (b) Within 60 days after the date on which the notice is received or the date on
24 which the second insertion of the class 2 notice under par. (d) is published, the limited
25 liability company shall correct each ground for dissolution or demonstrate to the

1 reasonable satisfaction of the department that each ground determined by the
2 department does not exist.

3 (c) If a limited liability company fails to satisfy par. (b), the department shall
4 administratively dissolve the limited liability company. The department shall enter
5 a notation in its records to reflect each ground for dissolution and the effective date
6 of dissolution and shall mail the limited liability company a notice of those facts and
7 a certificate of dissolution. The notice and certificate shall be in writing and
8 addressed to the registered office of the limited liability company. The dissolution
9 is subject to judicial review as provided in ss. 227.52 to 227.58.

10 (d) If a notice under par. (a) or (c) is returned to the department as
11 undeliverable, the department shall again mail the notice to the limited liability
12 company as provided under that paragraph. If the notice is again returned to the
13 department as undeliverable, the department shall give the notice by publishing a
14 class 2 notice under ch. 985 in the official state newspaper.

15 **(3) USE OF NAME FOLLOWING ADMINISTRATIVE DISSOLUTION.** A limited liability
16 company's right to the exclusive use of its name terminates on the date of the
17 administrative dissolution under sub. (2) (c).

18 **(4) REINSTATEMENT.** (a) A limited liability company that is administratively
19 dissolved under sub. (2) (c) may apply to the department for reinstatement within
20 30 days after the date on which the limited liability company is dissolved. The
21 application shall include all of the following:

22 1. The name of the limited liability company and the date on which it was
23 administratively dissolved.

24 2. A statement that each ground for dissolution either did not exist or has been
25 cured.

