

2007 SENATE BILL 391

January 17, 2008 – Introduced by LAW REVISION COMMITTEE. Referred to Committee on Veterans and Military Affairs, Biotechnology and Financial Institutions.

1 **AN ACT** *to renumber* 183.0906 (intro.); and *to create* 183.0906 (2m) and
2 183.0906 (3m) of the statutes; **relating to:** revoking the voluntary dissolution
3 of a limited liability company (suggested as remedial legislation by the
4 Department of Financial Institutions).

Analysis by the Legislative Reference Bureau

Current law generally provides for the creation, operation, and dissolution of limited liability companies (LLCs). This bill authorizes an LLC to revoke a dissolution that was authorized by the consent of the members of the LLC if the revocation is authorized in the same manner that the dissolution was authorized.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Financial Institutions and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

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

SENATE BILL 391**SECTION 1**

1 **SECTION 1.** 183.0906 (intro.) of the statutes is renumbered 183.0906 (1m)
2 (intro.).

3 **SECTION 2.** 183.0906 (2m) of the statutes is created to read:

4 183.0906 **(2m)** A limited liability company may revoke a dissolution of the
5 limited liability company under s. 183.0901 (1) within 120 days after the effective
6 date of the dissolution. Revocation of the dissolution shall be authorized in the same
7 manner that the dissolution was authorized. After the revocation of the dissolution
8 is authorized, the limited liability company may revoke the dissolution by delivering
9 to the department for filing a copy of the limited liability company's articles of
10 dissolution and articles of revocation of dissolution, which shall include all of the
11 following:

- 12 (a) The name of the limited liability company.
- 13 (b) The effective date of the dissolution that is being revoked.
- 14 (c) The date on which the revocation of the dissolution was authorized.
- 15 (d) A statement that the revocation of dissolution was authorized in the same
16 manner as the dissolution or a statement that the revocation of dissolution was
17 authorized under sub. (1m) (c).

NOTE: Allows a limited liability company (LLC) that has voluntarily filed articles of dissolution with the Department of Financial Institutions (DFI) to revoke the dissolution by filing a revocation of voluntary dissolution with DFI within 120 days after the effective date of the dissolution. Current law contains no provision concerning revocation of a voluntary LLC dissolution. The proposed language is based on language that currently applies to corporations organized under chs. 180 and 181, stats. See ss. 180.1404 and 181.1404, stats.

DFI indicates that revocation of a voluntary dissolution of an LLC is likely to occur when the dissolution was initiated by a disgruntled LLC member or resulted from mistake. Without opportunity to revoke a voluntary dissolution, a dissolved LLC that intends to continue must begin the organization process again and risks losing its name in the interim.

18 **SECTION 3.** 183.0906 (3m) of the statutes is created to read:

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1 183.0906 **(3m)** On the effective date of articles of revocation of dissolution
2 under sub. (2m), the revocation of dissolution shall relate back to, and take effect as
3 of, the effective date of the dissolution, and the limited liability company may resume
4 carrying on its business as if the dissolution never occurred.

5

(END)