

STATE OF NEW YORK

3757

2017-2018 Regular Sessions

IN ASSEMBLY

January 30, 2017

Introduced by M. of A. DINOWITZ -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the limited liability company law, in relation to the liability of members for wages due to laborers, servants or employees

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The limited liability company law is amended by adding a
2 new section 612 to read as follows:

3 § 612. Liability of members for wages due to laborers, servants or
4 employees. (a) Notwithstanding the provisions of section six hundred
5 nine of this article, the ten largest members of a limited liability
6 company, as determined by the fair value of their beneficial interest as
7 of the beginning of the period during which the unpaid services referred
8 to in this section are performed, shall jointly and severally be
9 personally liable for all debts, wages or salaries due and owing to any
10 of its laborers, servants or employees other than contractors, for
11 services performed by them for such limited liability company. Before
12 such laborer, servant or employee shall charge such member for such
13 services, he or she shall give notice in writing to such member that he
14 or she intends to hold him or her liable under this section. Such notice
15 shall be given within one hundred eighty days after termination of such
16 services, except that if, within such period, the laborer, servant or
17 employee demands an examination of the records under subdivision (b) of
18 section one thousand one hundred two of this chapter, such notice may be
19 given within sixty days after he or she has been given the opportunity
20 to examine the records. An action to enforce such liability shall be
21 commenced within ninety days after the return of an execution unsatis-
22 fied against the limited liability company upon a judgment recovered
23 against it for such services.

24 (b) For the purposes of this section, wages or salaries shall mean all
25 compensation and benefits payable by an employer to or for the account

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 of the employee for personal services rendered by such employee. These
2 shall specifically include but not limited to salaries, overtime, vaca-
3 tion, holiday and severance pay; employer contributions to or payments
4 of insurance or welfare benefits; employer contributions to pension or
5 annuity funds; and any other moneys properly due or payable for services
6 rendered by such employee.

7 (c) A member who has paid more than his or her pro rata share under
8 this section shall be entitled to contribution pro rata from the other
9 members liable under this section with respect to the excess so paid,
10 over and above his or her pro rata share, and may sue them jointly or
11 severally or any number of them to recover the amount due from them.
12 Such recovery may be had in a separate action. As used in this subdivi-
13 sion, "pro rata" means in proportion to beneficial share interest.
14 Before a member may claim contribution from other members under this
15 subdivision, such member shall, unless he or she has been given notice
16 by a laborer, servant or employee under subdivision (a) of this section,
17 give them notice in writing that he or she intends to hold them so
18 liable to him or her. Such notice shall be given by him or her within
19 twenty days after the date that notice was given to him or her by a
20 laborer, servant or employee under subdivision (a) of this section.

21 § 2. This act shall take effect immediately.