STATE OF NEW YORK

5384

2019-2020 Regular Sessions

IN SENATE

April 29, 2019

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the limited liability company law and the state finance law, in relation to requiring the inclusion of the identity of all direct and indirect owners of the membership interests in a limited liability company in the articles of organization and in state contracts

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

Section 1. Paragraphs 6 and 7 of subdivision (e) of section 203 of the limited liability company law, as added by chapter 470 of the laws of 1997, are amended to read as follows:

(6) if all or specified members are to be liable in their capacity as members for all or specified debts, obligations or liabilities of the limited liability company as authorized pursuant to section six hundred nine of this chapter, a statement that all or specified members are so liable for such debts, obligations or liabilities in their capacity as members of the limited liability company as authorized pursuant to section six hundred nine of this chapter; [~~and~~]

(7) **the identity of all direct and indirect owners of the membership interests in the limited liability company and the proportion of each direct or indirect member's ownership interest in the limited liability company; and**

(8) any other provisions, not inconsistent with law, that the members elect to include in the articles or organization for the regulation of the internal affairs of the limited liability company, including, but not limited to, (A) the business purpose for which the limited liability company is formed, (B) a statement of whether there are limitations on the authority of members or managers or a class or classes thereof to bind the limited liability company and (C) any provisions that are

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

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required or permitted to be included in the operating agreement of the limited liability company pursuant to section four hundred seventeen of this chapter.

§ 2. The state finance law is amended by adding a new section 139-m to read as follows:

§ 139-m. Contracts with limited liability companies. Notwithstanding any other provision of law, any contract entered into by the state with a limited liability company, shall, in addition to any other requirements for such contract, include the identity of all direct and indirect owners of the membership interests in the limited liability company and the proportion of each direct or indirect member's ownership interest in the limited liability company.

§ 3. This act shall take effect on the thirtieth day after it shall have become a law and shall apply to all contracts entered into by the state on or after such effective date.