

2022 Regular Session

HOUSE BILL NO. 515

BY REPRESENTATIVE MIKE JOHNSON

SUCCESSIONS: Provides relative to succession involving limited liability company

1 AN ACT

2 To amend and reenact R.S. 12:1333(A) and to enact R.S. 12:1333(E) and 1333.1, relative  
3 to succession proceedings involving limited liability companies; to provide for death  
4 of board members; to allow for inheritance of interest in a single-person limited  
5 liability company; to allow the succession representative to exercise the rights of the  
6 deceased member; to provide for membership of the heir or legatee; to provide  
7 definitions; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 12:1333(A) is hereby amended and reenacted and R.S. 12:1333(E)  
10 and 1333.1 are hereby enacted to read as follows:

11 §1333. Powers of estate of a deceased or incompetent member

12 A. Except as otherwise provided in the articles of organization ~~or~~ a written  
13 operating agreement, or as provided in R.S. 12:1333.1, if a member who is an  
14 individual dies or a court of competent jurisdiction adjudges him to be incompetent  
15 to manage his person or his property, the member's membership ceases and the  
16 member's executor, administrator, guardian, conservator, or other legal  
17 representative shall be treated as an assignee of such member's interest in the limited  
18 liability company.

19 \* \* \*

1           E. If all members die, the succession representative of any of the deceased  
2           members may petition the court for dissolution, windup, and liquidation of the  
3           limited liability company pursuant to R.S. 12:1334 et seq.

4           §1333.1. Single-member limited liability company; powers of the estate succession  
5           representative

6           A. Notwithstanding any provision of law to the contrary, the death of the  
7           member of a single-member limited liability company shall not result in the  
8           termination of the interest of the deceased single member in that limited liability  
9           company or in the termination of that limited liability company, but instead the  
10          interest of the member in the single-member limited liability company shall be fully  
11          heritable.

12          B. Unless otherwise provided in the articles of organization or a written  
13          operating agreement, and notwithstanding the provisions of R.S. 12:1333, upon the  
14          death of the member of a single-member limited liability company, the deceased  
15          member's properly appointed succession representative, on behalf of the deceased  
16          member's estate, may exercise all of the deceased member's rights for the purpose  
17          of settling or administering the member's estate, including all financial and  
18          management rights related to the single-member limited liability company held by  
19          the deceased member at the time of his death.

20          C. Once the deceased member's interest in a single-member limited liability  
21          company is transferred to any heir or legatee, as recognized by a judgment of  
22          possession, the heir or legatee shall have full rights of membership in the limited  
23          liability company, including all financial and management rights.

24          D. For purposes of this Section, a "single-member limited liability company"  
25          means a limited liability company that had no assignees and only one member at the  
26          time of the member's death.

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**DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 515 Engrossed

2022 Regular Session

Mike Johnson

**Abstract:** Allows a succession representative to exercise certain rights held by a deceased member of a limited liability company (LLC).

Proposed law provides that if all members of an LLC die, the succession representative of any deceased member may petition the court for dissolution, windup, and liquidation of the LLC.

Present law provides that if a member of an LLC dies or is judged to be incompetent by a court of competent jurisdiction, then the membership of that person ceases and his representative is to be treated as an assignee of the member's interest in the LLC.

Proposed law adds an exception to present law as it relates to a single-member LLC.

Proposed law provides that upon the death of a member of a single-member LLC, the interest of the member is fully inheritable.

Unless otherwise provided in rule or contract, proposed law allows the member's properly appointed succession representative to exercise all of the deceased member's rights, including financial and management rights related to the LLC. The full rights of membership transfer to the appointed succession representative upon a judgment of possession.

Proposed law defines "single-member limited liability company".

(Amends R.S. 12:1333(A); Adds R.S. 12:1333(E) and 1333.1)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.