

Existing law provides for the formation of a limited liability company.

New law retains existing law.

New law defines a low-profit limited liability company as a limited liability company organized to satisfy each of the following requirements:

- (1) The entity significantly furthers the accomplishment of one or more charitable or educational purposes within the meaning of §170(c)(2)(B) of the Internal Revenue Code and would not have been formed but for the entity's relationship to the accomplishment of charitable or educational purposes.
- (2) No significant purpose of the entity is the production of income or the appreciation of property provided; however, the fact that an entity produces significant income or capital appreciation shall not, in the absence of other factors, be conclusive evidence of a significant purpose involving the production of income or the appreciation of property.
- (3) No purpose of the entity is to accomplish one or more political or legislative purposes within the meaning of §170(c)(2)(D) of the Internal Revenue Code.

New law provides that if a company that is organized pursuant to the requirements of new law at its formation at any time ceases to satisfy any one of the requirements, it shall immediately cease to be a low-profit limited liability company, but by continuing to meet all the other requirements of new law, shall continue to exist as a limited liability company. The name of the company shall be changed to be in conformance with new law.

Existing law requires the articles of organization to set forth the following:

- (1) The name of the limited liability company.
- (2) The purposes for which the limited liability company is formed or that its purpose is to engage in any lawful activity for which limited liability companies may be formed under new law.

New law retains existing law and adds that the articles of organization shall also indicate whether the company is a low-profit limited liability company.

Existing law provides that the name of each limited liability company, as set forth in its articles of organization, shall contain the words "limited liability company", the abbreviation "L.L.C.", or the abbreviation "L.C."

New law retains existing law and provides that the name of each low-profit limited liability company, as set forth in its articles of organization, shall contain the words "low-profit limited liability company", the abbreviation "L3C", or the abbreviation "l3c".

Existing law provides that the articles of organization shall be amended when any of the following occurs:

- (1) There is a change in the name of the limited liability company.
- (2) There is a false or erroneous statement in the articles of organization.
- (3) The members desire to make a change in any other statement in the articles of organization in order to accurately represent their agreement.

New law retains existing law and adds that the articles of organization shall be amended when a limited liability company ceases to be a low-profit limited liability company pursuant to new law.

Effective August 15, 2010.

(Amends R.S. 12:1306(A)(1) and 1309(A)(intro. para.); Adds R.S. 12:1301(A)(21), 1302(C), 1305(B)(3), and 1309(A)(4))