

The New Limited Liability Company Act (322C) Goes into Effect in One Year

As you are aware from prior newsletters, Governor Dayton, in 2014, signed into law a revised Uniform Limited Liability Company Act, which is found under Minnesota Statutes Chapter 322C. This Act became fully effective in August 2015. For all limited liability companies formed after that effective date, those will be subject to 322C. Starting on January 1, 2018, all limited liability companies, regardless of when formed or what election made (322B or 322C) will be governed by 322C.

The application of the new LLC Act (322C) may have unintended consequences for many limited liability companies. Certain defaults and presumptions under 322B (for example, voting rights, preemptive rights, and dissenters' rights) will no longer apply.

Unless you formed your LLC after August 2015 or elected to be treated as an LLC under 322C, you should carefully review and understand what the implications will be starting on January 1, 2018. Please contact us at (612) - 604 - 2000 now to make an appointment to have these documents reviewed and to meet with one of our attorneys to discuss what the fall out may be to you starting at the beginning of 2018.