

State of California

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Legislative Change No.**99-31**Bill Number: AB 831Author: LeachChapter Number: 99-490

Laws Affecting Franchise Tax Board:

Sections 17001, 17050, and 17101 of the Corporations CodeDate Filed with the Secretary of the State: September 27, 1999

SUBJECT: Limited Liability Companies Permitted To Have One Member

Assembly Bill 831 (Leach), as enacted on September 27, 1999, made the following changes to California law:

Section 17001 of the Corporations Code is amended.

This act amends the definition of limited liability company (LLC) to authorize the creation of a single-member LLC in California. This act also amends the definition to specify that the LLC is subject to the liability provisions of Corporations Code Section 17101.

Section 17050 of the Corporations Code is amended.

This act amends existing law regarding the formation of LLCs to allow the formation of a single-member LLC in California.

Section 17101 of the Corporations Code is amended.

This act provides that any member of an LLC is subject to the common law of alter ego liability. The member of a single-member LLC is also subject to the same conditions of personal liability as a LLC with two or more members.

This act is effective January 1, 2000.

This act will not require any reports by the department to the Legislature.

Bureau Director

Johnnie Lou Rosas

Date

11/02/1999