

HB 606 -- Low-Profit Limited Liability Companies

Sponsor: Rowden

This bill allows for the creation of a low-profit limited liability company (LLC), which is defined as an LLC that has set forth in its articles of organization a business purpose that satisfies and at all times is operated to further the accomplishment of one or more charitable or educational purposes within the meaning of 26 U.S.C. 170(c)(2)(B) and would not have been formed but for the that charitable or educational purpose. The low-profit LLC cannot have as a purpose the accomplishment of one or more political or legislative purposes within the meaning of 26 U.S.C. 170(c)(2)(D) and can not have as a significant purpose the production of income or the appreciation of property. The production of significant income or capital appreciation is not, in the absence of other factors, conclusive evidence of a significant purpose involving the production of income or the appreciation of property.