

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 69
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Author:	Sen. Sharp
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Bill Analysis

SB 69 ensures all holders of a limited liability company are entitled to appraisal rights and to obtain payment of the fair value of that member's membership interest in a merger or conversion. An LLC may modify, restrict, or eliminate appraisal rights in its opening agreement if each member consents to the change.

Appraisal rights are not available to holders covered under the Securities Act of 1933, listed on a national security exchange, held by a record of more than 2,000 members, or issued by an open-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Beneficial owners with a 20% interest or more in the LLC or with the power to appoint executives to the board of the company are entitled to appraisal. Former senior holders in the LLC with assets being acquired or converted are also entitled to appraisal.

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