

HOUSE BILL NO. 152

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE STAPP

Introduced: 4/3/23

Referred:

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the transfer of shares in a limited liability company upon the death**
2 **or incapacity of a member."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 10.50.210 is amended to read:

5 **Sec. 10.50.210. Effect of death or incompetency on membership. (a)**
6 **Except as provided in (b) of this section or** [UNLESS] otherwise provided in an
7 operating agreement or by the written consent of all of the members at the time, the
8 membership of a member of a limited liability company who is an individual
9 terminates if the member dies, or if a court of competent jurisdiction enters an order
10 adjudicating the member **unable** [INCOMPETENT] to manage the member's person
11 or property **because of incapacity.**

12 *** Sec. 2.** AS 10.50.210 is amended by adding a new subsection to read:

13 (b) Unless otherwise provided in an operating agreement, the membership of
14 an individual who is the sole member of a limited liability company passes to the

individual's estate upon the individual's death, and the personal representative of the estate has the rights and powers of the member and is subject to the restrictions and liabilities of the member. Unless otherwise provided in an operating agreement, if a court of competent jurisdiction enters an order adjudicating an individual unable to manage the individual's person or property because of incapacity and the individual is the sole member of a limited liability company, the guardian or conservator of the individual shall have all the rights and powers of the member and is subject to the restrictions and liabilities of the member.

* **Sec. 3.** AS 10.50.385 is amended to read:

Sec. 10.50.385. Rights of estate or legal representative of deceased or incompetent member. If a member who is an individual dies or if a court of competent jurisdiction determines the member to be unable [INCOMPETENT] to manage the member's person or property because of incapacity, the member's personal representative [EXECUTOR], administrator, guardian, conservator, or other legal representative has the rights of an assignee of the member's interest, if the member's interest has not been terminated, except

(1) as provided in AS 10.50.210(b);

(2) as provided in an operating agreement of the company; or

(3) with the written consent of all members.