

SB 352 – AS INTRODUCED

2012 SESSION

12-2903  
03/05

SENATE BILL           **352**

AN ACT               relative to low-profit limited liability companies.

SPONSORS:       Sen. Carson, Dist 14; Sen. Odell, Dist 8; Rep. McKinney, Rock 3; Rep. Griffin, Rock 4; Rep. Jennifer Coffey, Merr 6; Rep. Marshall Quandt, Rock 13; Rep. Schlachman, Rock 13

COMMITTEE:       Commerce

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ANALYSIS

This bill authorizes companies meeting specified requirements to file as low-profit limited liability companies.

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Explanation:       Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears [~~in brackets and struckthrough.~~]  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twelve*

AN ACT relative to low-profit limited liability companies.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 New Paragraph; Definitions. Amend RSA 304-C:1 by inserting after paragraph VIII the  
2 following new paragraph:

3 VIII-a. “L3C” or “low-profit limited liability company” means a person organized under this  
4 chapter that is organized for a business purpose that satisfies and is at all times operated to satisfy  
5 each of the following requirements:

6 (a) The company:

7 (1) Significantly furthers the accomplishment of one or more charitable or  
8 educational purposes within the meaning of 26 U.S.C. section 170(c)(2)(B); and

9 (2) Would not have been formed but for the company’s relationship to the  
10 accomplishment of charitable or educational purposes.

11 (b) No significant purpose of the company is the production of income or the appreciation  
12 of property; provided, however, that the fact that a person produces significant income or capital  
13 appreciation shall not, in the absence of other factors, be conclusive evidence of a significant purpose  
14 involving the production of income or the appreciation of property.

15 (c) No purpose of the company is to accomplish one or more political or legislative  
16 purposes within the meaning of 26 U.S.C. section 170(c)(2)(D).

17 (d) If a company that met the definition of this paragraph at its formation at any time  
18 ceases to satisfy any one of the requirements, it shall immediately cease to be a low-profit limited  
19 liability company, but by continuing to meet all the other requirements of this chapter, will continue  
20 to exist as a limited liability company. In such case, the name of the company shall be changed in  
21 conformance with RSA 304-C:3, I(a).

22 2 Name. Amend RSA 304-C:3, I(a) to read as follows:

23 (a) Shall contain the words “limited liability company” or the abbreviation “L.L.C.” or  
24 similar abbreviation, ***or, if the company is a low-profit limited liability company, as defined***  
25 ***in RSA 304-C:1, VIII-a, shall contain the abbreviation “L3C” or “l3c”***; and

26 3 Certificate of Formation. Amend RSA 304-C:12, II(b) to read as follows:

27 (b) The nature of the primary business or purposes of the limited liability company ***and***  
28 ***whether the company is an L3C***;

29 4 Effective Date. This act shall take effect upon its passage.