



New Hampshire State Senate **NEWS RELEASE**

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Senate Commerce Committee Passes LLC Statute Revisions

Pro-business bill considered a huge step forward for New Hampshire's small business community

CONCORD – With the goal of making it easier for small businesses to incorporate, grow, and hire workers in New Hampshire, the Senate Commerce Committee today recommended SB 203, the “New Hampshire Revised Limited Liability Company Act,” ought to pass with amendment and sent it to the full Senate for consideration next week. The 4-0 vote was bi-partisan.

First enacted over 20 years ago, New Hampshire's LLC statutes have been the means through which thousands of small businesses have established themselves in the Granite State. SB203 retains most of the provisions of the current act but it adds numerous important features to make the state's LLC laws more user-friendly for the current and next generation of small businesses.

Senator Andy Sanborn (R-Henniker), Vice-Chairman of the Commerce Committee: “Since this bill was first referred to the Commerce Committee in early January, it has been one of our top priorities and the subject of multiple work sessions. The legislation we passed today is the work product of some of the best business minds in New Hampshire and the committee is confident it will serve the interests of our small business community for years to come.”

Senator Tom DeBlois (R-Manchester), a member of the Commerce Committee: “One of the legislature's major focuses this session has been reducing the red tape holding back our business community while making it easier for them to work with state government. As a small business owner, I understand how daunting a task it can be to fully understand and comply with our existing LLC statutes. The commonsense revisions to these laws included in SB203 will make them clearer and more user-friendly, a worthy goal for all of state government.”

Jim Roche, President of the Business and Industry Association: “SB 203 represents a major step forward for New Hampshire's business community, particularly small businesses, and we are pleased that the Senate Commerce Committee voted unanimously to support this important bill. LLCs have become the entity of choice for most small businesses; however, the state's LLC statute has not been updated since 1997. This bill represents a real, demonstrable improvement to New Hampshire's business climate and is a win for small business.”

Some of the key areas addressed by the legislation:

- Provides members with sound “off-the-shelf” operating agreements offering legal structures for their operations, which will be especially helpful for the many New Hampshire small business LLCs that lack these agreements. Our current laws do so to a degree, but not enough, which can lead to unnecessary and expensive litigation. SB 203 also reduces the need to hire an attorney to help start up an LLC.
- Provides clear and comprehensive fiduciary guidelines which are critical to ensuring harmonious LLC operations and to resolving the disputes that inevitably arise among LLC members.
- Comprehensively addresses the issues of single member LLCs, which account for about one-third of all New Hampshire LLCs. The current act contains only a few provisions related to single-member LLCs.

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