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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS AND PARTNERSHIPS - RHODE
ISLAND BUSINESS CORPORATION ACT

Introduced By: Representatives Kennedy, and Shekarchi

Date Introduced: April 03, 2015

Referred To: House Corporations

(Secretary of State)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 7-1.2-105, 7-1.2-1003, 7-1.2-1008, 7-1.2-1301, 7-1.2-1309 and 7-
2 1.2-1413 of the General Laws in Chapter 7-1.2 entitled "Rhode Island Business Corporation Act"
3 are hereby amended to read as follows:

4 **7-1.2-105. Execution, filing and recording of instruments.** -- (a) Whenever any
5 instrument is to be filed with the secretary of state or in accordance with this chapter, the
6 instrument must be executed as follows:

7 (1) The articles of incorporation, and any other instrument to be filed before the election
8 of the initial board of directors if the initial directors were not named in the articles of
9 incorporation, must be signed by the incorporator or incorporators (or, in the case of any such
10 other instrument, such incorporator's or incorporators' successors and assigns).

11 (2) All other instruments must be signed:

12 (i) By any authorized officer of the corporation; or

13 (ii) If it appears from the instrument that there are no authorized officers, then by a
14 majority of the directors or by the director or directors authorized by a majority of the directors;
15 or

16 (iii) If it appears from the instrument that there are no authorized officers or directors,
17 then by the holders of record of all outstanding shares, or by those holders of record designated
18 by a majority of all outstanding shares; or

1 (b) Whenever this chapter requires any instrument to be acknowledged, such
2 requirement is satisfied by either:

3 (1) The formal acknowledgment by any individual signing the instrument that it is his or
4 her act and deed or the act and deed of the corporation, and that the facts stated therein are true.
5 This acknowledgment must be made before a individual who is authorized by the law of the place
6 of execution to take acknowledgment; or

7 (2) The signature, without more, of the individual or individuals signing the instrument,
8 in which case such signature or signatures constitutes the affirmation or acknowledgment of the
9 signatory, under penalties of perjury, that the instrument is that individual's act and deed or the
10 act and deed of the corporation, and that the facts stated therein are true.

11 (c) Whenever any instrument is to be filed with the secretary of state or in accordance
12 with this section or chapter, such requirement means that:

13 (1) The signed instrument must be delivered to the office of the secretary of state in
14 either paper format or electronic transmission or another medium authorized by the secretary of
15 state;

16 (2) All taxes and fees authorized by law to be collected by the secretary of state in
17 connection with the filing of the instrument must be tendered to the secretary of state; ~~and, and all~~
18 [fees and taxes due have been paid to the Rhode Island division of taxation, as evidenced by an](#)
19 [appropriate certificate of good standing issued by the Rhode Island division of taxation; and](#)

20 (3) Upon delivery of the instrument, the secretary of state shall record the date and time
21 of its delivery. Upon such delivery and tender of the required taxes and fees, the secretary of state
22 shall certify that the instrument has been filed in the secretary of state's office by endorsing upon
23 the signed instrument the word "Filed", and the date and time of its filing. This endorsement is
24 the "filing date" of the instrument, and is conclusive of the date and time of its filing in the
25 absence of actual fraud.

26 (d) Any instrument filed in accordance with subsection (c) of this section is effective
27 upon its filing date. Any instrument may provide that it is not to become effective until a
28 specified time subsequent to the time it is filed, but not later than the 90th day after the date of its
29 filing.

30 (e) If another section of this chapter specifically prescribes a manner of executing,
31 acknowledging or filing a specified instrument or a time when that instrument becomes effective
32 which differs from the corresponding provisions of this section, then such other section governs.

33 (f) Whenever any instrument authorized to be filed with the secretary of state under any
34 provision of this chapter, has been so filed and is an inaccurate record of the corporate action

1 therein referred to, or was defectively or erroneously executed, sealed or acknowledged, the
2 instrument may be corrected by filing with the secretary of state a certificate of correction of the
3 instrument which must be executed, acknowledged and filed in accordance with this section. The
4 certificate of correction must specify the inaccuracy or defect to be corrected and set forth the
5 portion of the instrument in corrected form. The corrected instrument must be specifically
6 designated as such in its heading, specify the inaccuracy or defect to be corrected, and set forth
7 the entire instrument in corrected form. An instrument corrected in accordance with this section is
8 effective as of the date the original instrument was filed, except as to those individuals who are
9 substantially and adversely affected by the correction and as to those individuals the instrument as
10 corrected is effective from its filing date.

11 (g) Notwithstanding that any instrument authorized to be filed with the secretary of state
12 under this chapter is when filed inaccurately, defectively or erroneously executed, sealed or
13 acknowledged, or otherwise defective in any respect, the secretary of state has no liability to any
14 individual for the preclearance for filing, the acceptance for filing or the filing and indexing of
15 such instrument by the secretary of state.

16 (h) Any signature on any instrument authorized to be filed with the secretary of state
17 under this chapter may be a facsimile or an electronically transmitted signature.

18 **7-1.2-1003. Articles of merger.** -- (a) Upon approval, articles of merger must be
19 executed by each corporation by its authorized representative and must state:

20 (1) The plan of merger.

21 (2) If, pursuant to § 7-1.2-1005, the merger is to become effective at a time subsequent to
22 the issuance of the certificate of merger by the secretary of state, the date when the merger is to
23 become effective.

24 (b) The original articles of merger must be delivered to the secretary of state. If the
25 secretary of state finds that the articles conform to law, and, unless the surviving corporation is a
26 Rhode Island corporation, that all fees and ~~franchise~~ taxes have been paid, [as evidenced by an
27 appropriate certificate of good standing issued by the Rhode Island division of taxation](#), the
28 secretary of state shall:

29 (1) Endorse on the original the word "Filed," and the month, day, and year of the filing;

30 (2) File the original in his office; and

31 (3) Issue a certificate of merger.

32 (c) The secretary of state shall deliver the certificate of merger to the surviving or new
33 corporation, as the case may be, or its representative.

34 **7-1.2-1008. Conversion of a domestic corporation to other entities.** -- (a) A

1 corporation of this state may, upon the authorization of such conversion in accordance with this
2 section, convert to a limited liability company, business trust or association, real estate investment
3 trust, common-law trust or any other unincorporated business or entity including a partnership
4 (whether general or limited, including a registered limited liability partnership) or a foreign
5 corporation.

6 (b) The board of directors of the corporation which desires to convert under this section
7 shall adopt a resolution approving such conversion, specifying the type of entity into which the
8 corporation shall be converted and recommending the approval of such conversion by the
9 stockholders of the corporation. Such resolution shall be submitted to the stockholders of the
10 corporation at an annual or special meeting. Due notice of the time, and purpose of the meeting
11 shall be mailed to each holder of stock, whether voting or nonvoting, of the corporation at the
12 address of the stockholder as it appears on the records of the corporation, at least twenty (20) days
13 prior to the date of the meeting. At the meeting, the resolution shall be considered and a vote
14 taken for its adoption or rejection. If all outstanding shares of stock of the corporation, whether
15 voting or nonvoting, shall be voted for the adoption of the resolution, the conversion shall be
16 authorized.

17 (c) If a corporation shall convert in accordance with this section to another entity
18 organized, formed or created under the laws of a jurisdiction other than the state of Rhode Island
19 or to a Rhode Island unincorporated "other entity", upon payment of all fees and ~~franchise~~ taxes
20 by the corporation, as evidenced by an appropriate certificate of good standing issued by the
21 Rhode Island division of taxation, the corporation shall file with the secretary of state a certificate
22 of conversion to non-Rhode Island entity executed in accordance with § 7-1.2-105 which
23 certifies:

24 (1) The name of the corporation, and if it has been changed, the name under which it was
25 originally incorporated;

26 (2) The date of filing of its original articles of incorporation with the secretary of state;

27 (3) The name and jurisdiction of the entity and type of entity to which the corporation
28 shall be converted;

29 (4) That the conversion has been approved in accordance with the provisions of this
30 section;

31 (5) The agreement of the corporation that it may be served with process in the state of
32 Rhode Island in any action, suit or proceeding for enforcement of any obligation of the
33 corporation arising while it was a corporation of this state, and that it irrevocably appoints the
34 secretary of state as its agent to accept service of process in any such action, suit or proceeding;

1 and

2 (6) The address to which a copy of the process referred to in subsection (c)(5) of this
3 section shall be mailed to it by the secretary of state. In the event of such service upon the
4 secretary of state in accordance with subsection (c)(5) of this section, the secretary of state shall
5 forthwith notify such corporation that has converted out of the state of Rhode Island by letter,
6 certified mail, return receipt requested, directed to such corporation that has converted out of the
7 state of Rhode Island at the address so specified, unless such corporation shall have designated in
8 writing to the secretary of state a different address for such purpose, in which case it shall be
9 mailed to the last address designated. Such letter shall enclose a copy of the process and any other
10 papers served on the secretary of state pursuant to this subsection. It shall be the duty of the
11 plaintiff in the event of such service to serve process and any other papers in duplicate, to notify
12 the secretary of state that service is being affected pursuant to this subsection and to pay the
13 secretary of state the sum of fifteen dollars (\$15.00) for the use of the state, which sum shall be
14 taxed as part of the costs in the proceeding, if the plaintiff shall prevail therein. The secretary of
15 state shall maintain an alphabetical record of any such service setting forth the name of the
16 plaintiff and the defendant, the title, docket number and nature of the proceeding in which process
17 has been served, the fact that service has been effected pursuant to this subsection, the return date
18 thereof, and the day and hour service was made. The secretary of state shall not be required to
19 retain such information longer than five (5) years from receipt of the service of process.

20 (d) Upon the filing in the office of the secretary of state of a certificate of conversion to
21 non-Rhode Island entity in accordance with subsection (c) of this section or upon the future
22 effective date or time of the certificate of conversion to non-Rhode Island entity and payment to
23 the secretary of state of all fees prescribed under this title, the secretary of state shall certify that
24 the corporation has filed all documents and paid all fees required by this title, and thereupon the
25 corporation shall cease to exist as a corporation of this state at the time the certificate of
26 conversion becomes effective in accordance with § 7-1.2-105. Such certificate of the secretary of
27 state shall be prima facie evidence of the conversion by such corporation out of the state of Rhode
28 Island.

29 (e) The conversion of a corporation out of the state of Rhode Island in accordance with
30 this section and the resulting cessation of its existence as a corporation of this state pursuant to a
31 certificate of conversion to non-Rhode Island entity shall not be deemed to affect any obligations
32 or liabilities of the corporation incurred prior to such conversion or the personal liability of any
33 person incurred prior to such conversion, nor shall it be deemed to affect the choice of law
34 applicable to the corporation with respect to matters arising prior to such conversion.

1 (f) Unless otherwise provided in a resolution of conversion adopted in accordance with
2 this section, the converting corporation shall not be required to wind up its affairs or pay its
3 liabilities and distribute its assets, and the conversion shall not constitute a dissolution of such
4 corporation.

5 (g) In connection with a conversion of a domestic corporation to another entity pursuant
6 to this section, shares of stock, of the corporation of this state which is to be converted may be
7 exchanged for or converted into cash, property, rights or securities of, or interests in, the entity to
8 which the corporation of this state is being converted or, in addition to or in lieu thereof, may be
9 exchanged for or converted into cash, property, shares of stock, rights or securities of, or interests
10 in, another domestic corporation or other entity or may be cancelled.

11 (h) When a corporation has been converted to another entity or business form pursuant to
12 this section, the other entity or business form shall, for all purposes of the laws of the state of
13 Rhode Island, be deemed to be the same entity as the corporation. When any conversion shall
14 have become effective under this section, for all purposes of the laws of the state of Rhode Island,
15 all of the rights, privileges and powers of the corporation that has converted, and all property,
16 real, personal and mixed, and all debts due to such corporation, as well as all other things and
17 causes of action belonging to such corporation, shall remain vested in the other entity or business
18 form to which such corporation has converted and shall be the property of such other entity or
19 business form, and the title to any real property vested by deed or otherwise in such corporation
20 shall not revert to such corporation or be in any way impaired by reason of this chapter; but all
21 rights of creditors and all liens upon any property of such corporation shall be preserved
22 unimpaired, and all debts, liabilities and duties of the corporation that has converted shall remain
23 attached to the other entity or business form to which such corporation has converted, and may be
24 enforced against it to the same extent as if said debts, liabilities and duties had originally been
25 incurred or contracted by it in its capacity as such other entity or business form. The rights,
26 privileges, powers and interest in property of the corporation that has converted, as well as the
27 debts, liabilities and duties of such corporation, shall not be deemed, as a consequence of the
28 conversion, to have been transferred to the other entity or business form to which such
29 corporation has converted for any purposes of the laws of the state of Rhode Island.

30 (i) No vote of stockholders of a corporation shall be necessary to authorize a conversion
31 if no shares of the stock of such corporation shall have been issued prior to the adopting by the
32 board of directors of the resolution approving the conversion.

33 **7-1.2-1301. Voluntary dissolution by incorporators.** -- (a) A corporation which has not
34 commenced business and which has not issued any shares, may be voluntarily dissolved by its

1 incorporators at any time in the following manner:

2 (1) Articles of dissolution are executed by a majority of the incorporators, and verified
3 by them, and state:

4 (i) The name of the corporation.

5 (ii) The date of issuance of its certificate of incorporation.

6 (iii) That none of its shares have been issued.

7 (iv) That the corporation has not commenced business.

8 (v) That the amount, if any, actually paid in on subscriptions for its shares, less any part
9 of the amount disbursed for necessary expenses, has been returned to those entitled to it.

10 (vi) That no debts of the corporation remain unpaid.

11 (vii) That a majority of the incorporators elect that the corporation be dissolved.

12 (2) The original articles of dissolution are delivered to the secretary of state. If the
13 secretary of state finds that the articles of dissolution conform to law, the secretary of state shall,
14 when all fees and ~~franchise~~ taxes have been paid, as evidenced by an appropriate certificate of
15 good standing issued by the Rhode Island division of taxation:

16 (i) Endorse on the original the word "Filed," and the month, day, and year of the filing.

17 (ii) File the original in his or her office.

18 (iii) Issue a certificate of dissolution.

19 (3) If the corporation is dissolved prior to the effective date stated on the articles of
20 incorporation, no ~~franchise~~ taxes shall be due.

21 (b) The certificate of dissolution is delivered to the incorporators or their representative.

22 Upon the issuance of the certificate of dissolution by the secretary of state, the existence of the
23 corporation ceases.

24 **7-1.2-1309. Filing of articles of dissolution.** -- (a) The articles of dissolution are
25 delivered to the secretary of state. If the secretary of state finds that the articles of dissolution
26 conform to law, the secretary of state shall, when all fees and ~~franchise~~ taxes have been paid, as
27 evidenced by an appropriate certificate of good standing issued by the Rhode Island division of
28 taxation:

29 (1) Endorse on the original the word "Filed," and the month, day, and year of the filing.

30 (2) File the original in his or her office.

31 (3) Issue a certificate of dissolution.

32 (b) The certificate of dissolution is delivered to the representative of the dissolved
33 corporation. Upon the issuance of the certificate of dissolution the existence of the corporation
34 ceases, except for the purpose of suits, other proceedings, and appropriate corporate action by

1 shareholders, directors, and officers as provided in this chapter.

2 **7-1.2-1413. Filing of application for withdrawal.** -- (a) An original application for
3 withdrawal must be delivered to the secretary of state. If the secretary of state finds that the
4 application conforms to the provisions of this chapter, the secretary of state shall, when all fees
5 and taxes have been paid, as evidenced by an appropriate certificate of good standing issued by
6 the Rhode Island division of taxation:

7 (1) Endorse on the original the word "Filed," and the month, day, and year of the filing.

8 (2) File the original in his or her office.

9 (3) Issue a certificate of withdrawal.

10 (b) The secretary of state shall deliver the certificate of withdrawal to the corporation or
11 its representative. Upon the issuance of the certificate of withdrawal, the authority of the
12 corporation to transact business in this state ceases.

13 SECTION 2. Sections 7-13-2, 7-13-8.2, 7-13-10 and 7-13-53 of the General Laws in
14 Chapter 7-13 entitled "Limited Partnerships" are hereby amended to read as follows:

15 **7-13-2. Name.** -- (a) The name of each limited partnership as presented in its certificate
16 of limited partnership:

17 (1) Shall contain the words "limited partnership," or the ~~letters and punctuation~~
18 abbreviation "L.P." or "LP";

19 (2) May not contain the name of a limited partner unless

20 (i) It is also the name of a general partner or the corporate name of a corporate general
21 partner, or

22 (ii) The business of the limited partnership had been carried on under that name before
23 the admission of that limited partner;

24 (3) Shall be distinguishable upon the records of the secretary of state from the name of
25 any corporation, nonbusiness corporation or other association, domestic or foreign limited
26 liability company, limited partnership organized under the laws of, or registered or qualified to do
27 business in this state or any name which is filed, reserved or registered under this title or as
28 permitted by the laws of this state, subject to the following:

29 (i) This provision does not apply if the applicant files with the secretary of state a
30 certified copy of a final decree of a court of competent jurisdiction establishing the prior right of
31 the applicant to the use of the name in this state; and

32 (ii) The name may be the same as the name of a corporation, nonbusiness corporation or
33 other association the certificate of incorporation or organization of which has been revoked by the
34 secretary of state as permitted by law, and the revocation has not been withdrawn within one year

1 from the date of the revocation.

2 (iii) Words and/or abbreviations that are required by statute to identify the particular type
3 of business entity shall be disregarded when determining if a name is distinguishable upon the
4 records of the secretary of state.

5 (iv) The secretary of state shall promulgate rules and regulations defining the term
6 "distinguishable upon the record" for the administration of this chapter.

7 (b) (1) Any domestic or foreign limited partnership formed under the laws of, or
8 registered to do business in this state may transact business in this state under a fictitious name
9 provided that it files a fictitious business name statement in accordance with this subsection prior
10 to the time it commences to conduct business under the fictitious name.

11 (2) A fictitious business name statement shall be filed with the secretary of state, and
12 shall be executed, in the case of a domestic limited partnership, by an authorized person and, in
13 the case of a foreign limited partnership, by a person with authority to do so under the laws of the
14 state or other jurisdiction of its formation, and shall state:

15 (i) The fictitious business name to be used; and

16 (ii) The name of the applicant limited partnership or foreign limited partnership, and the
17 state and date of its formation.

18 (3) The fictitious business name statement expires upon the filing of a statement of
19 abandonment of use of a fictitious business name registered in accordance with this subsection or
20 upon the dissolution of the domestic limited partnership or the cancellation of registration of the
21 foreign limited partnership.

22 (4) The statement of abandonment of use of a fictitious business name under this
23 subsection shall be filed with the secretary of state, shall be executed in the same manner
24 provided in subdivision (2) and shall state:

25 (i) The fictitious business name being abandoned;

26 (ii) The date on which the original fictitious business name statement being abandoned
27 was filed; and

28 (iii) The information presented in subdivision (2)(ii) of subsection (b).

29 (5) No domestic or foreign limited partnership transacting business under a fictitious
30 business name contrary to the provisions of this section, or its assignee, may maintain any action
31 upon or on account of any contract made, or transaction had, in the fictitious business name in
32 any court of the state until a fictitious business name statement has been filed in accordance with
33 this section.

34 (6) No domestic or foreign limited partnership may be permitted to transact business

1 under a fictitious business name pursuant to this section which is the same as the name of any
2 corporation, nonbusiness corporation or other association, domestic or foreign limited partnership
3 or domestic or foreign limited liability company organized under the laws of, or registered or
4 qualified to do business in this state or any name which is filed, reserved or registered under this
5 title or as permitted by the laws of this state, subject to the following:

6 (i) This provision does not apply if the applicant files with the secretary of state a
7 certified copy of a final decree of a court of competent jurisdiction establishing the prior right of
8 the applicant to the use of the name in this state; and

9 (ii) The name may be the same as the name of a corporation, nonbusiness corporation or
10 other association the certificate of incorporation or organization of which has been revoked by the
11 secretary of state as permitted by law and the revocation has not been withdrawn within one year
12 from the date of revocation.

13 (iii) Words and/or abbreviations that are required by statute to identify the particular type
14 of business entity shall be disregarded when determining if a name is distinguishable upon the
15 records of the secretary of state.

16 (iv) The secretary of state shall promulgate rules and regulations defining the term
17 "distinguishable upon the record" for the administration of this chapter.

18 **7-13-8.2. Approval of conversion of a limited partnership.** – (a) A domestic limited
19 partnership may convert to a corporation, a business trust or association, a real estate investment
20 trust, a common-law trust, or any other unincorporated business or entity including a partnership,
21 whether general or limited (including a registered limited liability partnership) or a limited
22 liability company, organized, formed, or created under the laws of the state of Rhode Island, upon
23 the authorization of that conversion in accordance with this section. If the partnership agreement
24 specified the manner of authorizing a conversion of the limited partnership, the conversion shall
25 be authorized as specified in the partnership agreement. If the partnership agreement does not
26 specify the manner of authorizing a conversion of the limited partnership and does not prohibit a
27 conversion of the limited partnership, the conversion shall be authorized in the same manner as is
28 specified in the partnership agreement for authorizing a merger or consolidation that involves the
29 limited partnership as a constituent party to the merger or consolidation. If the partnership
30 agreement does not specify the manner of authorizing a conversion of the limited partnership or a
31 merger or consolidation that involved the limited partnership as a constituent party and does not
32 prohibit a conversion of the limited partnership, the conversion shall be authorized by the
33 approval (1) by all general partners, and (2) by the limited partners or, if there is more than one
34 class or group of limited partners, then by each class or group of limited partners, in either case,

1 by limited partners who own more than fifty percent (50%) of the then current percentage or other
2 interest in the profits of the domestic limited partnership owned by all of the limited partners or
3 by the limited partners in each class or group, as appropriate.

4 (b) If a limited partnership shall convert in accordance with this section to another entity
5 or business form organized, formed or created under the laws of a jurisdiction other than the state
6 of Rhode Island or to a Rhode Island unincorporated "other entity", a certificate of conversion to
7 a non-Rhode Island entity shall be filed in the office of the secretary of state. The certificate of
8 conversion to a non-Rhode Island entity shall state:

9 (1) The name of the limited partnership and, if it has been changed, the name under
10 which its certificate of formation was originally filed;

11 (2) The date of filing of its original certificate of formation with the secretary of state;

12 (3) The jurisdiction in which the entity or business form, to which the limited partnership
13 shall be converted, is organized, formed or created, and the name and type of such entity or
14 business form;

15 (4) The future effective date or time, which shall be a date or time certain, of the
16 conversion if it is not to be effective upon the filing of the certificate of conversion to a non-
17 Rhode Island entity;

18 (5) That the conversion has been approved in accordance with this section; and

19 (6) The agreement of the limited partnership that it may be served with process in the
20 state of Rhode Island in any action, suit or proceeding for enforcement of any obligation to the
21 limited partnership arising while it was a limited partnership of the state of Rhode Island, and that
22 it irrevocably appoints the secretary of state as its agent to accept service of process in any such
23 action, suit or proceeding.

24 (c) Upon the filing in the office of the secretary of state of the certificate of conversion to
25 a non-Rhode Island entity or upon the future effective date or time of the certificate of conversion
26 to a non-Rhode Island entity and upon payment of all fees due by the limited partnership, as
27 evidenced by an appropriate certificate of good standing issued by the Rhode Island division of
28 taxation, the secretary of state shall certify that the limited partnership has filed all documents and
29 paid all fees required by this chapter, and thereupon the limited partnership shall cease to exist as
30 a limited partnership of the state of Rhode Island. Such certificate of the secretary of state shall be
31 prima facie evidence of the conversion by such limited partnership out of the state of Rhode
32 Island.

33 (d) The conversion of a limited partnership out of the state of Rhode Island in accordance
34 with this section and the resulting cessation of its existence as a limited partnership of the state of

1 Rhode Island pursuant to a certificate of conversion to a non-Rhode Island entity shall not be
2 deemed to affect any obligations or liabilities of the limited partnership incurred prior to such
3 conversion or the personal liability of any person incurred prior to such conversion, nor shall it be
4 deemed to affect the choice of laws applicable to the limited partnership with respect to matters
5 arising prior to such conversion.

6 (e) When a limited partnership has been converted to another entity or business form
7 pursuant to this section, the other entity or business form shall, for all purposes of the laws of the
8 state of Rhode Island, be deemed to be the same entity as the limited partnership. When any
9 conversion shall have become effective under this section, for all purposes of the laws of the state
10 of Rhode Island, all of the rights, privileges and powers of the limited partnership that has
11 converted, and all property, real, personal and mixed, and all such debts due to such limited
12 partnership, as well as all other things and causes of action belonging to such limited partnership,
13 shall remain vested in the other entity or business form to which such limited partnership has
14 converted and shall be the property of such other entity or business form, and the title to any real
15 property vested by deed or otherwise in such limited partnership shall not revert to such limited
16 partnership or be in any way impaired by reason of this chapter, but all rights of creditors and all
17 liens upon any property of such limited partnership shall be preserved unimpaired, and all debts,
18 liabilities and duties of the limited partnership that has converted shall remain attached to the
19 other entity or business form to which such limited partnership has converted, and may be
20 enforced against it to the same extent as if said debts, liabilities and duties had originally been
21 incurred or contracted by it in its capacity as such other entity or business form. The rights,
22 privileges, powers and interests in property of the limited partnership that has converted, as well
23 as the debts, liabilities and duties of such limited partnership, shall not be deemed, as a
24 consequence of the conversion, to have been transferred to the other entity or business form to
25 which such limited partnership has converted for any purpose of the laws of the state of Rhode
26 Island.

27 **7-13-10. Cancellation of certificate. --** A certificate of limited partnership is cancelled
28 upon the dissolution and the commencement of winding up of the partnership or at any other time
29 there are no limited partners, or upon the conversion of a limited partnership to a limited liability
30 company. When all fees and taxes have been paid to the tax administrator, as evidenced by an
31 appropriate certificate of good standing issued by the Rhode Island division of taxation, a
32 certificate of cancellation shall be filed in the office of the secretary of state and state:

33 (1) The name of the limited partnership;

34 (2) The date of filing of its certificate of limited partnership or certificate of conversion

1 from a limited partnership to a limited liability company, as the case may be;

2 (3) The reason for filing the certificate of cancellation;

3 (4) The effective date (which shall be a date certain) of cancellation if it is not to be
4 effective upon the filing of the certificate; and

5 (5) Any other information the general partners filing the certificate determine.

6 **7-13-53. Cancellation of registration.** -- When all fees and taxes have been paid to the
7 tax administrator, [as evidenced by an appropriate certificate of good standing issued by the Rhode](#)
8 [Island division of taxation](#), a foreign limited partnership may cancel its registration by filing with
9 the secretary of state a certificate of cancellation signed and sworn to by a general partner. In
10 filing a certificate of cancellation the foreign limited partnership revokes the authority of its
11 registered agent to accept service of process and consents that service of process in any action,
12 suit or proceeding based upon any cause of action arising in this state during the time the foreign
13 limited partnership was authorized to transact business in this state may subsequently be made on
14 the foreign limited partnership by service on the secretary of state. The certificate of cancellation
15 must include the post office address to which the secretary of state may mail a copy of any
16 process against the foreign limited partnership that is served on the secretary of state.

17 SECTION 3. Sections 7-16-5.2 and 7-16-8 of the General Laws in Chapter 7-16 entitled
18 "The Rhode Island Limited Liability Company Act" are hereby amended to read as follows:

19 **7-16-5.2. Approval of conversion of a limited liability company.** -- (a) A domestic
20 limited liability company may convert to a corporation, a business trust, or association, a real
21 estate investment trust, a common law trust, a sole proprietorship or any other unincorporated
22 business or entity including a partnership, (whether general or limited including a registered
23 limited liability partnership), or a foreign limited liability company upon the authorization of the
24 conversion in accordance with this section.

25 (b) If the limited liability company agreement specified the manner of authorizing a
26 conversion of the limited liability company, the conversion shall be authorized as specified in the
27 limited liability company agreement. If the limited liability company agreement does not specify
28 the manner of authorizing a conversion of the limited liability company and does not prohibit a
29 conversion of the limited liability company, the conversion shall be authorized in the same
30 manner as is specified in the limited liability company agreement for authorizing a merger or
31 consolidation that involves the limited liability company as a constituent party to the merger or
32 consolidation. If the limited liability company agreement does not specify the manner of
33 authorizing a conversion of the limited liability company or a merger or consolidate that involves
34 the limited liability company as a constituent party and does not prohibit a conversion of the

1 limited liability company, the conversion shall be authorized by the approval by the members or,
2 if there is more than one class or group of members, then by each class or group of members, in
3 either case, by members who own more than fifty percent (50%) of the then current percentage or
4 other interest in the profits of the domestic limited liability company owned by all of the members
5 or by the members in each class or group, as appropriate.

6 (c) Unless otherwise agreed, the conversion of a domestic limited liability company to
7 another entity or business form pursuant to this section shall not require such limited liability
8 company to wind up its affairs under § 7-16-45 or pay its liabilities and distribute its assets under
9 § 7-16-46, and the conversion shall not constitute a dissolution of such limited liability company.
10 When a limited liability company has converted to another entity or business form pursuant to
11 this section, for all purposes of the laws of the state of Rhode Island, the other entity or business
12 form shall be deemed to be the same entity as the converting limited liability company and
13 conversion shall constitute a continuation of the existence of the limited liability company in the
14 form of such other entity or business form.

15 (d) In connection with a conversion of a domestic limited liability company to another
16 entity or business form pursuant to this section, rights or securities of or interests in the domestic
17 limited liability company which is to be converted may be exchanged for or converted into cash,
18 property, rights or securities of or interests in the entity or business form into which the domestic
19 limited liability company is being converted or, in addition to or in lieu thereof, may be
20 exchanged for or converted into cash, property, rights or securities of or interests in another entity
21 or business form or may be cancelled.

22 (e) If a limited liability company shall convert in accordance with this section to another
23 entity or business form organized, formed or created under the laws of a jurisdiction other than
24 the state of Rhode Island [or to a Rhode Island unincorporated "other entity"](#), a certificate of
25 conversion to non-Rhode Island entity shall be filed in the office of the secretary of state. The
26 certificate of conversion to non-Rhode Island entity shall state:

27 (1) The name of the limited liability company and, if it has been changed, the name
28 under which its certificate of formation was originally filed;

29 (2) The date of filing of its original certificate of formation with the secretary of state;

30 (3) The jurisdiction in which the entity or business form, to which the limited liability
31 company shall be converted, is organized, formed or created, and the name and type of such
32 entity or business form;

33 (4) The future effective date or time (which shall be a date or time certain) of the
34 conversion if it is not to be effective upon the filing of the certificate of conversion to non-Rhode

1 Island entity;

2 (5) That the conversion has been approved in accordance with this section;

3 (6) The agreement of the limited liability company that it may be served with process in
4 the state of Rhode Island in any action, suit or proceeding for enforcement of any obligation to
5 the limited liability company arising while it was a limited liability company of the state of Rhode
6 Island, and that it irrevocably appoints the secretary of state as its agent to accept service of
7 process in any such action, suit or proceeding;

8 (f) Upon the filing in the office of the secretary of state of the certificate of conversion to
9 non-Rhode Island entity or upon the future effective date or time of the certificate of conversion
10 to non-Rhode Island entity and ~~payment to the secretary of state of all fees prescribed in this~~
11 ~~chapter,~~ upon payment of all fees due by the limited liability company, as evidenced by an
12 appropriate certificate of good standing issued by the Rhode Island division of taxation, the
13 secretary of state shall certify that the limited liability company has filed all documents and paid
14 all fees required by this chapter, and thereupon the limited liability company shall cease to exist
15 as a limited liability company of the state of Rhode Island. Such certificate of the secretary of
16 state shall be prima facie evidence of the conversion by such limited liability company out of the
17 state of Rhode Island.

18 (g) The conversion of a limited liability company out of the state of Rhode Island in
19 accordance with this section and the resulting cessation of its existence as a limited liability
20 company of the state of Rhode Island pursuant to a certificate of conversion to non-Rhode Island
21 entity shall not be deemed to affect any obligations or liabilities of the limited liability company
22 incurred prior to such conversion or the personal liability of any person incurred prior to such
23 conversion, nor shall it be deemed to affect the choice of laws applicable to the limited liability
24 company with respect to matters arising prior to such conversion.

25 (h) When a limited liability company has been converted to another entity or business
26 form pursuant to this section, the other entity or business form shall, for all purposes of the laws
27 of the state of Rhode Island, be deemed to be the same entity as the limited liability company.
28 When any conversion shall have become effective under this section, for all purposes of the laws
29 of the state of Rhode Island, all of the rights, privileges and powers of the limited liability
30 company that has converted, and all property, real, personal and mixed, and all such debts due to
31 such limited liability company, as well as all other things and causes of action belonging to such
32 limited liability company, shall remain vested in the other entity or business form to which such
33 limited liability company has converted and shall be the property of such other entity or business
34 form, and the title to any real property vested by deed or otherwise in such limited liability

1 company shall not revert to such limited liability company or be in any way impaired by reason
2 of this chapter; but all rights of creditors and all liens upon any property of such limited liability
3 company shall be preserved unimpaired, and all debts, liabilities and duties of the limited liability
4 company that has converted shall remain attached to the other entity or business form to which
5 such limited liability company has converted, and may be enforced against it to the same extent
6 as if said debts, liabilities and duties had originally been incurred or contracted by it in its
7 capacity as such other entity or business form. The rights, privileges, powers and interests in
8 property of the limited liability company that has converted, as well as the debts, liabilities and
9 duties of such limited liability company, shall not be deemed, as a consequence of the conversion,
10 to have been transferred to the other entity or business form to which such limited liability
11 company has converted for any purpose of the laws of the state of Rhode Island.

12 **7-16-8. Filing.** -- (a) The secretary of state may not accept for filing any document under
13 this chapter which does not conform with law.

14 (b) The secretary of state may not accept for filing any organizational document,
15 qualification, registration, change of resident agent report, service of process, notice or other
16 document until all required filing and other fees have been paid to the secretary of state.

17 (c) The secretary of state may not accept for filing any article of dissolution, cancellation
18 of registration, article of merger, unless the surviving entity is a domestic entity of record with the
19 office of the secretary of state, or the reinstatement of a limited liability company's certificate of
20 organization or registration until all required filing and other fees have been paid to the secretary
21 of state and all fees and ~~franchise~~ taxes have been paid, [as evidenced by an appropriate certificate
22 of good standing issued by the Rhode Island division of taxation.](#)

23 (d) The secretary of state may not accept for filing a certificate of conversion to a non-
24 Rhode Island entity until all required filing and other fees have been paid to the secretary of state
25 and all fees and ~~franchise~~ taxes have been paid, [as evidenced by an appropriate certificate of
26 good standing issued by the Rhode Island division of taxation.](#)

27 (e) When the secretary of state accepts the articles of organization or a certificate of
28 registration or any other document filed under this chapter, the secretary of state shall:

29 (1) Endorse on the document the date and time of its acceptance for filing;

30 (2) Promptly file the document; and

31 (3) Issue a certificate or other evidence which establishes:

32 (i) That the document was accepted for filing by the secretary of state; and

33 (ii) The date and time of the acceptance for filing.

34 (f) The document becomes effective upon the issuance of the certificate or other

1 evidence or at any later date that is set forth within the document, not more than thirty (30) days
2 after the filing of such document.

3 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS AND PARTNERSHIPS - RHODE
ISLAND BUSINESS CORPORATION ACT

1 This act would require that a certificate of good standing issued by the Rhode Island
2 division of taxation indicating that all fees and taxes have been paid must accompany all filings
3 for articles of dissolution, cancellation of registration, articles of merger, and conversions to a
4 non-Rhode Island entity, and establishes a procedure for the conversion of limited partnerships to
5 another business entity.

6 This act would take effect upon passage.

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