

**A-Engrossed**  
**House Bill 2310**

Ordered by the House May 2  
Including House Amendments dated May 2

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Judiciary)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes rights of judgment creditors and judgment debtors relating to distributional interests in limited liability companies.

**A BILL FOR AN ACT**

1  
2 Relating to distributional interests in limited liability companies; creating new provisions; and  
3 amending ORS 63.259.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 63.259 is amended to read:

6 63.259. (1) On application to a court of competent jurisdiction by any judgment creditor of a  
7 member, the court may charge the membership interest of the member with payment of the unsat-  
8 isfied amount of the judgment with interest. [*To the extent so charged, the judgment creditor has only*  
9 *the rights of an assignee of the membership interest. This chapter shall not deprive any member of the*  
10 *benefit of any exemption laws applicable to the member's membership interest.*]

11 **(2) A charging order made under subsection (1) of this section constitutes a lien on the**  
12 **judgment debtor's distributional interest and has priority over other charging order liens**  
13 **according to the date and time of entry of the charging order.**

14 **(3) This section does not deprive a member of a right under exemption laws with respect**  
15 **to the member's distributional interest in the limited liability company.**

16 **(4) This section provides the exclusive remedy by which a judgment creditor of a member**  
17 **may satisfy a judgment out of the judgment debtor's membership interest in the limited li-**  
18 **ability company.**

19 **(5) For purposes of this section, "distributional interest" means a member's right to**  
20 **distributions from the member's membership interest.**

21 **SECTION 2.** The amendments to ORS 63.259 by section 1 of this 2007 Act apply to  
22 **charging orders entered on or after the effective date of this 2007 Act.**

23  

---

  
**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.