

Requested by SENATE COMMITTEE ON JUDICIARY

**PROPOSED AMENDMENTS TO
SENATE BILL 909**

1 On page 8 of the printed bill, after line 7, insert:

2 “(4) A limited liability company with a charitable purpose is a charitable
3 organization that is subject to ORS 128.610 to 128.769, to the oversight of the
4 Attorney General and to the same notification requirements and constraints
5 on distributions that apply to a public benefit corporation under ORS chap-
6 ter 65.”.

7 On page 22, delete lines 1 through 5 and insert:

8 **“SECTION 36. Agency of managers and members; transfer of in-**
9 **terest in real property. (1) Subject to subsections (2) and (3) of this**
10 **section:**

11 **“(a) Each member is an agent of a limited liability company for the**
12 **purpose of the limited liability company’s business. An act of a mem-**
13 **ber, including signing an instrument in the limited liability company’s**
14 **name, that apparently carries on the business of the limited liability**
15 **company in the ordinary course, or carries on business of the kind the**
16 **limited liability company carries on, binds the limited liability com-**
17 **pany, unless the member had no authority to act for the limited li-**
18 **ability company in the particular matter and the person with whom**
19 **the member was dealing knew or had notice that the member lacked**
20 **authority.**

21 **“(b) An act of a member that does not apparently carry on the**

1 **business of the limited liability company in the ordinary course, or**
2 **carry on business of the kind the limited liability company carries on,**
3 **binds the limited liability company only if the other members author-**
4 **ized the act.**

5 **“(2) Subject to subsection (3) of this section, in a manager-managed**
6 **limited liability company:**

7 **“(a) A member is not an agent of the limited liability company for**
8 **the purpose of the limited liability company’s business solely by reason**
9 **of being a member. Each manager is an agent of the limited liability**
10 **company for the purpose of the limited liability company’s business.**
11 **An act of a manager, including signing an instrument in the limited**
12 **liability company’s name, that apparently carries on the business of**
13 **the limited liability company in the ordinary course, or carries on**
14 **business of the kind the limited liability company carries on, binds the**
15 **limited liability company, unless the manager had no authority to act**
16 **for the limited liability company in the particular matter and the**
17 **person with whom the manager was dealing knew or had notice that**
18 **the manager lacked authority.**

19 **“(b) An act of a manager that does not apparently carry on the**
20 **business of the limited liability company in the ordinary course, or**
21 **carry on business of the kind the limited liability company carries on,**
22 **binds the limited liability company only if the act was authorized un-**
23 **der section 37 of this 2023 Act.**

24 **“(3) Unless the articles of organization limit the authority of**
25 **members, any member of a member-managed limited liability com-**
26 **pany or manager of a manager-managed limited liability company may**
27 **sign and deliver any instrument that transfers or affects the limited**
28 **liability company’s interest in real property. The instrument is con-**
29 **clusive in favor of a person who gives value without knowledge that**
30 **the person signing and delivering the instrument lacks authority.”.**

1 On page 33, line 45, after the period delete the rest of the line.

2 On page 34, line 1, delete “vided in subsection (6) of this section.”.

3 Delete lines 5 through 22 and insert:

4 “(2) A court may include in a charging order the court enters under sub-
5 section (1) of this section, or in a separate order, terms or requirements that
6 are reasonably necessary to collect distributions and give effect to the
7 charging order including, but not limited to, appointing a receiver for dis-
8 tributions that are subject to the charging order. If the court appoints a re-
9 ceiver, the receiver may make any inquiries the judgment debtor may make.

10 “(3) A court may foreclose a lien on and order a sale of a transferable
11 interest if the judgment creditor shows that the distributions that are subject
12 to a charging order under subsection (1) of this section will not pay the
13 judgment debt within a reasonable time. Except as otherwise provided in
14 subsection (6) of this section, the purchaser at the foreclosure sale obtains
15 only the transferable interest and is subject to section 52 of this 2023 Act,
16 but does not become a member.

17 “(4) At any time before a court forecloses a lien under subsection (3) of
18 this section, a member or transferee whose transferable interest is subject
19 to a charging order under subsection (1) of this section may extinguish the
20 charging order by:

21 “(a) Satisfying the judgment;

22 “(b) Obtaining a satisfaction document under ORS 18.225; and

23 “(c) Filing, and causing the judgment creditor to file, the satisfaction
24 document with the court that entered the charging order.”.

25 On page 37, delete lines 6 through 8 and insert:

26 “(c) Subject to sections 54 and 90 to 120 of this 2023 Act, the person owns
27 solely as a transferee any transferable interest that the person owned in the
28 person’s capacity as a member before dissociation.”.

29 On page 53, delete lines 40 through 42 and insert:

30 **SECTION 88. Action by Secretary of State. The Secretary of State**

1 **may bring an action to enjoin a foreign limited liability company from**
2 **doing business in this state in violation of sections 1 to 125 of this 2023**
3 **Act.”.**

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