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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **2764**

02/20/2018 Authored by Smith
The bill was read for the first time and referred to the Committee on Civil Law and Data Practices Policy
02/26/2018 Adoption of Report: Amended and re-referred to the Committee on Commerce and Regulatory Reform
03/01/2018 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act
1.2 relating to business organizations; regulating business corporations, nonprofit
1.3 corporations, limited partnerships, and limited liability companies; providing for
1.4 conversions and domestications; amending Minnesota Statutes 2016, sections
1.5 302A.011, subdivision 36, by adding a subdivision; 302A.015, subdivision 1;
1.6 302A.255, subdivision 3; 302A.401, subdivision 1; 302A.449, subdivision 3;
1.7 302A.471, subdivision 3; 302A.473, subdivisions 2, 3, 4; 302A.613, subdivision
1.8 1, by adding a subdivision; 302A.621, subdivisions 1, 2a; 302A.626, subdivision
1.9 3; 302A.682, by adding a subdivision; 321.1102; 321.1103; 321.1104; 321.1105;
1.10 322C.0706; 322C.1001, by adding subdivisions; 323A.0902; 323A.0903;
1.11 323A.0904; Minnesota Statutes 2017 Supplement, section 317A.621; proposing
1.12 coding for new law in Minnesota Statutes, chapters 302A; 321; 322C; 323A;
1.13 repealing Minnesota Statutes 2016, section 323A.0908.

1.14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.15 Section 1. Minnesota Statutes 2016, section 302A.011, subdivision 36, is amended to
1.16 read:

1.17 Subd. 36. **Written action.** "Written action" means a ~~written document~~ record signed,
1.18 or consented to by authenticated electronic communication, by all of the persons required
1.19 to take the action described. The term also means the counterparts of a ~~written document~~
1.20 record signed, or consented to by authenticated electronic communication, by any of the
1.21 persons taking the action described. Each counterpart constitutes the action of the persons
1.22 signing or so consenting to it, and all the counterparts, taken together, constitute one written
1.23 action by all of the persons signing or so consenting to them.

2.1 Sec. 2. Minnesota Statutes 2016, section 302A.011, is amended by adding a subdivision
2.2 to read:

2.3 Subd. 71. **Record.** "Record" means information that is inscribed on a tangible medium
2.4 or that is stored in an electronic or other medium and is retrievable in perceivable form.

2.5 Sec. 3. Minnesota Statutes 2016, section 302A.015, subdivision 1, is amended to read:

2.6 Subdivision 1. **Definitions.** (a) For purposes of this section, the words, terms, and phrases
2.7 defined in this subdivision have the meanings given them.

2.8 (b) "Electronic" means relating to technology having electrical, digital, magnetic, wireless,
2.9 optical, electromagnetic, or similar capabilities.

2.10 (c) "Electronic record" means a record created, generated, sent, communicated, received,
2.11 or stored by electronic means.

2.12 (d) "Electronic signature" means an electronic sound, symbol, or process attached to or
2.13 logically associated with a record and executed or adopted by a person with the intent to
2.14 sign the record.

2.15 ~~(e) "Record" means information that is inscribed on a tangible medium or that is stored~~
2.16 ~~in an electronic or other medium and is retrievable in perceivable form.~~

2.17 Sec. 4. **[302A.191] FORUM SELECTION PROVISIONS.**

2.18 Subdivision 1. **Authorization.** The articles or bylaws may require, consistent with
2.19 applicable jurisdictional requirements, that any or all internal corporate claims must be
2.20 brought exclusively in any or all of the courts in this state. The articles or bylaws must not
2.21 prohibit bringing an internal corporate claim in the courts of this state.

2.22 Subd. 2. **Definition.** "Internal corporate claim" means any:

2.23 (a) claim that is based upon a violation of a duty under the laws of this state by a current
2.24 or former director, officer, or shareholder in such capacity;

2.25 (b) derivative action or proceeding brought on behalf of the corporation; or

2.26 (c) action asserting a claim arising under this chapter or the corporation's articles or
2.27 bylaws.

2.28 Sec. 5. Minnesota Statutes 2016, section 302A.255, subdivision 3, is amended to read:

2.29 Subd. 3. **Compensation agreements.** During any tender offer or request or invitation
2.30 for tenders of any class or series of shares of a publicly held corporation, other than an offer,

3.1 request, or invitation by the publicly held corporation or by another person pursuant to a
3.2 plan of merger approved by the publicly held corporation's board in accordance with section
3.3 302A.613 or 302A.621, the publicly held corporation shall not enter into or amend, directly
3.4 or indirectly, agreements containing provisions, whether or not dependent on the occurrence
3.5 of any event or contingency, that increase, directly or indirectly, the current or future
3.6 compensation of any officer or director of the publicly held corporation. This subdivision
3.7 does not prohibit routine increases in compensation, or other routine compensation
3.8 agreements, undertaken in the ordinary course of the publicly held corporation's business.

3.9 Sec. 6. Minnesota Statutes 2016, section 302A.401, subdivision 1, is amended to read:

3.10 Subdivision 1. **Board may authorize.** (a) Subject to any restrictions in the articles, a
3.11 corporation may issue securities and rights to purchase securities only when authorized by
3.12 the board.

3.13 (b) A resolution of the board authorizing the issuance of shares may provide that any
3.14 shares to be issued pursuant to the resolution may be issued in one or more transactions in
3.15 such numbers, upon such terms, and at such times as are set forth in or determined by or in
3.16 the manner set forth in the resolution, which may include a determination or action by any
3.17 person, whether or not the person is a director, but only if the resolution fixes a maximum
3.18 number of shares that may be issued pursuant to the resolution, a time period during which
3.19 those shares may be issued, and a minimum amount of consideration for which those shares
3.20 may be issued, as that consideration is determined in accordance with section 302A.405,
3.21 subdivision 1.

3.22 Sec. 7. Minnesota Statutes 2016, section 302A.449, subdivision 3, is amended to read:

3.23 Subd. 3. **Termination.** An appointment may be terminated at will, unless the appointment
3.24 is coupled with an interest, in which case it shall not be terminated except in accordance
3.25 with the terms of an agreement, if any, between the parties to the appointment. Termination
3.26 may be made: (1) by filing written notice of the termination of the appointment with an
3.27 officer of the corporation, ~~or~~ (2) by filing a new written appointment of a proxy, signed by
3.28 the shareholder, with an officer of the corporation, ~~or~~ (3) by telephonic transmission or
3.29 authenticated electronic communication, whether or not accompanied by written instructions
3.30 of the shareholder, of a new appointment of a proxy with the corporation or the corporation's
3.31 duly authorized agent, or (4) by the shareholder's attendance and voting at the meeting of
3.32 shareholders to which the appointment relates. Termination in any such manner revokes all
3.33 prior proxy appointments and is effective when filed with an officer of the corporation ~~or~~,

4.1 when the telephonic transmission or authenticated electronic communication is received by
4.2 the corporation or the corporation's duly authorized agent, or when the shareholder votes
4.3 at the meeting. The telephonic transmission or authenticated electronic communication must
4.4 set forth or be submitted with information from which it can be determined that the new
4.5 appointment was authorized by the shareholder.

4.6 Sec. 8. Minnesota Statutes 2016, section 302A.471, subdivision 3, is amended to read:

4.7 Subd. 3. **Rights not to apply.** (a) Unless the articles, the bylaws, or a resolution approved
4.8 by the board otherwise provide, the right to obtain payment under this section does not
4.9 apply to a shareholder of (1) the surviving corporation in a merger with respect to shares
4.10 of the shareholder that are not entitled to be voted on the merger and are not canceled or
4.11 exchanged in the merger or (2) the corporation whose shares will be acquired by the acquiring
4.12 organization in a plan of exchange with respect to shares of the shareholder that are not
4.13 entitled to be voted on the plan of exchange and are not exchanged in the plan of exchange.

4.14 (b) If a date is fixed according to section 302A.445, subdivision 1, for the determination
4.15 of shareholders entitled to receive notice of and to vote on an action described in subdivision
4.16 1, only shareholders as of the date fixed, and beneficial owners as of the date fixed who
4.17 hold through shareholders, as provided in subdivision 2, may exercise dissenters' rights.

4.18 (c) Notwithstanding subdivision 1, the right to obtain payment under this section, other
4.19 than in connection with a plan of merger adopted under section 302A.613, subdivision 4,
4.20 or 302A.621, is limited in accordance with the following provisions:

4.21 (1) The right to obtain payment under this section is not available for the holders of
4.22 shares of any class or series of shares that is listed on the New York Stock Exchange, ~~the~~
4.23 ~~American Stock Exchange~~ NYSE MKT LLC, the Nasdaq Global Market, ~~or~~ the NASDAQ
4.24 Global Select Market, the Nasdaq Capital Market, or any successor to any such market.

4.25 (2) The applicability of clause (1) is determined as of:

4.26 (i) the record date fixed to determine the shareholders entitled to receive notice of, and
4.27 to vote at, the meeting of shareholders to act upon the corporate action described in
4.28 subdivision 1; or

4.29 (ii) the day before the effective date of corporate action described in subdivision 1 if
4.30 there is no meeting of shareholders.

4.31 (3) Clause (1) is not applicable, and the right to obtain payment under this section is
4.32 available pursuant to subdivision 1, for the holders of any class or series of shares who are
4.33 required by the terms of the corporate action described in subdivision 1 to accept for such

5.1 shares anything other than shares, or cash in lieu of fractional shares, of any class or any
5.2 series of shares of a domestic or foreign corporation, or any other ownership interest of any
5.3 other organization, that satisfies the standards set forth in clause (1) at the time the corporate
5.4 action becomes effective.

5.5 Sec. 9. Minnesota Statutes 2016, section 302A.473, subdivision 2, is amended to read:

5.6 Subd. 2. **Notice of action.** (a) If a corporation calls a shareholder meeting at which any
5.7 action described in section 302A.471, subdivision 1 is to be voted upon, the notice of the
5.8 meeting shall inform each shareholder of the right to dissent and shall include a copy of
5.9 section 302A.471 and this section and a brief description of the procedure to be followed
5.10 under these sections.

5.11 (b) In connection with a qualified offer as described in section 302A.613, subdivision
5.12 4, the constituent corporation subject to the offer may, but is not required to, send to all
5.13 shareholders a written notice informing each shareholder of the right to dissent and must
5.14 include a copy of this section and section 302A.471 and a brief description of the procedure
5.15 to be followed under these sections. To be effective, the notice must be sent as promptly as
5.16 practicable at or following the commencement of the offer, but in any event at least ten days
5.17 before the consummation of the offer.

5.18 Sec. 10. Minnesota Statutes 2016, section 302A.473, subdivision 3, is amended to read:

5.19 Subd. 3. **Notice of dissent.** If the proposed action must be approved by the shareholders
5.20 and the corporation holds a shareholder meeting, a shareholder who is entitled to dissent
5.21 under section 302A.471 and who wishes to exercise dissenters' rights must file with the
5.22 corporation before the vote on the proposed action a written notice of intent to demand the
5.23 fair value of the shares owned by the shareholder and must not vote the shares in favor of
5.24 the proposed action. If the proposed action is to be effected pursuant to section 302A.613,
5.25 subdivision 4, and the corporation has elected to send a notice of action in accordance with
5.26 subdivision 2, paragraph (b), a shareholder who is entitled to dissent under section 302A.471
5.27 and who wishes to exercise dissenters' rights must not tender the shares owned by the
5.28 shareholder in response to the offer and must file with the corporation a written notice of
5.29 intent to demand the fair value of the shares owned by the shareholder. Written notice must
5.30 be filed with the corporation before the consummation of the offer.

6.1 Sec. 11. Minnesota Statutes 2016, section 302A.473, subdivision 4, is amended to read:

6.2 Subd. 4. **Notice of procedure; deposit of shares.** (a) After the proposed action has been
6.3 approved by the board and, if necessary, the shareholders, the corporation shall send ~~to~~ (i)
6.4 in any case where subdivision 3 is applicable, to all shareholders who have complied with
6.5 subdivision 3, (ii) in any case where a written action of shareholders gave effect to the action
6.6 creating the right to obtain payment under section 302A.471, to all shareholders who did
6.7 not sign or consent to a written action that gave effect to the action creating the right to
6.8 obtain payment under section 302A.471, and (iii) in any other case, to all shareholders
6.9 entitled to dissent ~~if no shareholder vote was required~~, a notice that contains:

6.10 (1) the address to which a demand for payment and certificates of certificated shares
6.11 must be sent in order to obtain payment and the date by which they must be received;

6.12 (2) any restrictions on transfer of uncertificated shares that will apply after the demand
6.13 for payment is received;

6.14 (3) a form to be used to certify the date on which the shareholder, or the beneficial owner
6.15 on whose behalf the shareholder dissents, acquired the shares or an interest in them and to
6.16 demand payment; and

6.17 (4) a copy of section 302A.471 and this section and a brief description of the procedures
6.18 to be followed under these sections.

6.19 (b) In order to receive the fair value of the shares, a dissenting shareholder must demand
6.20 payment and deposit certificated shares or comply with any restrictions on transfer of
6.21 uncertificated shares within 30 days after the notice required by paragraph (a) was given,
6.22 but the dissenter retains all other rights of a shareholder until the proposed action takes
6.23 effect.

6.24 Sec. 12. Minnesota Statutes 2016, section 302A.613, subdivision 1, is amended to read:

6.25 Subdivision 1. **Board approval; notice to shareholders.** ~~A resolution containing~~ The
6.26 plan of merger or exchange shall be approved by the affirmative vote of a majority of the
6.27 directors present at a meeting of the board of each constituent corporation and shall then
6.28 be submitted at a regular or a special meeting to the shareholders of (i) each constituent
6.29 corporation, in the case of a plan of merger, and (ii) the corporation whose shares will be
6.30 acquired by the acquiring organization in the exchange, in the case of a plan of exchange.
6.31 If shareholders holding any class or series of stock of the corporation are entitled to vote
6.32 on the plan of merger or exchange pursuant to this section, written notice shall be given to
6.33 every shareholder of a corporation, whether or not entitled to vote at the meeting, not less

7.1 than 14 days nor more than 60 days before the meeting, in the manner provided in section
7.2 302A.435 for notice of meetings of shareholders. The written notice shall state that a purpose
7.3 of the meeting is to consider the proposed plan of merger or exchange. A copy or short
7.4 description of the plan of merger or exchange shall be included in or enclosed with the
7.5 notice. If the merger or exchange is with a domestic or foreign limited liability company,
7.6 the plan of merger or exchange must also be approved in the manner required by the laws
7.7 of the state under which the limited liability company is organized.

7.8 Sec. 13. Minnesota Statutes 2016, section 302A.613, is amended by adding a subdivision
7.9 to read:

7.10 **Subd. 4. Approval by shareholders not required for merger following qualified**
7.11 **offer. (a) Notwithstanding the provisions of subdivisions 1 and 2, unless otherwise expressly**
7.12 **provided in the articles, submission of a plan of merger to a vote at a meeting of shareholders**
7.13 **of a constituent corporation that is a publicly held corporation immediately before the**
7.14 **execution of the plan of merger is not required if each of the following requirements is met:**

7.15 (1) The plan of merger expressly:

7.16 (i) permits or requires the merger to be effected in accordance with this subdivision; and

7.17 (ii) requires that the merger be effected as soon as practicable following the consummation
7.18 of an offer if the merger is effected under this subdivision.

7.19 (2) An organization consummates, on the terms provided in the plan of merger, an offer
7.20 for all of the outstanding shares of the constituent corporation that, absent this subdivision,
7.21 would be entitled to vote on the adoption of the plan of merger. Subject to the plan of merger,
7.22 (i) the offer may be conditioned on the tender of a minimum number or percentage of shares
7.23 of the constituent corporation, or of any class or series thereof, (ii) the offer may exclude
7.24 any excluded shares, and (iii) the organization may consummate separate offers for separate
7.25 classes or series of shares of the constituent corporation.

7.26 (3) Immediately following the consummation of the offer, the shares irrevocably accepted
7.27 for purchase or exchange pursuant to the offer and received by the depository before
7.28 expiration of the offer, together with any excluded shares, equal at least the percentage of
7.29 the shares of the constituent corporation, and of each class or series thereof, that, absent
7.30 this subdivision, would be required to adopt the plan of merger under the articles of the
7.31 constituent corporation and this section.

7.32 (4) The organization consummating the offer or one of its qualifying affiliates merges
7.33 with or into the constituent corporation pursuant to the plan of merger.

8.1 (5) Each outstanding share, other than excluded shares, of each class or series of the
8.2 constituent corporation that is the subject of, and is not irrevocably accepted for purchase
8.3 or exchange in, the offer must be converted in the merger into, or into the right to receive,
8.4 the same amount and kind of cash, property, rights, or securities, or some combination
8.5 thereof, to be paid for shares of the class or series of the constituent corporation irrevocably
8.6 accepted for purchase or exchange in the offer.

8.7 (b) For purposes of this subdivision, the following terms have the meanings given them.

8.8 (1) "Consummates" and, with correlative meaning, "consummation" or "consummating,"
8.9 means irrevocably accepts for purchase or exchange shares tendered pursuant to an offer.

8.10 (2) "Depository" means an agent, including a depository, appointed to facilitate
8.11 consummation of an offer.

8.12 (3) "Excluded shares" means, to the extent the plan of merger permits or requires them
8.13 to be excluded from the offer or the merger, (i) shares of the constituent corporation that
8.14 are owned at the commencement of an offer by the organization consummating the offer,
8.15 by any person that owns, directly or indirectly, all of the outstanding ownership interests
8.16 of the organization consummating the offer, or by any direct or indirect wholly owned
8.17 subsidiary of any of the foregoing, and (ii) rollover shares.

8.18 (4) "Offer" means a tender offer or an exchange offer that, in either case, meets the
8.19 requirements of paragraph (a), clause (2).

8.20 (5) "Qualifying affiliate" means, with respect to the organization consummating an offer,
8.21 a person that (i) owns, directly or indirectly, all of the outstanding ownership interests of
8.22 the organization or (ii) is a direct or indirect wholly owned subsidiary of the organization
8.23 or of a person referred to in item (i).

8.24 (6) "Received" means (i) with respect to certificated shares, physical receipt of a stock
8.25 certificate accompanied by an executed letter of transmittal, (ii) with respect to uncertificated
8.26 shares held of record by a clearing corporation as nominee, transfer into the depository's
8.27 account by means of an agent's message, and (iii) with respect to uncertificated shares held
8.28 of record by a person other than a clearing corporation as nominee, physical receipt of an
8.29 executed letter of transmittal by the depository. Shares will cease to be received (i) with
8.30 respect to certificated shares, if the certificate representing the shares was canceled before
8.31 consummation of the offer, or (ii) with respect to uncertificated shares, to the extent the
8.32 uncertificated shares have been reduced or eliminated due to any sale of those shares before
8.33 consummation of the offer.

9.1 (7) "Rollover shares" means any shares of the constituent corporation that are the subject
9.2 of a written agreement requiring those shares to be transferred, contributed, or delivered to
9.3 the organization consummating the offer or any of its qualifying affiliates in exchange for
9.4 shares or other equity interests in the organization consummating the offer or its qualifying
9.5 affiliate. Shares will cease to be rollover shares if, immediately before the time the merger
9.6 becomes effective, those shares have not been transferred, contributed, or delivered to the
9.7 organization consummating the offer or any of its qualifying affiliates pursuant to the written
9.8 agreement.

9.9 Sec. 14. Minnesota Statutes 2016, section 302A.621, subdivision 1, is amended to read:

9.10 Subdivision 1. **When authorized; contents of plan.** If either the parent or the subsidiary
9.11 is a domestic corporation, a parent that is a domestic or foreign corporation or limited
9.12 liability company owning at least 90 percent of the outstanding shares of each class and
9.13 series of a subsidiary that is a domestic or foreign corporation or limited liability company
9.14 directly, or indirectly through related organizations, other than classes or series that, absent
9.15 this section, would otherwise not be entitled to vote on the merger, may merge the subsidiary
9.16 into itself or into any other subsidiary at least 90 percent of the outstanding shares of each
9.17 class and series of which is owned by the parent directly, or indirectly through related
9.18 organizations, other than classes or series that, absent this section, would otherwise not be
9.19 entitled to vote on the merger, without a vote of the shareholders or other owners of itself
9.20 or any subsidiary or may merge itself, or itself and one or more of the subsidiaries, into one
9.21 of the subsidiaries under this section. A resolution approved by the affirmative vote of a
9.22 majority of the directors or other members of the governing body of the parent present shall
9.23 ~~set forth~~ adopt a plan of merger that contains:

9.24 (1) the name of the subsidiary or subsidiaries, the name of the parent and the name of
9.25 the surviving organization;

9.26 (2) the manner and basis of converting the shares or other ownership interests of the
9.27 subsidiary or subsidiaries or parent into securities or other ownership interests of the parent,
9.28 subsidiary, or of another corporation or, in whole or in part, into money or other property;

9.29 (3) if the parent is a constituent organization but is not the surviving organization in the
9.30 merger, a provision for the pro rata issuance of shares or other ownership interests of the
9.31 surviving organization to the holders of shares or other ownership interests of the parent on
9.32 surrender of any certificates for shares or other ownership interests of the parent; and

9.33 (4) if the surviving organization is a subsidiary, a statement of any amendments to the
9.34 articles of the surviving organization that will be part of the merger.

10.1 Sec. 15. Minnesota Statutes 2016, section 302A.621, subdivision 2a, is amended to read:

10.2 Subd. 2a. **Approval of parent's shareholders; when required.** (a) Notwithstanding
10.3 subdivision 1:

10.4 (1) if the parent is a domestic corporation and the conditions of section 302A.613,
10.5 subdivision 3, are not met with respect to the parent, then the ~~resolution~~ plan of merger is
10.6 not effective unless it is also approved by the affirmative vote of the holders of a majority
10.7 of the voting power of all shares of the parent entitled to vote at a regular or special meeting
10.8 held in accordance with section 302A.613; and

10.9 (2) if the parent is a limited liability company or a foreign corporation and not the
10.10 surviving organization in the merger, then the ~~resolution~~ plan of merger is not effective
10.11 unless it is also approved in accordance with the laws under which the parent is organized
10.12 or incorporated.

10.13 (b) Notwithstanding paragraph (a), if the parent is a constituent corporation and the
10.14 surviving corporation in the merger, it may change its corporate name, without shareholder
10.15 approval, by the inclusion of a provision to that effect in ~~the resolution of merger setting~~
10.16 ~~forth~~ the plan of merger that is approved by the affirmative vote of a majority of the directors
10.17 of the parent present. Upon the effective date of the merger, the parent's corporate name
10.18 shall be changed.

10.19 Sec. 16. Minnesota Statutes 2016, section 302A.626, subdivision 3, is amended to read:

10.20 Subd. 3. **Requirements.** A merger may be accomplished under this section only if each
10.21 of the following requirements is met:

10.22 (1) the holding company and the constituent corporations to the merger are each organized
10.23 under this chapter;

10.24 (2) at all times following the issuance of shares until the consummation of a merger
10.25 under this section, the holding company was a direct wholly owned subsidiary of the parent
10.26 constituent corporation;

10.27 (3) immediately before the consummation of a merger under this section, the subsidiary
10.28 constituent corporation is an indirect wholly owned subsidiary of the parent constituent
10.29 corporation and a direct wholly owned subsidiary of the holding company;

10.30 (4) the parent constituent corporation and the subsidiary constituent corporation are the
10.31 only constituent corporations to the merger;

11.1 (5) immediately after the merger becomes effective, the surviving corporation becomes
11.2 or remains a direct wholly owned subsidiary of the holding company;

11.3 (6) each share or fraction of a share of the parent constituent corporation outstanding
11.4 immediately before the effective time of the merger is converted in the merger into a share
11.5 or equal fraction of a share of the holding company having the same designation and relative
11.6 rights and preferences, and the same restrictions thereon, as the share or fraction of a share
11.7 of the parent constituent corporation being converted in the merger;

11.8 (7) the articles and bylaws of the holding company immediately following the effective
11.9 time of the merger contain provisions identical to the articles and bylaws of the parent
11.10 constituent corporation immediately before the effective time of the merger, other than
11.11 provisions, if any, regarding the incorporator or incorporators, the corporate name, the
11.12 registered office and agent, the initial board of directors, and the initial subscribers for shares
11.13 and the provisions contained in any amendment to the articles of the parent constituent
11.14 corporation that were necessary to effect an exchange, reclassification, or cancellation of
11.15 shares, if the exchange, reclassification, or cancellation has become effective;

11.16 (8) the articles and bylaws of the surviving corporation immediately following the
11.17 effective time of the merger are identical to the articles and bylaws of the parent constituent
11.18 corporation immediately before the effective time of the merger, other than provisions, if
11.19 any, regarding the incorporator or incorporators, the corporate name, the registered office
11.20 and agent, the initial board of directors, and the initial subscribers for shares and the
11.21 provisions contained in any amendment to the articles of the parent constituent corporation
11.22 that were necessary to effect an exchange, reclassification, or cancellation of shares, if the
11.23 exchange, reclassification, or cancellation has become effective, except that:

11.24 (i) the articles of the surviving corporation shall be amended in the merger to contain a
11.25 provision requiring that any act or transaction by or involving the surviving corporation,
11.26 other than the election or removal of directors of the surviving corporation, that requires
11.27 for its adoption under this chapter or its articles the approval of the shareholders of the
11.28 surviving corporation shall, by specific reference to this section, require, in addition, the
11.29 approval of the shareholders of the holding company, or any successor by merger, by the
11.30 same vote as is required by this chapter and/or by the articles of the surviving corporation;
11.31 and

11.32 (ii) the articles of the surviving corporation may be amended in the merger to reduce
11.33 the number of classes, series, and shares that the surviving corporation is authorized to issue;

12.1 (9) the directors of the parent constituent corporation become or remain the directors of
12.2 the holding company immediately after the merger becomes effective;

12.3 (10) the board of directors of the parent constituent corporation determines that the
12.4 shareholders of the parent constituent corporation will not recognize gain or loss for United
12.5 States federal income tax purposes; and

12.6 (11) a resolution approved by the affirmative vote of a majority of the directors of the
12.7 parent constituent corporation ~~present sets forth~~ adopts a plan of merger that contains
12.8 provisions addressing the requirements of clauses (1) to (10).

12.9 Sec. 17. Minnesota Statutes 2016, section 302A.682, is amended by adding a subdivision
12.10 to read:

12.11 Subd. 3. **Conversion includes transfer to new home state.** A conversion conducted
12.12 pursuant to this section and sections 302A.684 to 302A.692 may result in a change in the
12.13 jurisdiction in which the converted organization was domiciled before the conversion.

12.14 Sec. 18. Minnesota Statutes 2017 Supplement, section 317A.621, is amended to read:

12.15 **317A.621 MERGER OF ~~SUBSIDIARY~~ WHOLLY OWNED SUBSIDIARIES.**

12.16 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in paragraphs
12.17 (b) and (c) have the meanings given.

12.18 (b) "Parent" means a corporation that owns, directly, or indirectly through ~~related~~ one
12.19 or more wholly owned organizations, ~~owns all of the governance and financial interests~~ all
12.20 of the rights to distributions and all of the management rights in a wholly owned subsidiary.

12.21 (c) "Wholly owned subsidiary" means ~~an organization having~~ a limited liability company
12.22 in which all of its governance the rights to distributions and financial interests all of the
12.23 management rights are owned directly, or indirectly ~~through related organizations,~~ by a
12.24 ~~corporation~~ parent. Wholly owned subsidiary does not include a nonprofit limited liability
12.25 company organized under or governed by section 322C.1101.

12.26 Subd. 2. **When authorized; ~~contents of plan.~~** A corporation that is a parent of a
12.27 ~~subsidiary~~ may merge the a wholly owned subsidiary into itself. ~~The merger may be approved~~
12.28 ~~by a resolution approved by the affirmative vote of a majority of the directors or other~~
12.29 ~~members of the governing body of the parent. The resolution must set forth~~ or may merge
12.30 two or more wholly owned subsidiaries into one of the wholly owned subsidiaries by adoption
12.31 of a plan of merger that ~~contains;~~ meets the requirements of subdivision 2a and is approved
12.32 in the manner described in subdivision 3.

13.1 Subd. 2a. **Plan of merger.** The plan of merger must contain:

13.2 (1) the ~~names~~ name of each wholly owned subsidiary that is a constituent organization
 13.3 in the merger, the name of the parent, and ~~subsidiary proposing to merge;~~ (2) the name of
 13.4 the surviving ~~corporation~~ organization;

13.5 ~~(3)~~ (2) the terms and conditions of the proposed merger; and

13.6 ~~(4)~~ (3) the manner and basis of converting the governance and financial interests of the
 13.7 wholly owned subsidiary into membership interest interests of the surviving corporation
 13.8 organization, if applicable.

13.9 **Subd. 3. Approval by ~~board and members with voting rights~~ parent.** (a) When a
 13.10 parent has members with voting rights, the board of directors of the parent shall adopt a
 13.11 resolution by the affirmative vote of a majority of all directors approving a proposed plan
 13.12 of merger under this section and directing that the plan be submitted to a vote at a meeting
 13.13 of the members with voting rights. Notice of the meeting must be given to each member
 13.14 with voting rights, accompanied by a copy or summary of the proposed plan. Unless the
 13.15 articles or bylaws require a greater vote, the plan of merger is adopted upon receiving the
 13.16 affirmative vote of a majority of the members with voting rights voting on the action.

13.17 (b) When a parent does not have members with voting rights, and unless the articles or
 13.18 bylaws require a greater vote, a plan of merger under this section is adopted at a meeting
 13.19 of the board of directors of the parent upon receiving the affirmative votes of a majority of
 13.20 the directors. Notice of the meeting must be given, accompanied by a copy of the proposed
 13.21 plan of merger.

13.22 **Subd. 4. Articles of merger; contents of articles.** Articles of merger must be prepared
 13.23 that contain:

13.24 (1) the plan of merger;

13.25 (2) a statement that the parent owns directly, or indirectly through related organizations,
 13.26 all of the governance and financial interests of each wholly owned subsidiary that is a ~~party~~
 13.27 ~~to~~ constituent organization in the merger;

13.28 (3) a statement that the plan of merger has been approved by the parent under this section;
 13.29 and

13.30 (4) a statement that the notice to the attorney general required by section 317A.811 has
 13.31 been given and the waiting period has expired or has been waived by the attorney general
 13.32 or a statement that section 317A.811 is not applicable.

14.1 Subd. 5. **Articles signed, filed.** The articles of merger must be signed on behalf of the
14.2 parent and filed with the secretary of state.

14.3 Subd. 6. **Certificate.** The secretary of state shall issue a certificate of merger to the
14.4 parent or the parent's legal representative or, if a wholly owned subsidiary is the surviving
14.5 organization in the merger, to the surviving organization or its legal representative.

14.6 Sec. 19. Minnesota Statutes 2016, section 321.1102, is amended to read:

14.7 **321.1102 CONVERSION.**

14.8 Subdivision 1. Conversion requirements. ~~(a) An organization other than a limited~~
14.9 ~~partnership may convert to a limited partnership, and a limited partnership may convert to~~
14.10 ~~another organization pursuant to this section and sections 321.1103 through 321.1105 and~~
14.11 ~~a plan of conversion, if:~~

14.12 ~~(1) the other organization's governing statute authorizes the conversion;~~

14.13 ~~(2) the conversion is not prohibited by the law of the jurisdiction that enacted the~~
14.14 ~~governing statute; and~~

14.15 ~~(3) the other organization complies with its governing statute in effecting the conversion.~~

14.16 ~~(b) A plan of conversion must be in a record and must include:~~

14.17 ~~(1) the name and form of the organization before conversion;~~

14.18 ~~(2) the name and form of the organization after conversion;~~

14.19 ~~(3) the terms and conditions of the conversion, including the manner and basis for~~
14.20 ~~converting interests in the converting organization into any combination of money, interests~~
14.21 ~~in the converted organization, and other consideration; and~~

14.22 ~~(4) the organizational documents of the converted organization.~~

14.23 Pursuant to this section, sections 321.1103 to 321.1105, and a plan of conversion, an
14.24 organization other than a limited partnership, a foreign limited partnership, a nonprofit
14.25 corporation, or an organization owning assets irrevocably dedicated to a charitable purpose
14.26 may convert to a limited partnership, and a limited partnership may convert to an organization
14.27 other than a foreign limited partnership, or a corporation governed by chapter 304A, if:

14.28 (1) the other organization's governing statute authorizes the conversion;

14.29 (2) the conversion is not prohibited by other law of this state or the law of the jurisdiction
14.30 that enacted the other organization's governing statute; and

15.1 (3) the other organization complies with its governing statute in effecting the conversion.

15.2 Subd. 2. Contents of plan of conversion. A plan of conversion must be in a record and
 15.3 must include:

15.4 (1) the name and form of the organization and the jurisdiction of the organization's
 15.5 governing statute before conversion;

15.6 (2) the name and form of the organization and the jurisdiction of the organization's
 15.7 governing statute after conversion;

15.8 (3) the terms and conditions of the conversion, including the manner and basis for
 15.9 converting interests in the converting organization into any combination of money, interests
 15.10 in the converted organization, and other consideration; and

15.11 (4) the organizational documents of the converted organization that are, or are proposed
 15.12 to be, in a record.

15.13 Sec. 20. Minnesota Statutes 2016, section 321.1103, is amended to read:

15.14 **321.1103 ACTION ON PLAN OF CONVERSION BY CONVERTING LIMITED**
 15.15 **PARTNERSHIP.**

15.16 Subdivision 1. Consent required. ~~(a)~~ Subject to section 321.1110, a plan of conversion
 15.17 must be consented to by all the partners of a converting limited partnership.

15.18 Subd. 2. Amendment of plan or abandonment of conversion. ~~(b)~~ Subject to section
 15.19 321.1110 and any contractual rights, after a conversion is approved, and at any time before
 15.20 a articles of conversion are delivered to the secretary of state for filing is made under section
 15.21 321.1104, a converting limited partnership may amend the plan or abandon the ~~planned~~
 15.22 conversion:

15.23 (1) as provided in the plan; ~~and~~ or

15.24 (2) except as otherwise prohibited by ~~in~~ the plan, by the same consent as was required
 15.25 to approve the plan.

15.26 Sec. 21. Minnesota Statutes 2016, section 321.1104, is amended to read:

15.27 **321.1104 FILINGS REQUIRED FOR CONVERSION; EFFECTIVE DATE.**

15.28 Subdivision 1. Articles of conversion. ~~(a)~~ After a plan of conversion is approved:

15.29 (1) ~~a converting limited partnership shall deliver to the secretary of state for filing articles~~
 15.30 ~~of conversion, which must include:~~ if the converting organization is a converting limited

16.1 partnership, the converting limited partnership shall file articles of conversion with the
16.2 secretary of state, which articles of conversion must be signed as provided in section
16.3 321.0204, and must include:

16.4 ~~(A)~~ (i) a statement that the limited partnership ~~has been converted~~ is converting into
16.5 another organization;

16.6 ~~(B)~~ (ii) the name and form of the converted organization and the jurisdiction of its
16.7 governing statute;

16.8 ~~(C)~~ (iii) the ~~date~~ time the conversion is effective under the governing statute of the
16.9 converted organization;

16.10 ~~(D)~~ (iv) a statement that the conversion was approved as required by this chapter;

16.11 ~~(E)~~ (v) a statement that the conversion was approved as required by the governing statute
16.12 of the converted organization; and

16.13 ~~(F)~~ (vi) if the converted organization is a foreign organization not authorized to transact
16.14 business in this state, the street ~~and mailing~~ address of an office ~~which~~ that the secretary of
16.15 state may use for the purposes of section ~~321.1105(e)~~ 321.1105, subdivision 3; and

16.16 ~~(2) if the converting organization is not a converting limited partnership, the converting~~
16.17 ~~organization shall deliver to the secretary of state for filing a certificate of limited partnership,~~
16.18 ~~which must include, in addition to the information required by section 321.0201~~ if the
16.19 converting organization is not a converting partnership, the converting organization shall
16.20 file articles of conversion with the secretary of state, which articles of conversion must be
16.21 signed as provided in section 321.0204, and must include:

16.22 ~~(A) a statement that the limited partnership was converted from another organization;~~

16.23 ~~(B) the name and form of the organization and the jurisdiction of its governing statute;~~
16.24 ~~and~~

16.25 ~~(C) a statement that the conversion was approved in a manner that complied with the~~
16.26 ~~organization's governing statute.~~

16.27 (i) the certificate of limited partnership for the limited partnership into which the
16.28 converting organization is converting, which certificate of limited partnership must include
16.29 the information required by section 321.0201;

16.30 (ii) a statement that the converting organization is converting into a limited partnership
16.31 from another organization;

17.1 (iii) the name and form of the converting organization and the jurisdiction of its governing
 17.2 statute; and

17.3 (iv) a statement that the conversion was approved in a manner that complied with the
 17.4 converting organization's governing statute.

17.5 **Subd. 2. Effective date and time of conversion.** ~~(b)~~ A conversion becomes effective:

17.6 ~~(1) if the converted organization is a limited partnership, when the certificate of limited~~
 17.7 ~~partnership takes effect; and~~ if the converted organization is a limited partnership, when
 17.8 the articles of conversion are filed with the secretary of state or on a later date or later time
 17.9 specified in the articles of conversion; and

17.10 (2) if the converted organization is not a limited partnership, as provided by the governing
 17.11 statute of the converted organization.

17.12 **Subd. 3. Certificate.** The secretary of state shall issue to the converted organization or
 17.13 its legal representative a certificate of conversion.

17.14 Sec. 22. Minnesota Statutes 2016, section 321.1105, is amended to read:

17.15 **321.1105 EFFECT OF CONVERSION.**

17.16 **Subdivision 1. Same entity.** ~~(a)~~ An organization that has been converted pursuant to
 17.17 ~~this article~~ sections 321.1102 to 321.1105 is for all purposes the same entity that existed
 17.18 before the conversion.

17.19 **Subd. 2. Effect on converting organization.** ~~(b)~~ When a conversion takes effect: (1)
 17.20 all property owned by the converting organization remains vested in the converted
 17.21 organization;

17.22 (2) all debts, ~~liabilities~~ obligations, ~~and or other obligations~~ liabilities of the converting
 17.23 organization continue as debts, obligations, or other liabilities of the converted organization;

17.24 (3) an action or proceeding pending by or against the converting organization may be
 17.25 continued as if the conversion had not occurred;

17.26 (4) except as prohibited by ~~other~~ law other than this chapter, all of the rights, privileges,
 17.27 immunities, powers, and purposes of the converting organization remain vested in the
 17.28 converted organization;

17.29 (5) except as otherwise provided in the plan of conversion, the terms and conditions of
 17.30 the plan of conversion take effect; and

18.1 (6) except as otherwise agreed, the conversion does not dissolve a converting limited
 18.2 partnership for the purposes of ~~article 8~~ sections 321.0801 to 321.0812.

18.3 Subd. 3. **Foreign organization.** ~~(e)~~ A converted organization that is a foreign organization
 18.4 consents to the jurisdiction of the courts of this state to enforce any debt, obligation owed
 18.5 by, or other liability for which the converting limited ~~partnership,~~ liability company is liable
 18.6 if, before the conversion, the converting limited partnership liability company was subject
 18.7 to suit in this state on the debt, obligation, or other liability. A converted organization that
 18.8 is a foreign organization and not authorized to transact business in this state appoints the
 18.9 secretary of state as its agent for service of process for purposes of enforcing ~~an~~ a debt,
 18.10 obligation under this subsection, or other liability under this subdivision. Service on the
 18.11 secretary of state under this ~~subsection is~~ subdivision must be made in the same manner
 18.12 and ~~with~~ has the same consequences as in section 321.0117~~(e)~~ ~~and (d).~~

18.13 Sec. 23. [321.1115] DOMESTICATION.

18.14 Subdivision 1. **Foreign limited partnership.** A foreign limited partnership may become
 18.15 a partnership pursuant to this section, sections 321.1102 to 321.1105, and a plan of
 18.16 domestication if:

18.17 (1) the foreign limited partnership's governing statute authorizes the domestication,
 18.18 whether described by the laws of the foreign jurisdiction as a domestication, a conversion,
 18.19 or otherwise;

18.20 (2) the domestication is not prohibited by the law of the jurisdiction that enacted the
 18.21 governing statute; and

18.22 (3) the foreign limited partnership complies with its governing statute in effecting the
 18.23 domestication.

18.24 Subd. 2. **Domestic limited partnership.** A limited partnership may become a foreign
 18.25 limited partnership pursuant to this section, sections 321.1102 to 321.1105, and a plan of
 18.26 domestication if:

18.27 (1) the foreign limited partnership's governing statute authorizes the domestication,
 18.28 whether described by the laws of the foreign jurisdiction as a domestication, a conversion,
 18.29 or otherwise;

18.30 (2) the domestication is not prohibited by the law of the jurisdiction that enacted the
 18.31 governing statute; and

19.1 (3) the foreign limited partnership complies with its governing statute in effecting the
19.2 domestication.

19.3 Subd. 3. **Plan of domestication.** A plan of domestication must be in a record and must
19.4 include:

19.5 (1) the name of the domesticating company before domestication and the jurisdiction
19.6 of its governing statute;

19.7 (2) the name of the domesticated company after domestication and the jurisdiction of
19.8 its governing statute;

19.9 (3) the terms and conditions of the domestication, including the manner and basis for
19.10 converting interests in the domesticating organization into any combination of money,
19.11 interests in the domesticated organization, and other considerations; and

19.12 (4) the organizational documents of the domesticated organization that are, or are
19.13 proposed to be, in a record.

19.14 Sec. 24. **[321.1116] ACTION ON PLAN OF DOMESTICATION BY**
19.15 **DOMESTICATING LIMITED PARTNERSHIP.**

19.16 Subdivision 1. **Consent required.** A plan of domestication must be consented to:

19.17 (1) by all the partners, subject to section 321.1115 if the domesticating organization is
19.18 a limited partnership; and

19.19 (2) as provided in the domesticating organization's governing statute, if the organization
19.20 is a foreign limited partnership.

19.21 Subd. 2. **Amendment of plan or abandonment of domestication.** Subject to any
19.22 contractual rights, after a domestication is approved, and at any time before articles of
19.23 domestication are filed with the secretary of state under section 321.1117, a domesticating
19.24 limited liability company may amend the plan or abandon the domestication:

19.25 (1) as provided in the plan; or

19.26 (2) except as otherwise prohibited in the plan, by the same consent as was required to
19.27 approve the plan.

20.1 Sec. 25. **[321.1117] FILINGS REQUIRED FOR DOMESTICATION; EFFECTIVE**
20.2 **DATE.**

20.3 Subdivision 1. Articles of domestication. After a plan of domestication is approved, a
20.4 domesticating organization shall file with the secretary of state articles of domestication,
20.5 which articles of domestication must include:

20.6 (1) a statement, as the case may be, that the organization has been domesticated from
20.7 or into another jurisdiction;

20.8 (2) the name of the domesticating organization and the jurisdiction of its governing
20.9 statute;

20.10 (3) the name of the domesticated organization and the jurisdiction of its governing statute;

20.11 (4) the date the domestication is effective under the governing statute of the domesticated
20.12 organization;

20.13 (5) if the domesticating organization was a limited partnership, a statement that the
20.14 domestication was approved as required by this chapter;

20.15 (6) if the domesticating organization was a foreign limited partnership, a statement that
20.16 the domestication was approved as required by the governing statute of the other jurisdiction;
20.17 and

20.18 (7) if the domesticated organization was a foreign limited partnership not authorized to
20.19 transact business in this state, the street address of an office that the secretary of state may
20.20 use for the purposes of section 321.1105, subdivision 3.

20.21 Subd. 2. Effective date of domestication. A domestication becomes effective:

20.22 (1) when the certificate of limited partnership takes effect, if the domesticated company
20.23 is a limited partnership; and

20.24 (2) according to the governing statute of the domesticated company, if the domesticated
20.25 organization is a foreign limited partnership.

20.26 Sec. 26. **[321.1118] EFFECT OF DOMESTICATION.**

20.27 Subdivision 1. Effect on domesticating company. When a domestication takes effect:

20.28 (1) the domesticated limited partnership is for all purposes the limited partnership that
20.29 existed before the domestication;

20.30 (2) all property owned by the domesticating organization remains vested in the
20.31 domesticated organization;

21.1 (3) all debts, obligations, or other liabilities of the domesticating organization continue
 21.2 as debts, obligations, or other liabilities of the domesticated organization;

21.3 (4) an action or proceeding pending by or against a domesticating organization may be
 21.4 continued as if the domestication had not occurred;

21.5 (5) except as prohibited by other law, all of the rights, privileges, immunities, powers,
 21.6 and purposes of the domesticating organization remain vested in the domesticated
 21.7 organization;

21.8 (6) except as otherwise provided in the plan of domestication, the terms and conditions
 21.9 of the plan of domestication take effect; and

21.10 (7) except as otherwise agreed, the domestication does not dissolve a domesticating
 21.11 limited partnership for the purposes of sections 321.0801 to 321.0812.

21.12 Subd. 2. **Foreign company.** A domesticated organization that is a foreign limited
 21.13 partnership consents to the jurisdiction of the courts of this state to enforce any debt,
 21.14 obligation, or other liability owed by the domesticating organization if, before the
 21.15 domestication, the domesticating organization was subject to suit in this state on the debt,
 21.16 obligation, or other liability. A domesticated organization that is a foreign limited partnership
 21.17 and not authorized to transact business in this state appoints the secretary of state as its agent
 21.18 for service of process for purposes of enforcing a debt, obligation, or other liability under
 21.19 this subdivision. Service on the secretary of state under this subdivision must be made in
 21.20 the same manner and has the same consequences as in section 321.0117.

21.21 Subd. 3. **Foreign jurisdiction.** If a limited partnership has adopted and approved a plan
 21.22 of domestication under section 321.1115 providing for the organization to be domesticated
 21.23 in a foreign jurisdiction, a statement surrendering the limited partnership's certificate of
 21.24 limited partnership must be filed with the secretary of state setting forth:

21.25 (1) the name of the limited partnership;

21.26 (2) a statement that the certificate of limited partnership is being surrendered in connection
 21.27 with the domestication of the limited partnership in a foreign jurisdiction;

21.28 (3) a statement that the domestication was approved as required by this chapter; and

21.29 (4) the jurisdiction of formation of the domesticated foreign limited partnership.

22.1 Sec. 27. **[321.1119] RESTRICTIONS ON APPROVAL OF MERGERS,**
22.2 **EXCHANGES, CONVERSIONS, AND DOMESTICATIONS.**

22.3 Subdivision 1. **Personal liability of partner.** If a partner of a constituent, converting,
22.4 or domesticating limited partnership will have personal liability with respect to a surviving,
22.5 constituent, converted, or domesticated organization, approval or amendment of a plan of
22.6 merger, exchange, conversion, or domestication is ineffective without the consent of the
22.7 partner, unless:

22.8 (1) the organization's certificate of limited partnership or partnership agreement provides
22.9 for approval of a merger, exchange, conversion, or domestication with the consent of fewer
22.10 than all the partners; and

22.11 (2) the partner has consented to the provision of the certificate of limited partnership or
22.12 the partnership agreement.

22.13 Subd. 2. **Consent.** A partner does not give the consent required by subdivision 1 merely
22.14 by consenting to a provision of the partnership agreement that permits the partnership
22.15 agreement to be amended with the consent of fewer than all the partners.

22.16 Sec. 28. Minnesota Statutes 2016, section 322C.0706, is amended to read:

22.17 **322C.0706 REINSTATEMENT FOLLOWING ADMINISTRATIVE**
22.18 **DISSOLUTION.**

22.19 (a) If a limited liability company is administratively terminated or has its authority to
22.20 do business in Minnesota revoked, or if a company governed by chapter 322B was
22.21 administratively terminated pursuant to section 322B.960 prior to January 1, 2018, it may
22.22 retroactively reinstate its existence or authority to do business by filing a single annual
22.23 renewal and paying a \$25 fee.

22.24 (b) For a domestic limited liability company, or a company that was administratively
22.25 terminated pursuant to section 322B.960 prior to January 1, 2018, filing the annual renewal
22.26 with the secretary of state:

22.27 (1) returns the limited liability company to active status as of the date of the administrative
22.28 termination;

22.29 (2) validates contracts or other acts within the authority of the articles, and the limited
22.30 liability company is liable for those contracts or acts; and

22.31 (3) restores to the limited liability company all assets and rights of the limited liability
22.32 company and its members to the extent they were held by the limited liability company and

23.1 its members before the administrative termination occurred, except to the extent that assets
23.2 or rights were affected by acts occurring after the termination, sold, or otherwise distributed
23.3 after that time.

23.4 (c) For a non-Minnesota limited liability company, filing the annual renewal restores
23.5 the limited liability company's ability to do business in Minnesota and the rights and
23.6 privileges that accompany that authority.

23.7 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2018.

23.8 Sec. 29. **[322C.0810] AMENDMENT OF FOREIGN REGISTRATION STATEMENT.**

23.9 A registered foreign limited liability company shall deliver to the secretary of state for
23.10 filing an amendment to its foreign registration statement if there is a change in:

23.11 (1) the name of the company;

23.12 (2) the company's jurisdiction of formation;

23.13 (3) an address required by section 322C.0802, clause (4); or

23.14 (4) the information required by section 322C.0802, clause (5).

23.15 Sec. 30. Minnesota Statutes 2016, section 322C.1001, is amended by adding a subdivision
23.16 to read:

23.17 Subd. 14. **Parent organization.** "Parent organization" of a limited liability company
23.18 means an organization that owns, directly or indirectly through one or more other wholly
23.19 owned organizations, all of the rights to distributions and all of the management rights of
23.20 a limited liability company.

23.21 Sec. 31. Minnesota Statutes 2016, section 322C.1001, is amended by adding a subdivision
23.22 to read:

23.23 Subd. 15. **Wholly owned subsidiary.** "Wholly owned subsidiary" means a limited
23.24 liability company in which all of the rights to distributions and all of the management rights
23.25 are owned directly or indirectly by a parent organization.

23.26 Sec. 32. **[322C.1016] MERGER OF WHOLLY OWNED SUBSIDIARIES.**

23.27 Subdivision 1. **When authorized.** If the parent organization is a domestic limited liability
23.28 company, the parent organization may merge a wholly owned subsidiary into itself, or may
23.29 merge two or more wholly owned subsidiaries into one of the wholly owned subsidiaries

24.1 under this section by a resolution approved in the manner required to decide a matter in the
24.2 ordinary course of the activities of the parent organization that adopts and sets forth a plan
24.3 of merger that meets the requirements of subdivision 2. If the parent organization is not a
24.4 domestic limited liability company and if authorized by its governing statute, the parent
24.5 organization may merge a wholly owned subsidiary into itself, or may merge two or more
24.6 wholly owned subsidiaries into one of the wholly owned subsidiaries by the adoption of a
24.7 plan of merger that meets the requirements of subdivision 2.

24.8 Subd. 2. **Plan of merger.** The plan of merger must contain:

24.9 (1) the name of each wholly owned subsidiary that is a constituent organization in the
24.10 merger, the name of the parent organization, and the name of the surviving organization;

24.11 (2) the manner and basis of converting the ownership interests and securities of the
24.12 wholly owned subsidiary or subsidiaries into ownership interests or securities of the surviving
24.13 organization or, in whole or in part, into money or other property; and

24.14 (3) if the surviving organization is a wholly owned subsidiary, a statement of any
24.15 amendments to the articles of organization of the surviving organization that will be part
24.16 of the merger.

24.17 Subd. 3. **Articles of merger; contents of articles.** Articles of merger must be prepared
24.18 that contain:

24.19 (1) the plan of merger;

24.20 (2) a statement that the parent organization owns directly all of the rights to distributions
24.21 and all of the management rights of each wholly owned subsidiary that is a constituent
24.22 organization in the merger; and

24.23 (3) a statement that the plan of merger has been approved by the parent organization in
24.24 accordance with this section.

24.25 Subd. 4. **Articles signed, filed.** The articles of merger must be signed on behalf of the
24.26 parent organization and filed with the secretary of state.

24.27 Subd. 5. **Certificate.** The secretary of state shall issue a certificate of merger to the
24.28 parent organization or its legal representative or, if the parent organization is a constituent
24.29 organization but is not the surviving organization in the merger, to the surviving organization
24.30 or its legal representative.

24.31 Subd. 6. **Nonexclusivity.** A merger among a parent organization and one or more wholly
24.32 owned subsidiaries or among two or more wholly owned subsidiaries of a parent organization

25.1 may be accomplished under sections 322C.1002, 322C.1003, and 322C.1004, instead of
25.2 this section, in which case this section does not apply.

25.3 Sec. 33. Minnesota Statutes 2016, section 323A.0902, is amended to read:

25.4 **323A.0902 CONVERSION OF PARTNERSHIP TO LIMITED PARTNERSHIP.**

25.5 Subdivision 1. Conversion requirements. (a) A partnership may be converted to a
25.6 limited partnership pursuant to this section.

25.7 (b) The terms and conditions of a conversion of a partnership to a limited partnership
25.8 must be approved by all of the partners or by a number or percentage specified for conversion
25.9 in the partnership agreement.

25.10 (c) After the conversion is approved by the partners, the partnership shall file a certificate
25.11 of limited partnership in the jurisdiction in which the limited partnership is to be formed.
25.12 The certificate must include:

25.13 (1) a statement that the partnership was converted to a limited partnership from a
25.14 partnership;

25.15 (2) its former name; and

25.16 (3) a statement of the number of votes cast by the partners for and against the conversion
25.17 and, if the vote is less than unanimous, the number or percentage required to approve the
25.18 conversion under the partnership agreement.

25.19 (d) The conversion takes effect when the certificate of limited partnership is filed or at
25.20 any later date specified in the certificate.

25.21 (e) A general partner who becomes a limited partner as a result of the conversion remains
25.22 liable as a general partner for an obligation incurred by the partnership before the conversion
25.23 takes effect. If the other party to a transaction with the limited partnership reasonably believes
25.24 when entering the transaction that the limited partner is a general partner, the limited partner
25.25 is liable for an obligation incurred by the limited partnership within 90 days after the
25.26 conversion takes effect. The limited partner's liability for all other obligations of the limited
25.27 partnership incurred after the conversion takes effect is that of a limited partner as provided
25.28 in chapter 321.

25.29 Pursuant to this section, sections 323A.0905 to 323A.0907, and a plan of conversion,
25.30 an organization other than a partnership, a foreign partnership, a nonprofit corporation, or
25.31 an organization owning assets irrevocably dedicated to a charitable purpose may convert

26.1 to a partnership, and a partnership may convert to an organization other than a foreign
26.2 partnership, or a corporation governed by chapter 304A, if:

26.3 (1) the other organization's governing statute authorizes the conversion;

26.4 (2) the conversion is not prohibited by other law of this state or the law of the jurisdiction
26.5 that enacted the other organization's governing statute; and

26.6 (3) the other organization complies with its governing statute in effecting the conversion.

26.7 Subd. 2. **Contents of plan of conversion.** A plan of conversion must be in a record and
26.8 must include:

26.9 (1) the name and form of the organization and the jurisdiction of the organization's
26.10 governing statute before conversion;

26.11 (2) the name and form of the organization and the jurisdiction of the organization's
26.12 governing statute after conversion;

26.13 (3) the terms and conditions of the conversion, including the manner and basis for
26.14 converting interests in the converting organization into any combination of money, interests
26.15 in the converted organization, and other consideration; and

26.16 (4) the organizational documents of the converted organization that are, or are proposed
26.17 to be, in a record.

26.18 Subd. 3. **Member consent required.** A plan of conversion must be consented to by all
26.19 the partners of a converting partnership or by a number or percentage specified for conversion
26.20 in the partnership agreement.

26.21 Subd. 4. **Amendment of plan or abandonment of conversion.** Subject to any contractual
26.22 rights, after a conversion is approved, and at any time before articles of conversion are
26.23 delivered to the secretary of state for filing under section 323A.0904, a converting partnership
26.24 may amend the plan or abandon the conversion:

26.25 (1) as provided in the plan; or

26.26 (2) except as otherwise prohibited in the plan, by the same consent as was required to
26.27 approve the plan.

26.28 Sec. 34. Minnesota Statutes 2016, section 323A.0903, is amended to read:

26.29 **323A.0903 CONVERSION OF LIMITED PARTNERSHIP TO PARTNERSHIP**
26.30 **FILINGS REQUIRED FOR CONVERSION; EFFECTIVE DATE AND TIME.**

27.1 Subdivision 1. Articles of conversion. ~~(a) A limited partnership may be converted to a~~
27.2 ~~partnership pursuant to this section.~~

27.3 ~~(b) Notwithstanding a provision to the contrary in a limited partnership agreement, the~~
27.4 ~~terms and conditions of a conversion of a limited partnership to a partnership must be~~
27.5 ~~approved by all of the partners.~~

27.6 ~~(c) After the conversion is approved by the partners, the limited partnership shall file a~~
27.7 ~~statement of termination pursuant to section 321.0203 including a description of the~~
27.8 ~~conversion.~~

27.9 ~~(d) The conversion takes effect when the statement of termination is effective.~~

27.10 ~~(e) A limited partner who becomes a general partner as a result of the conversion remains~~
27.11 ~~liable only as a limited partner for an obligation incurred by the limited partnership before~~
27.12 ~~the conversion takes effect. Except as otherwise provided in section 323A.0306, the partner~~
27.13 ~~is liable as a general partner for an obligation of the partnership incurred after the conversion~~
27.14 ~~takes effect.~~

27.15 After a plan of conversion is approved:

27.16 (1) if the converting organization is a converting partnership, the converting partnership
27.17 shall file articles of conversion with the secretary of state, which articles of conversion must
27.18 be signed as provided in section 323A.105, and must include:

27.19 (i) a statement that the partnership is converting into another organization;

27.20 (ii) the name and form of the converted organization and the jurisdiction of its governing
27.21 statute;

27.22 (iii) the time the conversion is effective under the governing statute of the converted
27.23 organization;

27.24 (iv) a statement that the conversion was approved as required by this chapter;

27.25 (v) a statement that the conversion was approved as required by the governing statute
27.26 of the converted organization; and

27.27 (vi) if the converted organization is a foreign organization not authorized to transact
27.28 business in this state, the street address of an office that the secretary of state may use for
27.29 the purposes of section 323A.0904, subdivision 3; and

27.30 (2) if the converting organization is not a converting partnership, the converting
27.31 organization shall file articles of conversion with the secretary of state, which articles of
27.32 conversion must be signed as provided in section 323A.0105, and must include:

28.1 (i) a statement that the converting organization is converting into a partnership from
28.2 another organization;

28.3 (ii) the name and form of the converting organization and the jurisdiction of its governing
28.4 statute; and

28.5 (iii) a statement that the conversion was approved in a manner that complied with the
28.6 converting organization's governing statute.

28.7 Subd. 2. **Effective date and time of conversion.** A conversion becomes effective:

28.8 (1) if the converted organization is a partnership, when the articles of conversion are
28.9 filed with the secretary of state or on a later date or later time specified in the articles of
28.10 conversion; and

28.11 (2) if the converted organization is not a partnership, as provided by the governing statute
28.12 of the converted organization.

28.13 Subd. 3. **Certificate.** The secretary of state shall issue to the converted organization or
28.14 its legal representative a certificate of conversion.

28.15 Sec. 35. Minnesota Statutes 2016, section 323A.0904, is amended to read:

28.16 **323A.0904 EFFECT OF CONVERSION; ENTITY UNCHANGED.**

28.17 Subdivision 1. **Same entity.** (a) A partnership or limited partnership that has been
28.18 converted pursuant to this article is for all purposes the same entity that existed before the
28.19 conversion.

28.20 (b) When a conversion takes effect:

28.21 (1) all property owned by the converting partnership or limited partnership remains
28.22 vested in the converted entity;

28.23 (2) all obligations of the converting partnership or limited partnership continue as
28.24 obligations of the converted entity; and

28.25 (3) an action or proceeding pending against the converting partnership or limited
28.26 partnership may be continued as if the conversion had not occurred.

28.27 An organization that has been converted pursuant to this section and sections 323A.0902
28.28 and 323A.0903 is for all purposes the same entity that existed before the conversion.

28.29 Subd. 2. **Effect on converting organization.** When a conversion takes effect:

29.1 (1) all property owned by the converting organization remains vested in the converted
29.2 organization;

29.3 (2) all debts, obligations, or other liabilities of the converting organization continue as
29.4 debts, obligations, or other liabilities of the converted organization;

29.5 (3) an action or proceeding pending by or against the converting organization may be
29.6 continued as if the conversion had not occurred;

29.7 (4) except as prohibited by law other than this chapter, all of the rights, privileges,
29.8 immunities, powers, and purposes of the converting organization remain vested in the
29.9 converted organization;

29.10 (5) except as otherwise provided in the plan of conversion, the terms and conditions of
29.11 the plan of conversion take effect; and

29.12 (6) except as otherwise agreed, the conversion does not dissolve a converting limited
29.13 liability company for the purposes of sections 323A.0801 to 323A.0807.

29.14 Subd. 3. **Foreign organization.** A converted organization that is a foreign organization
29.15 consents to the jurisdiction of the courts of this state to enforce any debt, obligation, or other
29.16 liability for which the converting limited liability company is liable if, before the conversion,
29.17 the converting limited liability company was subject to suit in this state on the debt,
29.18 obligation, or other liability. A converted organization that is a foreign organization and
29.19 not authorized to transact business in this state appoints the secretary of state as its agent
29.20 for service of process for purposes of enforcing a debt, obligation, or other liability under
29.21 this subdivision. Service on the secretary of state under this subdivision must be made in
29.22 the same manner and has the same consequences as in section 5.26.

29.23 Sec. 36. **[323A.0910] DOMESTICATION.**

29.24 Subdivision 1. **Foreign partnership.** A foreign partnership may become a domestic
29.25 partnership pursuant to this section, sections 322C.0902 to 323A.0904, and a plan of
29.26 domestication if:

29.27 (1) the foreign partnership's governing statute authorizes the domestication, whether
29.28 described by the laws of the foreign jurisdiction as a domestication, a conversion, or
29.29 otherwise;

29.30 (2) the domestication is not prohibited by the law of the jurisdiction that enacted the
29.31 governing statute; and

30.1 (3) the foreign partnership complies with its governing statute in effecting the
30.2 domestication.

30.3 Subd. 2. **Domestic partnership.** A partnership may become a foreign partnership
30.4 pursuant to this section, sections 323A.0902 to 323A.0904, and a plan of domestication if:

30.5 (1) the foreign partnership's governing statute authorizes the domestication, whether
30.6 described by the laws of the foreign jurisdiction as a domestication, a conversion, or
30.7 otherwise;

30.8 (2) the domestication is not prohibited by the law of the jurisdiction that enacted the
30.9 governing statute; and

30.10 (3) the foreign partnership complies with its governing statute in effecting the
30.11 domestication.

30.12 Subd. 3. **Plan of domestication.** A plan of domestication must be in a record and must
30.13 include:

30.14 (1) the name of the domesticating partnership before domestication and the jurisdiction
30.15 of its governing statute;

30.16 (2) the name of the domesticated partnership after domestication and the jurisdiction of
30.17 its governing statute;

30.18 (3) the terms and conditions of the domestication, including the manner and basis for
30.19 converting interests in the domesticating partnership into any combination of money, interests
30.20 in the domesticated partnership, and other consideration; and

30.21 (4) the organizational documents of the domesticated partnership that are, or are proposed
30.22 to be, in a record.

30.23 Sec. 37. **[323A.0911] ACTION ON PLAN OF DOMESTICATION BY**
30.24 **DOMESTICATING PARTNERSHIP.**

30.25 Subdivision 1. **Consent required.** A plan of domestication must be consented to:

30.26 (1) by all the partners, subject to section 323A.0910, if the domesticating partnership is
30.27 a domestic partnership; and

30.28 (2) as provided in the domesticating partnership's governing statute, if the company is
30.29 a foreign limited liability company.

30.30 Subd. 2. **Amendment of plan or abandonment of domestication.** Subject to any
30.31 contractual rights, after a domestication is approved, and at any time before articles of

31.1 domestication are filed with the secretary of state under section 323A.0912, a domesticating
31.2 partnership may amend the plan or abandon the domestication:

31.3 (1) as provided in the plan; or

31.4 (2) except as otherwise prohibited in the plan, by the same consent as was required to
31.5 approve the plan.

31.6 Sec. 38. **[323A.0912] FILINGS REQUIRED FOR DOMESTICATION; EFFECTIVE**
31.7 **DATE.**

31.8 Subdivision 1. **Articles of domestication.** After a plan of domestication is approved, a
31.9 domesticating partnership shall file with the secretary of state articles of domestication,
31.10 which articles of domestication must include:

31.11 (1) a statement, as the case may be, that the partnership has been domesticated from or
31.12 into another jurisdiction;

31.13 (2) the name of the domesticating partnership and the jurisdiction of its governing statute;

31.14 (3) the name of the domesticated partnership and the jurisdiction of its governing statute;

31.15 (4) the date the domestication is effective under the governing statute of the domesticated
31.16 company;

31.17 (5) if the domesticating partnership was a domestic partnership, a statement that the
31.18 domestication was approved as required by this chapter;

31.19 (6) if the domesticating company was a foreign partnership, a statement that the
31.20 domestication was approved as required by the governing statute of the other jurisdiction;
31.21 and

31.22 (7) if the domesticated partnership was a foreign partnership, the street address of an
31.23 office that the secretary of state may use for the purposes of section 5.25.

31.24 Subd. 2. **Effective date of domestication.** A domestication becomes effective:

31.25 (1) upon the filing of the articles of domestication, or a later date specified in the articles
31.26 of domestication, if the domesticated partnership is a domestic partnership; and

31.27 (2) according to the governing statute of the domesticated company, if the domesticated
31.28 organization is a foreign partnership.

32.1 Sec. 39. **[323A.0913] EFFECT OF DOMESTICATION.**

32.2 Subdivision 1. **Effect on domesticating partnership.** When a domestication takes
32.3 effect:

32.4 (1) the domesticated partnership is for all purposes the partnership that existed before
32.5 the domestication;

32.6 (2) all property owned by the domesticating partnership remains vested in the
32.7 domesticated partnership;

32.8 (3) all debts, obligations, or other liabilities of the domesticating partnership continue
32.9 as debts, obligations, or other liabilities of the domesticated partnership;

32.10 (4) an action or proceeding pending by or against a domesticating partnership may be
32.11 continued as if the domestication had not occurred;

32.12 (5) except as prohibited by other law, all of the rights, privileges, immunities, powers,
32.13 and purposes of the domesticating partnership remain vested in the domesticated partnership;

32.14 (6) except as otherwise provided in the plan of domestication, the terms and conditions
32.15 of the plan of domestication take effect; and

32.16 (7) except as otherwise agreed, the domestication does not dissolve a domesticating
32.17 partnership for the purposes of sections 323A.0801 to 323A.0807.

32.18 Subd. 2. **Foreign partnership.** A domesticated partnership that is a foreign limited
32.19 liability partnership consents to the jurisdiction of the courts of this state to enforce any
32.20 debt, obligation, or other liability owed by the domesticating partnership if, before the
32.21 domestication, the domesticating partnership was subject to suit in this state on the debt,
32.22 obligation, or other liability. A domesticated partnership that is a foreign partnership appoints
32.23 the secretary of state as its agent for service of process for purposes of enforcing a debt,
32.24 obligation, or other liability under this subdivision. Service on the secretary of state under
32.25 this subdivision must be made in the same manner and has the same consequences as in
32.26 section 5.25.

32.27 Sec. 40. **[323A.0914] RESTRICTIONS ON APPROVAL OF MERGERS,**
32.28 **EXCHANGES, CONVERSIONS, AND DOMESTICATIONS.**

32.29 Subdivision 1. **Personal liability of member.** If a partner of a constituent, converting,
32.30 or domesticating partnership has personal liability with respect to a surviving constituent,
32.31 converted, or domesticated organization, approval or amendment of a plan of merger,

33.1 exchange, conversion, or domestication is ineffective without the consent of the member,
33.2 unless:

33.3 (1) the partnership agreement provides for approval of a merger, exchange, conversion,
33.4 or domestication with the consent of fewer than all the partners; and

33.5 (2) the partner has consented to the provision of the partnership agreement.

33.6 Subd. 2. **Consent.** A member does not give the consent required by subdivision 1 merely
33.7 by consenting to a provision of the partnership agreement that permits the partnership
33.8 agreement to be amended with the consent of fewer than all the partners.

33.9 Sec. 41. **REPEALER.**

33.10 Minnesota Statutes 2016, section 323A.0908, is repealed.

33.11 Sec. 42. **EFFECTIVE DATE.**

33.12 Sections 19 to 27 and sections 33 to 40 are effective on January 1, 2019.

APPENDIX
Repealed Minnesota Statutes: HF2764-2

323A.0908 NONEXCLUSIVE.

This article is not exclusive. Partnerships or limited partnerships may be converted or merged in any other manner provided by law.