

322B.975 NONPROFIT LIMITED LIABILITY COMPANIES.

Subdivision 1. **Status as nonprofit limited liability company.** A limited liability company is a nonprofit limited liability company if it is organized under or governed by this chapter and its articles of organization state that it is a nonprofit limited liability company governed by this section. The status of a nonprofit limited liability company under this chapter is not determinative of its tax treatment.

Subd. 2. **Limitations on pecuniary gain and distributions to members.** A nonprofit limited liability company may not:

(1) be formed for a purpose involving pecuniary gain to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government; or

(2) pay dividends, make distributions, or pay other pecuniary remuneration, directly or indirectly, to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government.

Subd. 3. **Limitations on persons who may be members.** A natural person may not be a member of, or own any financial rights or governance rights in, a nonprofit limited liability company.

Subd. 4. **Purposes; conduct.** (a) Subject to subdivision 2:

(1) a nonprofit limited liability company may be organized under this chapter for any lawful purpose, unless another statute requires incorporation or organization for a purpose under a different law; and

(2) a nonprofit limited liability company has a general purpose of engaging in any lawful activity unless otherwise limited in its articles of organization.

(b) A nonprofit limited liability company engaging in conduct that is regulated by another statute is subject to the limitations of the other statute.

Subd. 5. **Provisions of chapter 317A applicable to nonprofit limited liability companies.**

(a) Section 317A.161, subdivision 11, applies to a nonprofit limited liability company as if it were a nonprofit corporation governed by chapter 317A. Section 317A.251 applies to a governor as if the governor were a director of a nonprofit corporation, and section 322B.663 does not apply.

(b) Section 317A.255 applies to, and with regard to, a governor as if the governor were a director of a nonprofit corporation, and section 322B.666 does not apply.

(c) Section 317A.257 applies to a person who serves without compensation as a governor, manager, member, or agent of a nonprofit limited liability company as if such person were serving without compensation as a director, officer, member, or agent of a nonprofit corporation.

(d) Section 317A.671 regarding the diversion of certain assets applies to a nonprofit limited liability company as if it were a nonprofit corporation governed by chapter 317A.

(e) Section 317A.735 regarding the distribution of assets on dissolution applies to a nonprofit limited liability company as if it were a nonprofit corporation governed by chapter 317A.

(f) Section 317A.751 regarding judicial intervention applies to a nonprofit limited liability company as if it were a nonprofit corporation governed by chapter 317A.

Subd. 6. **Notice to and authority of attorney general.** The attorney general has the same authority and powers with regard to a nonprofit limited liability company as the attorney general has with regard to a corporation governed by chapter 317A, including but not limited to sections 317A.811 and 317A.813.

History: 2008 c 233 art 3 s 7