



2020 South Dakota Legislature

House Bill 1109

Introduced by: **Representative Johns**

1 **An Act to revise the Uniform Limited Liability Company Act.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1.** That § 47-34A-303 be AMENDED:

4 **47-34A-303. Liability of members and managers.**

5 ~~(a) Except as otherwise provided in subsection (c), the debts, obligations, and~~
 6 ~~liabilities—~~A debt, obligation, or other liability of a limited liability company, ~~whether arising~~
 7 ~~in contract, tort, or otherwise, are~~ is solely the debts, obligations, and liabilities—debt,
 8 obligation, or other liability of the company. A member or manager is not personally liable,
 9 directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or liability
 10 of the company solely by reason of being or acting as a member or manager. This
 11 subsection applies regardless of the dissolution of the company.

12 (b) The failure of a limited liability company to observe ~~the usual company formalities~~
 13 ~~or requirements—~~relating to the exercise of its ~~company~~ powers or management of its
 14 ~~business—~~activities and affairs is not a ground for imposing ~~personal~~ liability on ~~the~~
 15 ~~members or managers—~~a member or manager for ~~liabilities—~~a debt, obligation, or other
 16 liability of the company.

17 (c) ~~All or specified members of a limited liability company are liable in their capacity~~
 18 ~~as members for all or specified debts, obligations, or liabilities of the company if:~~

19 (1) ~~A provision to that effect is contained in the articles of organization; and~~

20 (2) ~~A member so liable has consented in writing to the adoption of the provision or to~~
 21 ~~be bound by the provision.~~