

Regular Session, 2012

HOUSE BILL NO. 1065

BY REPRESENTATIVE BROADWATER

COMMERCE: Provides with respect to certain mergers in regard to the updating of professional licenses

1 AN ACT

2 To amend and reenact R.S. 12:1607(A) and (D), relative to the professional licenses of
3 business entities after a conversion; to clarify the provisions of law regarding the
4 updating of a professional license after the conversion of a domestic business entity;
5 to provide for a surviving entity following a merger where the ownership of the
6 entity does not change; to provide for retroactivity; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 12:1607(A) and (D) are hereby amended and reenacted to read as
10 follows:

11 §1607. Recognition of conversion; updating of professional license

12 A. A domestic business entity, which is licensed by a state board or
13 commission as a limited liability company, business corporation, partnership in
14 commendam, or partnership, that converts under the provisions of this Chapter or is
15 a surviving entity following a merger pursuant to 26 U.S.C. 368(a)(1)(F) where
16 ownership of the entity does not change shall be recognized by the board or
17 commission without having to file a new application for a license, certificate, or
18 permit. However, prior to updating a license, certificate, or permit of a converted
19 entity or surviving entity pursuant to this Section, a state board or commission may
20 require members of the converted entity to furnish the following:

1 (1) A copy of the conversion application or act of merger filed with the
2 secretary of state.

3 (2) A copy of the certificate of conversion or certificate of merger issued by
4 the secretary of state.

5 (3) The current license, certificate, or permit issued by the board or
6 commission.

7 (4) A copy of the revised bond or certificate of insurance in the new name
8 of the converted entity or surviving entity pursuant to this Section for any coverage
9 required for the issuance of the updated license, certificate, or permit.

10 (5) Any revised contract or other agreement required for the issuance of the
11 license in the name of the converted entity or surviving entity pursuant to this
12 Section.

13 * * *

14 D. An updated license, certificate, or permit issued pursuant to this Section
15 shall have an effective date retroactive to the effective date of the conversion as
16 stated on the certificate of conversion or the merger as stated on the certificate of
17 merger.

18 * * *

19 Section 2. This Act is hereby declared to be remedial in nature and is intended to
20 clarify and confirm the proper interpretation of the existing statutes and shall be applied
21 retroactively to August 15, 2007.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Broadwater

HB No. 1065

Abstract: Clarifies the provisions of law regarding the updating of a professional license after the conversion of a domestic business entity.

Present law provides that a domestic business entity, which is licensed by a state board or commission as a limited liability company, business corporation, partnership in commendam, or partnership, that converts under the provisions of present law shall be

recognized by the licensing board or commission without having to file a new application for a license, certificate, or permit.

Proposed law retains present law and adds a surviving entity following a merger under federal corporate reorganization law which effects a mere change in identity, form, or place of organization of one corporation where ownership of the entity does not change.

Present law provides that, prior to updating a license, certificate, or permit of a converted entity, a state board or commission may require members of the converted entity to furnish the following:

- (1) A copy of the conversion application filed with the secretary of state.
- (2) A copy of the certificate of conversion issued by the secretary of state.
- (3) The current license, certificate, or permit issued by the board or commission.
- (4) A copy of the revised bond or certificate of insurance in the new name of the converted entity for any coverage required for the issuance of the updated license, certificate, or permit.
- (5) Any revised contract or other agreement required for the issuance of the license in the name of the converted entity.

Proposed law retains present law and adds that a surviving entity following a merger may be required to furnish a copy of the act of merger or certificate of merger.

Present law provides that an updated license, certificate, or permit issued pursuant to present law shall have an effective date retroactive to the effective date of the conversion as stated on the certificate of conversion.

Proposed law retains present law and adds that the updated license, certificate, or permit shall have an effective date retroactive to the effective date of the merger as stated on the certificate of merger.

Proposed law is declared to be remedial in nature and is intended to clarify and confirm the proper interpretation of the existing statutes and shall be applied retroactively to Aug. 15, 2007.

(Amends R.S. 12:1607(A) and (D))