
DIGEST

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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))