



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3499

by Rep. Natalie A. Manley

SYNOPSIS AS INTRODUCED:

805 ILCS 5/12.80 from Ch. 32, par. 12.80
805 ILCS 180/10-10
805 ILCS 180/35-8 new
805 ILCS 215/813 new

Amends the Business Corporation Act of 1983, the Limited Liability Company Act, and the Uniform Limited Partnership Act (2001). Provides that a director, officer, member, manager, general partner, or person dissociated as a general partner of a business entity remains liable, after dissolution of the entity, to a home buyer for any obligation arising under a warranty provided by the entity to the home buyer in conjunction with the sale of a new home.

LRB101 07088 JLS 52125 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Business Corporation Act of 1983 is amended
5 by changing Section 12.80 as follows:

6 (805 ILCS 5/12.80) (from Ch. 32, par. 12.80)

7 Sec. 12.80. Survival of remedy after dissolution.

8 (a) The dissolution of a corporation either (1) by filing
9 articles of dissolution in accordance with Section 12.20 of
10 this Act, (2) by the issuance of a certificate of dissolution
11 in accordance with Section 12.40 of this Act, (3) by a judgment
12 of dissolution by a circuit court of this State, or (4) by
13 expiration of its period of duration, shall not take away nor
14 impair any civil remedy available to or against such
15 corporation, its directors, or shareholders, for any right or
16 claim existing, or any liability accrued or incurred, either
17 prior to, at the time of, or after such dissolution if action
18 or other proceeding thereon is commenced within five years
19 after the date of such dissolution. Any such action or
20 proceeding by or against the corporation may be prosecuted or
21 defended by the corporation in its corporate name. This
22 provision does not extend any applicable statute of
23 limitations.

1 (b) In this subsection, "builder" means a person or
2 corporation that constructs new homes for sale, including the
3 construction of new homes on land owned by home buyers, and
4 "home buyer" means the purchaser of a new home. Directors and
5 officers of a corporation that transacts business as a builder
6 remain liable, after the dissolution of the corporation, to the
7 home buyer for any obligation arising under a warranty provided
8 by the corporation to the home buyer in conjunction with the
9 sale of a new home.

10 (Source: P.A. 98-776, eff. 1-1-15.)

11 Section 10. The Limited Liability Company Act is amended by
12 changing Section 10-10 and by adding Section 35-8 as follows:

13 (805 ILCS 180/10-10)

14 Sec. 10-10. Liability of members and managers.

15 (a) Except as otherwise provided in subsection (d) of this
16 Section and in Section 35-8, the debts, obligations, and
17 liabilities of a limited liability company, whether arising in
18 contract, tort, or otherwise, are solely the debts,
19 obligations, and liabilities of the company. A member or
20 manager is not personally liable for a debt, obligation, or
21 liability of the company solely by reason of being or acting as
22 a member or manager.

23 (b) (Blank).

24 (c) The failure of a limited liability company to observe

1 the usual company formalities or requirements relating to the
2 exercise of its company powers or management of its business is
3 not a ground for imposing personal liability on the members or
4 managers for liabilities of the company.

5 (d) All or specified members of a limited liability company
6 are liable in their capacity as members for all or specified
7 debts, obligations, or liabilities of the company if:

8 (1) a provision to that effect is contained in the
9 articles of organization; and

10 (2) a member so liable has consented in writing to the
11 adoption of the provision or to be bound by the provision.

12 (Source: P.A. 90-424, eff. 1-1-98.)

13 (805 ILCS 180/35-8 new)

14 Sec. 35-8. Member or manager's liability for obligations
15 arising under home warranties after dissolution.

16 (a) In this Section:

17 "Builder" means a person or limited liability company that
18 constructs new homes for sale, including the construction of
19 new homes on land owned by home buyers.

20 "Home buyer" means the purchaser of a new home.

21 (b) Members and managers of a limited liability company
22 that transacts business as a builder remain liable, after the
23 dissolution of the limited liability company, to the home buyer
24 for any obligation arising under a warranty provided by the
25 limited liability company to the home buyer in conjunction with

1 the sale of a new home.

2 Section 15. The Uniform Limited Partnership Act (2001) is
3 amended by adding Section 813 as follows:

4 (805 ILCS 215/813 new)

5 Sec. 813. Liability of general partner and person
6 dissociated as general partner for obligations arising under
7 home warranties after dissolution.

8 (a) In this Section:

9 "Builder" means a person or limited partnership that
10 constructs new homes for sale, including the construction of
11 new homes on land owned by home buyers.

12 "Home buyer" means the purchaser of a new home.

13 (b) General partners and persons dissociated as general
14 partners of a limited partnership that transacts business as a
15 builder remain liable, after the dissolution of the limited
16 liability partnership, to the home buyer for any obligation
17 arising under a warranty provided by the limited partnership to
18 the home buyer in conjunction with the sale of a new home.