

## Part 1 General Provisions

### 48-3a-101 Title.

This chapter may be cited as the "Utah Revised Uniform Limited Liability Company Act."

Enacted by Chapter 412, 2013 General Session

### 48-3a-102 Definitions.

As used in this chapter:

- (1) "Certificate of organization" means the certificate required by Section 48-3a-201. The term includes the certificate as amended or restated.
- (2) "Contribution," except in the phrase "right of contribution," means property or a benefit described in Section 48-3a-402, which is provided by a person to a limited liability company to become a member or in the person's capacity as a member.
- (3) "Debtor in bankruptcy" means a person that is the subject of:
  - (a) an order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or
  - (b) a comparable order under federal, state, or foreign law governing insolvency.
- (4) "Distribution" means a transfer of money or other property from a limited liability company to a person on account of a transferable interest or in the person's capacity as a member. The term:
  - (a) includes:
    - (i) a redemption or other purchase by a limited liability company of a transferable interest; and
    - (ii) a transfer to a member in return for the member's relinquishment of any right to participate as a member in the management or conduct of the company's activities and affairs or to have access to records or other information concerning the company's activities and affairs; and
  - (b) does not include amounts constituting reasonable compensation for present or past service or payments made in the ordinary course of business under a bona fide retirement plan or other bona fide benefits program.
- (5) "Division" means the Division of Corporations and Commercial Code.
- (6) "Foreign limited liability company" means an unincorporated entity formed under the law of a jurisdiction other than this state, which would be a limited liability company, including a low-profit limited liability company, if formed under the law of this state.
- (7) "Governing person" means a person, alone or in concert with others, by or under whose authority the powers of the limited liability company are exercised and under whose direction the activities and affairs of the limited liability company are managed pursuant to this chapter and the limited liability company's operating agreement. The term includes:
  - (a) a manager of a manager-managed limited liability company;
  - (b) a member of a member-managed limited liability company; and
  - (c) the chief executive officer of a limited liability company in which officers have been appointed, regardless of the actual designated title.
- (8) "Jurisdiction," used to refer to a political entity, means the United States, a state, a foreign country, or a political subdivision of a foreign country.
- (9) "Jurisdiction of formation" means, with respect to an entity, the jurisdiction:
  - (a) under whose law the entity is formed; or

- (b) in the case of a limited liability partnership or foreign limited liability partnership, in which the partnership's statement of qualification is filed.
- (10) "Limited liability company," except in the phrase "foreign limited liability company," means an entity formed under this chapter or which becomes subject to this chapter under Part 10, Merger, Interest Exchange, Conversion, and Domestication, or Section 48-3a-1405.
- (11) "Low-profit limited liability company" means a limited liability company meeting the requirements of Part 13, Low-Profit Limited Liability Companies.
- (12) "Manager" means a person that under the operating agreement of a manager-managed limited liability company is responsible, alone or in concert with others, for performing the management functions stated in Subsection 48-3a-407(3).
- (13) "Manager-managed limited liability company" means a limited liability company that qualifies under Subsection 48-3a-407(1).
- (14) "Member" means a person that:
- (a) has become a member of a limited liability company under Section 48-3a-401 or was a member in a company when the company became subject to this chapter under Section 48-3a-1405; and
  - (b) has not dissociated under Section 48-3a-602.
- (15) "Member-managed limited liability company" means a limited liability company that is not a manager-managed limited liability company.
- (16) "Operating agreement" means the agreement, whether or not referred to as an operating agreement and whether oral, implied, in a record, or in any combination thereof, of all the members of a limited liability company, including a sole member, concerning the matters described in Subsection 48-3a-112(1). The term includes the agreement as amended or restated.
- (17) "Organizer" means a person that acts under Section 48-3a-201 to form a limited liability company.
- (18) "Person" means an individual, business corporation, nonprofit corporation, partnership, limited partnership, limited liability company, limited cooperative association, unincorporated nonprofit association, statutory trust, business trust, common-law business trust, estate, trust, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.
- (19) "Principal office" means the principal executive office of a limited liability company or foreign limited liability company, whether or not the office is located in this state.
- (20) "Professional services company" means a limited liability company organized in accordance with Part 11, Professional Services Companies.
- (21) "Property" means all property, whether real, personal, or mixed or tangible or intangible, or any right or interest therein.
- (22) "Record," used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
- (23) "Registered agent" means an agent of a limited liability company or foreign limited liability company which is authorized to receive service of any process, notice, or demand required or permitted by law to be served on the company.
- (24) "Registered foreign limited liability company" means a foreign limited liability company that is registered to do business in this state pursuant to a statement of registration filed by the division.
- (25) "Series" means a series created in accordance with Part 12, Series Limited Liability Companies.
- (26) "Sign" means, with present intent to authenticate or adopt a record:

- (a) to execute or adopt a tangible symbol; or
  - (b) to attach to or logically associate with the record an electronic symbol, sound, or process.
- (27) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.
- (28) "Transfer" includes:
- (a) an assignment;
  - (b) a conveyance;
  - (c) a sale;
  - (d) a lease;
  - (e) an encumbrance, including a mortgage or security interest;
  - (f) a gift; and
  - (g) a transfer by operation of law.
- (29) "Transferable interest" means the right, as initially owned by a person in the person's capacity as a member, to receive distributions from a limited liability company in accordance with the operating agreement, whether or not the person remains a member or continues to own any part of the right. The term applies to any fraction of the interest by whomever owned.
- (30) "Transferee" means a person to which all or part of a transferable interest has been transferred, whether or not the transferor is a member. The term includes a person that owns a transferable interest under Subsection 48-3a-603(1)(c).
- (31) "Tribal limited liability company" means a limited liability company that is:
- (a) formed under the law of a tribe; and
  - (b) at least 51% owned or controlled by the tribe under whose law the limited liability company is formed.
- (32) "Tribe" means a tribe, band, nation, pueblo, or other organized group or community of Indians, including an Alaska Native village that is legally recognized as eligible for and is consistent with a special program, service, or entitlement provided by the United States to Indians because of their status as Indians.

Enacted by Chapter 412, 2013 General Session

**48-3a-103 Knowledge -- Notice.**

- (1) A person knows a fact if the person:
  - (a) has actual knowledge of it; or
  - (b) is deemed to know it under Subsection (4)(a) or law other than this chapter.
- (2) A person has notice of a fact if the person:
  - (a) has reason to know the fact from all the facts known to the person at the time in question; or
  - (b) is deemed to have notice of the fact under Subsection (4)(b).
- (3) Subject to Subsection 48-3a-209(6), a person notifies another person of a fact by taking steps reasonably required to inform the other person in ordinary course, whether or not those steps cause the other person to know the fact.
- (4) A person not a member is deemed:
  - (a) to know of a limitation on authority to transfer real property as provided in Subsection 48-3a-302(7); and
  - (b) to have notice of a limited liability company's:
    - (i) dissolution 90 days after a statement of dissolution under Subsection 48-3a-703(2)(b)(i) becomes effective;

- (ii) termination 90 days after a statement of termination under Subsection 48-3a-703(2)(b)(vi) becomes effective;
- (iii) participation in a merger, interest exchange, conversion, or domestication 90 days after a statement of merger, interest exchange, conversion, or domestication under Part 10, Merger, Interest Exchange, Conversion, and Domestication, becomes effective; and
- (iv) abandonment of a merger, interest exchange, conversion, or domestication 90 days after a statement of abandonment of merger, interest exchange, conversion, or domestication under Part 10, Merger, Interest Exchange, Conversion, and Domestication, becomes effective.

Enacted by Chapter 412, 2013 General Session

**48-3a-104 Nature, purpose, and duration of limited liability company.**

- (1) A limited liability company is an entity distinct from its member or members.
- (2) A limited liability company may have any lawful purpose, regardless of whether for profit.
- (3) A limited liability company has perpetual duration.

Enacted by Chapter 412, 2013 General Session

**48-3a-105 Powers.**

A limited liability company has the capacity to sue and be sued in its own name and the power to do all things necessary or convenient to carry on its activities and affairs.

Enacted by Chapter 412, 2013 General Session

**48-3a-106 Governing law.**

The law of this state governs:

- (1) the internal affairs of a limited liability company; and
- (2) the liability of a member as member and a manager as manager for the debts, obligations, or other liabilities of a limited liability company.

Enacted by Chapter 412, 2013 General Session

**48-3a-107 Supplemental principles of law.**

Unless displaced by particular provisions of this chapter, the principles of law and equity supplement this chapter.

Enacted by Chapter 412, 2013 General Session

**48-3a-108 Permitted names.**

- (1) Except as provided in Section 48-3a-1104 or 48-3a-1302, the name of a limited liability company shall contain the words "limited liability company" or "limited company" or the abbreviation "L.L.C.", "LLC", "L.C.", or "LC". "Limited" may be abbreviated as "Ltd.", and "company" may be abbreviated as "Co."
- (2) Except as authorized by Subsection (3), the name of a company shall be distinguishable as defined in Subsection (4) upon the records of the division from:
  - (a) the actual name, reserved name, or fictitious or assumed name of any entity registered with the division; or

- (b) any tradename, trademark, or service mark registered with the division.
- (3)
- (a) A company may apply to the division for approval to file the company's certificate of organization under or to reserve a name that is not distinguishable upon the division's records from one or more of the names described in Subsection (2).
  - (b) The division shall approve the name for which the company applies under Subsection (3)(a) if:
    - (i) the other person whose name is not distinguishable from the name under which the applicant desires to file:
      - (A) consents to the filing in writing; and
      - (B) submits an undertaking in a form satisfactory to the division to change the person's name to a name that is distinguishable from the name of the applicant; or
    - (ii) the applicant delivers to the division a certified copy of the final judgment of a court of competent jurisdiction establishing the applicant's right to use the name in this state.
- (4) A name is distinguishable from other names, trademarks, and service marks registered with the division if the name contains one or more different words, letters, or numerals from other names upon the division's records.
- (5) The following differences are not distinguishing:
- (a) the term:
    - (i) "corp.";
    - (ii) "corporation";
    - (iii) "Inc.";
    - (iv) "incorporated";
    - (v) "professional corporation";
    - (vi) "P.C." or "PC";
    - (vii) "professional association";
    - (viii) "P.A." or "PA";
    - (ix) "professional limited liability company";
    - (x) "P.L.L.C." or "PLLC";
    - (xi) "company";
    - (xii) "limited partnership";
    - (xiii) "limited";
    - (xiv) "L.P." or "LP";
    - (xv) "Ltd.";
    - (xvi) "limited liability company";
    - (xvii) "limited company";
    - (xviii) "L.C." or "LC";
    - (xix) "L.L.C." or "LLC";
    - (xx) "registered limited liability partnership";
    - (xxi) "R.L.L.P." or "RLLP";
    - (xxii) "limited liability partnership";
    - (xxiii) "L.L.P." or "LLP";
    - (xxiv) "limited liability limited partnership";
    - (xxv) "L.L.L.P." or "LLLLP";
    - (xxvi) "registered limited liability limited partnership"; or
    - (xxvii) "R.L.L.L.P." or "RLLLLP";
  - (b) an abbreviation of a word listed in Subsection (5)(a);
  - (c) the presence or absence of the words or symbols of the words "the," "and," "a," or "plus";

- (d) differences in punctuation and special characters;
  - (e) differences in capitalization; or
  - (f) for a company that is formed in this state on or after May 4, 1998, or registered as a foreign company in this state on or after May 4, 1998, differences in singular and plural forms of words.
- (6) The division may not approve for filing a name that implies that a limited liability company is an agency of this state or any of the state's political subdivisions, if the limited liability company is not actually such a legally established agency or subdivision.
- (7) The authorization to file a certificate under or to reserve or register a limited liability company name as granted by the division does not:
- (a) abrogate or limit the law governing unfair competition or unfair trade practices;
  - (b) derogate from the common law, the principles of equity, or the statutes of this state or of the United States with respect to the right to acquire and protect names and trademarks; or
  - (c) create an exclusive right in geographic or generic terms contained within a name.
- (8) The name of a limited liability company or foreign limited liability company may not contain:
- (a) the term:
    - (i) "association";
    - (ii) "corporation";
    - (iii) "incorporated";
    - (iv) "partnership";
    - (v) "limited partnership"; or
    - (vi) "L.P.";
  - (b) any word or abbreviation that is of like import to the words listed in Subsection (8)(a);
  - (c) without the written consent of the United States Olympic Committee, the words:
    - (i) "Olympic";
    - (ii) "Olympiad"; or
    - (iii) "Citius Altius Fortius"; or
  - (d) for a limited liability company that changes the limited liability company's name or is formed on or after May 4, 2022, the number sequence "911."
- (9)
- (a) A person, other than a company formed under this chapter or a foreign company authorized to transact business in this state, may not use in the person's name in this state the term:
    - (i) "limited liability company";
    - (ii) "limited company";
    - (iii) "L.L.C.";
    - (iv) "L.C.";
    - (v) "LLC"; or
    - (vi) "LC".
  - (b) Notwithstanding Subsection (2)(a):
    - (i) a foreign corporation whose actual name includes the term "limited" or "Ltd." may use the foreign corporation's actual name in this state if the foreign corporation also uses:
      - (A) "corporation" or "corp."; or
      - (B) "incorporated" or "Inc."; and
    - (ii) a limited liability partnership may use in the limited liability partnership's name the term:
      - (A) "limited liability partnership";
      - (B) "L.L.P."; or
      - (C) "LLP".

Amended by Chapter 458, 2023 General Session

**48-3a-109 Reservation of name.**

- (1) A person may reserve the exclusive use of a name that complies with Section 48-3a-108 by delivering an application to the division for filing. The application must state the name and address of the applicant and the name to be reserved. If the division finds that the name is available, the division shall reserve the name for the applicant's exclusive use for 120 days.
- (2) The owner of a reserved name may transfer the reservation to another person by delivering to the division a signed notice in a record of the transfer, which states the name and address of the transferee.

Enacted by Chapter 412, 2013 General Session

**48-3a-110 Registration of name.**

- (1) A foreign limited liability company not registered to do business in this state under Part 9, Foreign Limited Liability Companies, may register its name, or an alternate name adopted pursuant to Section 48-3a-906, if the name is distinguishable on the records of the division from the names that are not available under Section 48-3a-108.
- (2) To register its name or an alternate name adopted pursuant to Section 48-3a-906, a foreign limited liability company must deliver to the division for filing an application stating the foreign limited liability company's name, the jurisdiction and date of its formation, and any alternate name adopted pursuant to Section 48-3a-906. If the division finds that the name applied for is available, the division shall register the name for the applicant's exclusive use.
- (3) The registration of a name under this section is effective for one year after the date of registration.
- (4) A foreign limited liability company whose name registration is effective may renew the registration for successive one-year periods by delivering, not earlier than three months before the expiration of the registration, to the division for filing a renewal application that complies with this section. When filed, the renewal application renews the registration for a succeeding one-year period.
- (5) A foreign limited liability company whose name registration is effective may register as a foreign limited liability company under the registered name or consent in a signed record to the use of that name by another person that is not an individual.

Enacted by Chapter 412, 2013 General Session

**48-3a-111 Registered agent.**

- (1) Each limited liability company and each registered foreign limited liability company shall designate in accordance with Subsection 16-17-203(1) and maintain a registered agent in this state.
- (2) A limited liability company or registered foreign limited liability company may change its registered agent or the address of its registered agent by filing with the division a statement of change in accordance with Section 16-17-206.

Enacted by Chapter 412, 2013 General Session

**48-3a-112 Operating agreement -- Scope, functions, and limitations.**

- (1) Except as otherwise provided in Subsections (3) and (4), the operating agreement governs:

- (a) relations among the members as members and between the members and the limited liability company;
  - (b) the rights and duties under this chapter of a person in the capacity of manager;
  - (c) the activities and affairs of the limited liability company and the conduct of those activities and affairs; and
  - (d) the means and conditions for amending the operating agreement.
- (2) To the extent the operating agreement does not provide for a matter described in Subsection (1), this chapter governs the matter.
- (3) An operating agreement may not:
- (a) vary a limited liability company's capacity under Section 48-3a-105 to sue and be sued in its own name;
  - (b) vary the law applicable under Section 48-3a-106;
  - (c) vary any requirement, procedure, or other provision of this chapter pertaining to:
    - (i) registered agents; or
    - (ii) the division, including provisions pertaining to records authorized or required to be delivered to the division for filing under this chapter;
  - (d) vary the provisions of Section 48-3a-204;
  - (e) eliminate the duty of loyalty or the duty of care, except as otherwise provided in Subsection (4);
  - (f) eliminate the contractual obligation of good faith and fair dealing under Subsection 48-3a-409(4), but the operating agreement may prescribe the standards, if not unconscionable or against public policy, by which the performance of the obligation is to be measured;
  - (g) relieve or exonerate a person from liability for conduct involving bad faith, willful misconduct, or recklessness;
  - (h) unreasonably restrict the duties and rights under Section 48-3a-410, but the operating agreement may impose reasonable restrictions on the availability and use of information obtained under that section and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use;
  - (i) vary the causes of dissolution specified in Subsections 48-3a-701(4)(a) and (5);
  - (j) vary the requirement to wind up the limited liability company's activities and affairs as specified in Subsections 48-3a-703(1), (2)(a), and (5);
  - (k) unreasonably restrict the right of a member to maintain an action under Part 8, Action by Members;
  - (l) vary the provisions of Section 48-3a-805, but the operating agreement may provide that the limited liability company may not have a special litigation committee;
  - (m) vary the right of a member to approve a merger, interest exchange, conversion, or domestication under Subsections 48-3a-1023(1)(b), 48-3a-1033(1)(b), 48-3a-1043(1)(b), or 48-3a-1053(1)(b); or
  - (n) except as otherwise provided in Section 48-3a-113 and Subsection 48-3a-114(2), restrict the rights under this chapter of a person other than a member or manager.
- (4) Subject to Subsection (3)(g), without limiting other terms that may be included in an operating agreement, the following rules apply:
- (a) The operating agreement may specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one or more disinterested and independent persons after full disclosure of all material facts.
  - (b) To the extent the operating agreement of a member-managed limited liability company expressly relieves a member of a responsibility that the member would otherwise have under



this chapter and imposes the responsibility on one or more other members, the operating agreement may, to the benefit of the member that the operating agreement relieves of the responsibility, also eliminate or limit any fiduciary duty that would have pertained to the responsibility.

- (c) If not unconscionable or against public policy, the operating agreement may:
  - (i) alter or eliminate the aspects of the duty of loyalty stated in Subsections 48-3a-409(2) and (9);
  - (ii) identify specific types or categories of activities that do not violate the duty of loyalty;
  - (iii) alter the duty of care, but may not authorize intentional misconduct or knowing violation of law; and
  - (iv) alter or eliminate any other fiduciary duty.
- (5) The court shall decide as a matter of law whether a term of an operating agreement is unconscionable or against public policy under Subsection (3)(f) or (4)(c). The court:
  - (a) shall make its determination as of the time the challenged term became part of the operating agreement and by considering only circumstances existing at that time; and
  - (b) may invalidate the term only if, in light of the purposes, activities, and affairs of the limited liability company, it is readily apparent that:
    - (i) the objective of the term is unconscionable or against public policy; or
    - (ii) the means to achieve the term's objective is unconscionable or against public policy.

Enacted by Chapter 412, 2013 General Session

**48-3a-113 Operating agreement -- Effect on limited liability company and person becoming member -- Preformation agreement.**

- (1) A limited liability company is bound by and may enforce the operating agreement, whether or not the limited liability company has itself manifested assent to the operating agreement.
- (2) A person that becomes a member of a limited liability company is deemed to assent to the operating agreement.
- (3) Two or more persons intending to become the initial members of a limited liability company may make an agreement providing that upon the formation of the limited liability company the agreement will become the operating agreement. One person intending to become the initial member of a limited liability company may assent to terms providing that upon the formation of the limited liability company the terms will become the operating agreement.

Enacted by Chapter 412, 2013 General Session

**48-3a-114 Operating agreement -- Effect on third parties and relationship to records effective on behalf of limited liability company.**

- (1) An operating agreement may specify that its amendment requires the approval of a person that is not a party to the operating agreement or the satisfaction of a condition. An amendment is ineffective if its adoption does not include the required approval or satisfy the specified condition.
- (2) The obligations of a limited liability company and its members to a person in the person's capacity as a transferee or a person dissociated as a member are governed by the operating agreement. Subject only to a court order issued under Subsection 48-3a-503(2)(b) to effectuate a charging order, an amendment to the operating agreement made after a person becomes a transferee or is dissociated as a member:

- (a) is effective with regard to any debt, obligation, or other liability of the limited liability company or its members to the person in the person's capacity as a transferee or person dissociated as a member; and
  - (b) is not effective to the extent the amendment imposes a new debt, obligation, or other liability on the transferee or person dissociated as a member.
- (3) If a record delivered by a limited liability company to the division for filing becomes effective and contains a provision that would be ineffective under Subsection 48-3a-112(3) or (4)(c) if contained in the operating agreement, the provision is ineffective in the record.
- (4) Subject to Subsection (3), if a record delivered by a limited liability company to the division for filing becomes effective and conflicts with a provision of the operating agreement:
- (a) the operating agreement prevails as to members, persons dissociated as members, transferees, and managers; and
  - (b) the record prevails as to other persons to the extent they reasonably rely on the record.

Enacted by Chapter 412, 2013 General Session

**48-3a-115 Delivery of record.**

- (1) Except as otherwise provided in this chapter, permissible means of delivery of a record include delivery by hand, the United States Postal Service, a commercial delivery service, and electronic transmission.
- (2) Delivery to the division is effective only when a record is received by the division.

Enacted by Chapter 412, 2013 General Session

**48-3a-116 Reservation of power to amend or repeal.**

The Legislature of this state has power to amend or repeal all or part of this chapter at any time, and all domestic and foreign limited liability companies subject to this chapter are governed by the amendment or repeal.

Enacted by Chapter 412, 2013 General Session