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Changes to Illinois Corporation Laws

The State of Illinois has adopted amendments to its Business Corporation Act. The first amendment concerns the determination of name availability. In addition to considering the names of active corporations for determining name availability, Illinois now considers the names of active limited liability companies, as well as domestic corporations that have been administratively dissolved for less than three years.

In determining if a name is distinguishable from another name, the State no longer considers the spacing of words, the combination of commonly used two word terms (including points of the compass), the misspelling, phonetic spelling or any other deviation or derivation of substantially the same base work, abbreviation or symbol, and the presence or absence of multiple letters within a word.

The Illinois Limited Liability Company Act (the "LLC Act") was also amended. This amendment changes the LLC Act so that upon request of the Secretary of State, all entities, other than natural persons, serving as a member or manager of a limited liability company must provide evidence of existence. In addition, the LLC Act was amended to require documents submitted for filing electronically to include the name of the person making the submission to acknowledge it is the act of the limited liability company and the facts stated are true. The LLC Act also now provides for the refund of any fee paid in the event of a duplicate filing. Furthermore, the LLC Act no longer requires Federal Employer Identification Numbers and prohibits the use of improper names stated in English or another language.

Finally, the Illinois Uniform Commercial Code was amended. These amendments include how UCC and Federal Tax Lien records can be obtained and the format for obtaining these records i.e. Bulk Data File Transfer Protocol, CD Subscription or Direct Access On-line Services. This amendment also clarifies that the last day a continuation statement may be filed is the last business day of maturity before the lapse date of the UCC record.

For more information please contact Popovits & Robinson at 708/479-3230.

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