

MEMORANDUM

To: Executive Committee, Business Law Section, Washington State Bar Association

From: Partnership and LLC Law Committee

Date: August 7, 2025

Re: Revisions to Limited Liability Company Act

This Memorandum describes a set of proposed amendments to Washington’s Limited Liability Company Act, RCW ch. 25.15 (the “Act”). The amendments are recommended by the Partnership and LLC Law Committee. The texts of the proposed amendments are attached to this Memorandum.

The reasoning behind each of the amendments is as follows.

1. Components of an LLC Agreement. The Act’s current definition of a “limited liability company agreement” includes the members’ agreement, “whether oral, implied, in a record, or in any combination.” This change clarifies that an LLC agreement may include or incorporate multiple agreements, schedules, or supplements.

2. Series LLCs. Delaware and a number of other states (although not Washington) authorize the formation of one or more series in a series LLC, and allow each series to own property and enter into contracts. This change is intended to clarify that such a series may be a member, manager, or transferee of a Washington LLC.

RCW 25.15.006 defines LLC members, managers, and transferees as “persons” that meet certain requirements. “Person” is defined broadly in RCW 25.16.006 to include individuals and a wide range of entity types such as corporations, LLCs, trusts and others. The amendment therefore adds a series to that definition’s list of entity types, and adds a new definition of a series.

3. LLC Agreement Characteristics. RCW 25.15.018 establishes the Act’s fundamental structure as a set of default rules governing the relations between an LLC’s members and between members and the LLC, and that the default rules can be overridden by an LLC agreement, subject to certain listed exceptions.

The proposed amendments to RCW 25.18.018 address the effects of LLC agreements by adding five new subsections to RCW 25.15.018. The Committee views each new subsection as a clarification of existing law and not as a change to current law. Each of the five proposed subsections is modeled closely on a comparable provision of the Delaware Limited Liability Company Act, at Del. Code Ann. tit. 6, § 18-101(9).

Proposed Revisions to Washington Limited Liability Company Act

Approved by Partnership and LLC Law Committee, WSBA Business Law Section
2025

No.	Revisions
1.	<p>RCW 25.15.006</p> <p>Definitions.</p> <p>The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.</p> <p>[. . .]</p> <p>(8) “Limited liability company agreement” means the agreement, including the agreement as amended or restated, whether oral, implied, in a record, or in any combination, of the member or members of a limited liability company concerning the affairs of the limited liability company and the conduct of its business. A limited liability company agreement may consist of one or more agreements, instruments or other writings and may include or incorporate one or more schedules, supplements or other writings containing provisions as to the conduct of the business and affairs of the limited liability company.</p> <p>[. . .]</p> <p>(13) “Person” means an individual, corporation, business trust, estate, trust, partnership, limited partnership, limited liability company, series, association, joint venture, government, governmental subdivision, agency, or instrumentality or any other legal or commercial entity.</p> <p>[. . .]</p> <p>(18) “Series” means a set of members, managers, limited liability company interests or assets that is designated as a series of a foreign limited liability company by the law of the jurisdiction of the formation of the foreign limited liability company.</p>
2.	<p>RCW 25.15.018</p> <p>Effect of limited liability company agreement—Nonwaivable provisions.</p> <p>(1) Except as otherwise provided in subsections (2) and (3) of this section, the limited liability company agreement governs:</p> <ul style="list-style-type: none">(a) Relations among the members as members and between the members and the limited liability company; and(b) The rights and duties under this chapter of a person in the capacity of manager. <p>(2) To the extent the limited liability company agreement does not otherwise provide for a matter described in subsection (1) of this section, this chapter governs the matter.</p>

	<p>(3) A member or manager of a limited liability company or an assignee of a limited liability company interest is bound by the limited liability company agreement whether or not the member or manager or assignee executes the limited liability company agreement.</p> <p>(4) A limited liability company is not required to execute its limited liability company agreement. A limited liability company is bound by its limited liability company agreement whether or not the limited liability company executes the limited liability company agreement.</p> <p>(5) A limited liability company agreement may provide rights to any person, including a person who is not a party to the limited liability company agreement, to the extent set forth therein.</p> <p>(6) A limited liability company agreement of a limited liability company having only one member shall not be unenforceable by reason of there being only one person who is a party to the limited liability company agreement.</p> <p>(7) A limited liability company agreement is not subject to any statute of frauds, including RCW 19.36.010.</p> <p>(8) A limited liability company agreement may not:</p> <ul style="list-style-type: none"> (a) Vary a limited liability company's power under RCW 25.15.031 to sue, be sued, and defend in its own name; (b) Vary the law applicable to a limited liability company under RCW 25.15.033; (c) Eliminate or limit the duties of a member or manager in a manner prohibited by RCW 25.15.038(6); (d) Eliminate or limit the liability of a member or manager in a manner prohibited by RCW 25.15.038(7); (e) Indemnify a member or manager in a manner prohibited by RCW 25.15.041; (f) Vary the requirements of RCW 25.15.086; (g) Vary the records required under RCW 25.15.136(1) or unreasonably restrict the right to records or information under RCW 25.15.136; (h) Vary the power of a manager to resign under RCW 25.15.176; (i) Vary the requirements of RCW 25.15.231; (j) Eliminate or limit the liability of a member, manager, or transferee under RCW 25.15.236; (k) Vary the power of a court to decree dissolution in the circumstances specified in RCW 25.15.274; (l) Vary the requirement to wind up the limited liability company's business as specified in RCW 25.15.297 (1), (2), (4), and (5);
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	<p>(m) Unreasonably restrict the right to maintain an action under Article X of this chapter;</p> <p>(n) Restrict the right of a member that will have personal liability with respect to a surviving or converted organization to approve a merger or conversion under RCW 25.15.456; or</p> <p>(o) Restrict the rights under this chapter of a person other than a member, a transferee, or a manager.</p>
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From: [Johnson, Jill \(DOL\)](#)
To: [Sanjay Walvekar](#)
Cc: [Voris, Molly \(DOL\)](#); [Herron, Shawna \(DOL\)](#); [Starrett, Ellis \(DOL\)](#)
Subject: [External]FW: Feedback Requested: LLC Act revisions
Date: Monday, October 6, 2025 12:48:09 PM
Attachments: [image001.png](#)
[Memo to Business Law Section re 2025 Amendments to LLC Act v.0.docx](#)

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Good afternoon, Sanjay,

Thank you again for the opportunity to review this proposal regarding Washington's LLC Act. After reviewing with our staff, we identified one possible concern. New subsection (5) in RCW 25.15.018 allows an LLC to grant rights to a person who isn't party to the LLC verbally, having this only executed verbally could cause an issue for our data sharing agreements with LLCs. If an LLC transferred duties and responsibilities to someone outside the LLC, we would prefer that this change also be in writing before that individual is allowed to assume control over a data sharing agreement. Beyond this small notation, we have no other concerns and don't anticipate any fiscal impact to our agency.

Thank you again. Please feel free to reach out to me with any questions.
Sincerely,

Jill Johnson

Legislative and Special Projects Manager
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From: Sanjay Walvekar <Sanjayw@wsba.org>
Sent: Sunday, September 28, 2025 4:35 PM
To: Johnson, Jill (DOL) <jjjohnson@dol.wa.gov>
Subject: Fwd: Feedback Requested: LLC Act revisions

External Email

From: Sanjay Walvekar <Sanjayw@wsba.org>
Sent: Sunday, September 28, 2025 1:33 PM
To: Sanjay Walvekar <Sanjayw@wsba.org>
Subject: Feedback Requested: LLC Act revisions

Business community stakeholders:

The Washington State Bar Association (WSBA) Business Law Section is seeking feedback on a

legislative proposal dealing with amendments to Washington's LLC Act (see attached). Time permitting, could you please review these proposed revisions and provide any feedback by **Friday, October 10th**?

Please let me know any questions. Thanks in advance for your time.

Thanks,
Sanjay



Sanjay Walvekar, J.D. | Legislative Affairs Manager

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From: [Holly Shannon](#)
To: [Board Feedback](#)
Subject: [External]Limited Liability Company bill proposal feedback
Date: Thursday, October 9, 2025 10:59:38 AM

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Greetings,

I am extremely concerned about some of the proposed changes by the Business Law Section to the Washington Limited Liability Company Act. Specifically, Revision No. 2 to RCW 25.15.018 subsections (3), (4), and (5). Exempting operating agreements from the statute of frauds and not requiring that they be signed by the members will open the door even more complicated member disputes and potential for fraud. In my practice I frequently represent one member of a 2-member limited liability company who wants to end the relationship. In most cases, the parties lack an operating agreement. If this bill passes, then one of the members could fraudulently create an agreement and claim that it was always in existence and that the other party had agreed to be bound by it. This will create a nightmare scenario where it comes down to the party's credibility rather than relying on the statutory remedies available.

The memorandum from the Partnership and LLC Law Committee claims that these changes only clarify existing law and do not make changes. This is not true. Exempting LLC Operating Agreements from the statute of frauds is a major change in the law.

I strongly oppose recommending Bar sponsorship of this legislative proposal from the Business Law Section. Thank you.,

Best regards,

Holly

Holly Shannon
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