CERTIFICATION OF ENROLLMENT

SENATE BILL 5148

Chapter 269, Laws of 1991
(partial veto)

52nd Legislature
1991 Regular Session

LIMITED PARTNERSHIPS--REVISED PROVISIONS

EFFECTIVE DATE:  7/28/91

Passed by the Senate April 22, 1991
Yea  45   Nay  1

JOEL PRITCHARD
President of the Senate

Passed by the House April 17, 1991
Yea  95   Nay  0

JOE KING
Speaker of the House of Representatives

CERTIFICATE

I, Gordon Golob, Secretary of the Senate of the State of Washington, do hereby certify that the attached is SENATE BILL 5148 as passed by the Senate and the House of Representatives on the dates hereon set forth.

GORDON A. GOLOB
Secretary

Approved May 17, 1991, with the exception of sections 8 and 9, which are vetoed.

BOOTH GARDNER
Governor of the State of Washington

FILED

May 17, 1991 - 1:24 p.m.

Secretary of State
State of Washington
SENATE BILL 5148

AS AMENDED BY THE HOUSE

Passed Legislature - 1991 Regular Session

State of Washington 52nd Legislature 1991 Regular Session

By Senators Nelson, A. Smith and Newhouse.


AN ACT Relating to limited partnerships; amending RCW 25.10.020, 1
25.10.030, 25.10.100, 25.10.110, 25.10.130, 25.10.140, 25.10.160, 2
25.10.180, 25.10.190, 25.10.210, 25.10.600, 25.10.370, 25.10.440, 3
23B.01.400, 23B.04.010, and 23B.13.020; adding new sections to chapter 4
25.10 RCW; adding new sections to chapter 23B.11 RCW; adding a new 5
article to chapter 25.10 RCW; creating a new section; and repealing RCW 6
25.10.380.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1. RCW 25.10.020 and 1987 c 55 s 2 are each amended to read 7
as follows:
8 (1) The name of each limited partnership formed pursuant to this 9
chapter as set forth in its certificate of limited partnership:
10 ((1)) (a) Shall contain the words "limited partnership" or the 11
abbreviation "L.P.";
((a)) (i) it is also the name of a general partner, or the corporate
name of a corporate general partner, or ((b)) (ii) the business of
the limited partnership had been carried on under that name before the
admission of that limited partner;

((3)) May not be the same as, or deceptively similar to the name of
any domestic corporation or limited partnership existing under the laws
of this state or any foreign corporation or limited partnership
authorized to transact business in this state, or a name the exclusive
right to which is, at the time, reserved in the manner provided in this
title, or under the provisions of RCW 23A.08.060, or the name of a
corporation or limited partnership which has in effect a registration
of its corporate or limited partnership name as provided in this title
or under the provisions of Title 23A RCW, unless:

(a) The written consent of such other domestic or foreign
corporation or limited partnership or holder of a reserved or
registered name to use the same or deceptively similar name has been
filed with the certificate and one or more words or numerals are added
or deleted to make the name distinguishable from the other name as
determined by the secretary of state; or

(b) A certified copy of a final decree of a court of competent
jurisdiction establishing the prior right of the limited partnership to
use the name in this state is filed with the certificate;

((c)) (c) May not contain any of the following words or phrases:
"Bank", "banking", "banker", "trust", "cooperative"; or any combination
of the words "industrial" and "loan"; or any combination of any two or
more of the words "building", "savings", "loan", "home", "association"
and "society"; or any other words or phrases prohibited by any statute
of this state;
(d) Except as authorized by subsections (2) and (3) of this section, must be distinguishable upon the records of the secretary of state from:

(i) The name or reserved name of a foreign or domestic limited partnership;

(ii) The corporate name of a corporation incorporated or authorized to transact business in this state;

(iii) A corporate name reserved or registered under RCW 23B.04.020 or 23B.04.030;

(iv) The fictitious name adopted pursuant to RCW 23B.15.060 by a foreign corporation authorized to transact business in this state because its real name is unavailable; and

(v) The corporate name of a not-for-profit corporation incorporated or authorized to conduct affairs in this state.

(2) A limited partnership may apply to the secretary of state for authorization to use a name that is not distinguishable upon the records from one or more of the names described in subsection (1) of this section. The secretary of state shall authorize use of the name applied for if:

(a) The other limited partnership, corporation, or holder consents to the use in writing and files with the secretary of state documents necessary to change its name or the name reserved or registered to a name that is distinguishable upon the records of the secretary of state from the name of the applying limited partnership; or

(b) The applicant delivers to the secretary of state a certified copy of the final judgment of a court of competent jurisdiction establishing the applicant’s right to use the name applied for in this state.

(3) A limited partnership may use the name, including the fictitious name, of another domestic or foreign limited partnership or
corporation that is used in this state if the other limited partnership or corporation is organized, incorporated, or authorized to transact business in this state and the proposed user limited partnership:

(a) Has merged with the other limited partnership or corporation;

or

(b) Results from reorganization with the other limited partnership or corporation.

(4) A name shall not be considered distinguishable upon the records of the secretary of state by virtue of:

(a) A variation in the designation, under subsection (1)(a) of this section, used for the same name;

(b) The addition or deletion of an article or conjunction such as "the" or "and" from the same name;

(c) Punctuation, capitalization, or special characters or symbols in the same name; or

(d) Use of abbreviation or the plural form of a word in the same name.

(5) This title does not control the use of assumed business names or "trade names."

Sec. 2. RCW 25.10.030 and 1981 c 51 s 3 are each amended to read as follows:

(1) The exclusive right to the use of a name may be reserved by:

(a) Any person intending to organize a limited partnership under this chapter and to adopt that name;

(b) Any domestic limited partnership or any foreign limited partnership registered in this state which, in either case, intends to adopt that name;

(c) Any foreign limited partnership intending to register in this state and to adopt that name; and
(d) Any person intending to organize a foreign limited partnership and intending to have it registered in this state and adopt that name.

(2) The reservation shall be made by filing with the secretary of state an application, executed by the applicant, to reserve a specified name. If the secretary of state finds that the name is available for use by a domestic or foreign limited partnership, he or she shall reserve the name for the exclusive use of the applicant for a period of one hundred and eighty days. Such reservation shall be limited to one filing and (one renewal for a like period) shall be nonrenewable.

The right to the exclusive use of a reserved name may be transferred to any other person by filing in the office of the secretary of state a notice of the transfer, executed by the applicant for whom the name was reserved and specifying the name and address of the transferee.

Sec. 3. RCW 25.10.100 and 1987 c 5 5 s 7 are each amended to read as follows:

(1) Upon the dissolution and (commencement) completion of winding up of a limited partnership or at any time there are no limited partners, duplicate originals of a certificate of (dissolution) cancellation shall be filed with the secretary of state and set forth:

(a) The name of the limited partnership;

(b) The date and place of filing of its original certificate of limited partnership;

(c) The reason for dissolution (and commencement of winding up);

(d) The effective date, which shall be a later date certain, of cancellation if it is not to be effective upon the filing of the certificate; and
(e) Any other information the person filing the certificate determines.

(2) A certificate of limited partnership shall be canceled upon the effective date of a certificate of cancellation. ((A certificate of cancellation shall be filed upon the completion of winding up the limited partnership. Duplicate originals of a certificate of cancellation shall be filed with the secretary of state and shall set forth: 

(a) The name of the limited partnership;
(b) The date and place of filing of its original certificate of limited partnership;
(c) The effective date, which shall be a later date certain, of cancellation if it is not to be effective upon the filing of the certificate; and
(d) Any other information the person filing the certificate determines.))

(3) A certificate of limited partnership for a domestic limited partnership which is not the surviving entity in a merger shall be canceled upon the effective date of the merger.

Sec. 4. RCW 25.10.110 and 1987 c 55 s 8 are each amended to read as follows:

(1) Each ((certificate)) document required by this article to be filed in the office of the secretary of state shall be executed in the following manner:

(a) Each original certificate of limited partnership must be signed by all general partners named therein;
(b) A certificate of amendment or restatement must be signed by at least one general partner and by each other general partner designated in the certificate as a new general partner; ((and)))
(c) A certificate of dissolution and a certificate of cancellation must be signed by all general partners or the limited partners winding up the partnership pursuant to RCW 25.10.460;

(d) If a surviving domestic limited partnership is filing articles of merger, the articles of merger must be signed by at least one general partner of the domestic limited partnership, or if the articles of merger are being filed by a surviving foreign limited partnership or by a corporation, the articles of merger must be signed by a person authorized by such foreign limited partnership or corporation; and

(e) A foreign limited partnership’s application for a certificate of authority must be signed by one of its general partners.

(2) Any person may sign a certificate, articles of merger, or partnership agreement by an attorney-in-fact: PROVIDED, That each document signed in such manner identifies the capacity in which the signator signed.

(3) The person executing the document shall sign it and state beneath or opposite the signature the name of the person and capacity in which the person signs. The document must be typewritten or printed, and must meet such legibility or other standards as may be prescribed by the secretary of state.

(4) The execution of a certificate or articles of merger by a partner constitutes an affirmation under the penalties of perjury that the facts stated therein are true.

Sec. 5. RCW 25.10.130 and 1987 c 55 s 10 are each amended to read as follows:

(1) Two signed copies of the certificate of limited partnership and of any certificates of amendment, restatement, dissolution or cancellation (or of any judicial decree of amendment or cancellation) shall be delivered to the secretary of state. A person who executes a
certificate as an agent or fiduciary need not exhibit evidence of his authority as a prerequisite to filing. Unless the secretary of state finds that any certificate does not conform to law, upon receipt of all filing fees required by law the secretary of state shall:

(a) Endorse on each duplicate original the word "Filed" and the effective date of the filing;

(b) File one duplicate original; and

(c) Return the other duplicate original to the person who filed it or the person’s representative.

(2) Upon the filing of a certificate of amendment or restatement, or judicial decree of amendment, in the office of the secretary of state, the certificate of limited partnership shall be amended or restated as set forth therein, and upon the effective date of a certificate of cancellation or a judicial decree thereof, the certificate of limited partnership is canceled.

Sec. 6. RCW 25.10.140 and 1987 c 55 s 11 are each amended to read as follows:

If any certificate of limited partnership or certificate of amendment, restatement, ((dissolution,)) or cancellation contains a false statement, one who suffers loss by reliance on the statement may recover damages for the loss from:

(1) Any person who executes the certificate, or causes another to execute it on his behalf, and knew, and any general partner who knew or should have known, the statement to be false at the time the certificate was executed; and

(2) Any general partner who thereafter knows or should have known that any arrangement or other fact described in the certificate has changed, making the statement inaccurate in any respect within a sufficient time before the statement was relied upon reasonably to have
enabled that general partner to cancel or amend the certificate, or to
file a petition for its cancellation or amendment under RCW 25.10.120.

Sec. 7. RCW 25.10.160 and 1987 c 55 s 13 are each amended to read
as follows:

Upon the return by the secretary of state pursuant to RCW 25.10.130
of a certificate marked "Filed", the general partners shall promptly
deliver or mail a copy of the certificate of limited partnership and
each certificate of amendment, restatement, ((dissolution)) or
cancellation to each limited partner unless the partnership agreement
provides otherwise.

*Sec. 8. RCW 25.10.180 and 1981 c 51 s 18 are each amended to read
as follows:

((Subject to RCW 25.10.190,)) (1) The partnership agreement may
grant to all or a specified group of the limited partners the right to
vote on a per capita or other basis upon any matter.

(2) The partnership agreement may authorize any one or more limited
partners to exercise all or any part of the other rights and powers a
general partner has under RCW 25.10.240(1).

*Sec. 8 was vetoed, see message at end of chapter.

*Sec. 9. RCW 25.10.190 and 1987 c 55 s 15 are each amended to read
as follows:

(1) Except as provided in subsection ((4)) (2) of this section,
a limited partner is not liable for the obligations of a limited
partnership by reason of being a limited partner. A limited partner
does not become liable for the obligations of the limited partnership
by participating in the management or control of the business of the
limited partnership unless the limited partner is also a general
partner (or, in addition to the exercise of rights and powers as a limited partner, the limited partner participates in the control of the business. However, if the limited partner participates in the control of the business, the limited partner is liable only to persons who transact business with the limited partnership reasonably believing, based upon the limited partner’s conduct, that the limited partner is a general partner).

(2) A limited partner does not participate in the control of the business within the meaning of subsection (1) of this section solely by doing one or more of the following:

(a) Being a contractor for or an agent or employee of the limited partnership or of a general partner, or being an officer, director, or shareholder of a general partner that is a corporation;

(b) Consulting with and advising a general partner with respect to the business of the limited partnership;

(c) Acting as surety for the limited partnership or guaranteeing or assuming one or more specific obligations of the limited partnership or providing collateral for partnership obligations;

(d) Taking any action required or permitted by law to bring or pursue a derivative action in the right of the limited partnership;

(e) Requesting or attending a meeting of partners;

(f) Proposing, approving, or disapproving, by voting or otherwise, on one or more of the following matters:

(i) The dissolution and winding up of the limited partnership;

(ii) The sale, exchange, lease, mortgage, pledge, or other transfer of all or substantially all of the assets of the limited partnership;

(iii) The incurrence of indebtedness by the limited partnership other than in the ordinary course of its business;

(iv) A change in the nature of its business;

(v) The admission or removal of a limited partner;
(vi) The admission or removal of a general partner;

(vii) A transaction involving an actual or potential conflict of interest between a general partner and the limited partnership or the limited partners;

(viii) An amendment to the partnership agreement or certificate of limited partnership; or

(ix) Matters related to the business of the limited partnership not otherwise enumerated in this subsection (2), that the partnership agreement states in writing may be subject to the approval or disapproval of limited partners or a committee of limited partners;

(g) Winding up the limited partnership pursuant to RCW 25.10.460 or conducting the affairs of the limited partnership during any portion of the ninety days referred to in RCW 25.10.440; or

(h) Exercising any right or power permitted to limited partners under this chapter and not specifically enumerated in this subsection (2).

(3) The enumeration in subsection (2) of this section does not mean that the possession or exercise of any other powers by a limited partner constitutes participation by him in the control of the business of the limited partnership.

(4)) A limited partner who knowingly permits his or her name to be used in the name of the limited partnership, except under circumstances permitted by RCW ((25.10.020(2))) 25.10.020(1)(b), is liable to creditors who extend credit to the limited partnership without actual knowledge that the limited partner is not a general partner.

*Sec. 9 was vetoed, see message at end of chapter.

Sec. 10. RCW 25.10.210 and 1987 c 55 s 17 are each amended to read as follows:
Each limited partner or limited partner’s agent or attorney has the right to:

(1) Inspect and copy any of the partnership records required to be maintained by RCW 25.10.050; and

(2) Obtain from the general partners from time to time upon reasonable demand (a) true and full information regarding the state of the business and financial condition of the limited partnership, (b) promptly after becoming available, a copy of the limited partnership’s federal income tax returns and state business and occupation tax return for each year, and (c) other information regarding the affairs of the limited partnership as is just and reasonable.

NEW SECTION. Sec. 11. A new section is added to chapter 25.10 RCW to read as follows:

(1) One or more domestic limited partnerships may merge with one or more domestic limited partnerships or domestic corporations pursuant to a plan of merger approved or adopted as provided in section 13 of this act.

(2) The plan of merger must set forth:

(a) The name of each limited partnership and corporation planning to merge and the name of the surviving limited partnership or corporation into which the other limited partnership or corporation plans to merge;

(b) The terms and conditions of the merger; and

(c) The manner and basis of converting the partnership interests of each limited partnership and the shares of each corporation party to the merger into the partnership interests, shares, obligations, or other securities of the surviving or any other limited partnership or corporation or into cash or other property in whole or part.

(3) The plan of merger may set forth:
(a) Amendments to the certificate of limited partnership of the surviving limited partnership;

(b) Amendments to the articles of incorporation of the surviving corporation; and

(c) Other provisions relating to the merger.

(4) If the plan of merger does not specify a delayed effective date, it shall become effective upon the filing of articles of merger. If the plan of merger specifies a delayed effective time and date, the plan of merger becomes effective at the time and date specified. If the plan of merger specifies a delayed effective date but no time is specified, the plan of merger is effective at the close of business on that date. A delayed effective date for a plan of merger may not be later than the ninetieth day after the date it is filed.

Sec. 12. RCW 25.10.600 and 1987 c 55 s 35 are each amended to read as follows:

The secretary of state shall adopt rules establishing fees which shall be charged and collected for:

(1) Filing of a certificate of limited partnership for a domestic or foreign limited partnership;

(2) Filing of a certificate of cancellation (or a certificate of dissolution) for a domestic or foreign limited partnership;

(3) Filing of a certificate of amendment or restatement for a domestic or foreign limited partnership;

(4) Filing an application to reserve or transfer a limited partnership name;

(5) Filing any other statement or report authorized or permitted to be filed;

(6) Copies, certified copies, certificates, service of process filings, and expedited filings or other special services.
In the establishment of a fee schedule, the secretary of state shall, insofar as is possible and reasonable, be guided by the fee schedule provided for corporations registering pursuant to Title ((23A)) 23B RCW. Fees for copies, certified copies, certificates of record, and service of process filings shall be as provided for in RCW ((23A.40.030)) 23B.01.220.

All fees collected by the secretary of state shall be deposited with the state treasurer pursuant to law.

**NEW SECTION. Sec. 13.** A new section is added to chapter 25.10 RCW to read as follows:

(1) Unless otherwise provided in its partnership agreement, approval of a plan of merger by a domestic limited partnership party to a merger shall occur when the plan is approved (a) by all general partners of such limited partnership, and (b) by the limited partners or, if there is more than one class of limited partners, then by each class or group of limited partners of such limited partnership, in either case, by limited partners who own more than fifty percent of the then current percentage or other interest in the profits of such limited partnership owned by all limited partners or by the limited partners in each class or group, as appropriate.

(2) If a domestic corporation is a party to the merger, the plan of merger shall be adopted and approved as provided in chapter 23B.11 RCW.

**NEW SECTION. Sec. 14.** A new section is added to chapter 25.10 RCW to read as follows:

After a plan of merger is approved or adopted, the surviving limited partnership or corporation shall deliver to the secretary of state for filing articles of merger setting forth:

(1) The plan of merger;
(2) If the approval of any partners or shareholders of one or more limited partnerships or corporations party to the merger was not required, a statement to that effect; or

(3) If the approval of any partners or shareholders of one or more of the limited partnerships or corporations party to the merger was required, a statement that the merger was duly approved by such partners and shareholders pursuant to section 13 of this act or chapter 23B.11 RCW.

NEW SECTION. Sec. 15. A new section is added to chapter 25.10 RCW to read as follows:

(1) When a merger takes effect:

(a) Every other limited partnership or corporation that is party to the merger merges into the surviving limited partnership or corporation and the separate existence of every limited partnership and corporation except the surviving limited partnership or corporation ceases;

(b) The title to all real estate and other property owned by each limited partnership and corporation party to the merger is vested in the surviving limited partnership or corporation without reversion or impairment;

(c) The surviving limited partnership or corporation has all liabilities of each limited partnership and corporation that is party to the merger;

(d) A proceeding pending against any limited partnership or corporation that is party to the merger may be continued as if the merger did not occur or the surviving limited partnership or corporation may be substituted in the proceeding for the limited partnership or corporation whose existence ceased;

(e) The partnership agreement of the surviving limited partnership is amended to the extent provided in the plan of merger;
(f) The articles of incorporation of the surviving corporation are amended to the extent provided in the plan of merger; and

(g) The former holders of the partnership interests of every domestic limited partnership that is party to the merger and the former holders of the shares of every domestic corporation that is party to the merger are entitled only to the rights provided in the articles of merger or to their rights under sections 17 through 28 of this act or to the rights under chapter 23B.13 RCW.

(2) Unless otherwise agreed, a merger of a domestic limited partnership, including a domestic limited partnership which is not the surviving entity in the merger, shall not require the domestic limited partnership to wind up its affairs under RCW 25.10.460 or pay its liabilities and distribute its assets under RCW 25.10.470.

NEW SECTION. Sec. 16. A new section is added to chapter 25.10 RCW to read as follows:

(1) One or more foreign limited partnerships and one or more foreign corporations may merge with one or more domestic limited partnerships or domestic corporations if:

(a) The merger is permitted by the law of the jurisdiction under which each foreign limited partnership was organized, and each foreign corporation was incorporated, and each foreign limited partnership and foreign corporation complies with that law in effecting the merger;

(b) The surviving entity complies with section 14 of this act;

(c) Each domestic limited partnership complies with section 13 of this act; and

(d) Each domestic corporation complies with section 38 of this act.

(2) Upon the merger taking effect, a surviving foreign limited partnership or corporation is deemed to appoint the secretary of state as its agent for service of process in a proceeding to enforce any
obligation or the rights of dissenting partners or shareholders of each
domestic limited partnership or domestic corporation party to the
merger.

NEW SECTION. Sec. 17. As used in this article:

(1) "Limited partnership" means the domestic limited partnership in
which the dissenter holds or held a partnership interest, or the
surviving limited partnership or corporation by merger, whether foreign
or domestic, of that limited partnership.

(2) "Dissenter" means a partner who is entitled to dissent from a
plan of merger and who exercises that right when and in the manner
required by this article.

(3) "Fair value," with respect to a dissenter’s partnership
interest, means the value of the partnership interest immediately
before the effectuation of the merger to which the dissenter objects,
excluding any appreciation or depreciation in anticipation of the
merger unless exclusion would be inequitable.

(4) "Interest" means interest from the effective date of the merger
until the date of payment, at the average rate currently paid by the
limited partnership on its principal bank loans or, if none, at a rate
that is fair and equitable under all the circumstances.

NEW SECTION. Sec. 18. (1) Except as provided in section 20 or
22(2) of this act, a partner of a domestic limited partnership is
entitled to dissent from, and obtain payment of, the fair value of the
partner’s partnership interest in the event of consummation of a plan
of merger to which the limited partnership is a party as permitted by
section 11 or 16 of this act.

(2) A partner entitled to dissent and obtain payment for the
partner’s partnership interest under this article may not challenge the
merger creating the partner’s entitlement unless the merger fails to comply with the procedural requirements imposed by this title, Title 23B RCW, the partnership agreement, or is fraudulent with respect to the partner or the limited partnership.

(3) The right of a dissenting partner to obtain payment of the fair value of the partner’s partnership interest shall terminate upon the occurrence of any one of the following events:

(a) The proposed merger is abandoned or rescinded;

(b) A court having jurisdiction permanently enjoins or sets aside the merger; or

(c) The partner’s demand for payment is withdrawn with the written consent of the limited partnership.

NEW SECTION. Sec. 19. (1) Not less than ten days prior to the approval of a plan of merger, the limited partnership must send a written notice to all partners who are entitled to vote on or approve the plan of merger that they may be entitled to assert dissenters’ rights under this article. Such notice shall be accompanied by a copy of this article.

(2) The limited partnership shall notify in writing all partners not entitled to vote on or approve the plan of merger that the plan of merger was approved, and send them the dissenters’ notice as required by section 21 of this act.

NEW SECTION. Sec. 20. A partner who is entitled to vote on or approve the plan of merger and who wishes to assert dissenters’ rights must not vote in favor of or approve the plan of merger. A partner who does not satisfy the requirements of this section is not entitled to payment for the partner’s interest under this article.
NEW SECTION. Sec. 21.  (1) If the plan of merger is approved, the limited partnership shall deliver a written dissenters’ notice to all partners who satisfied the requirements of section 20 of this act.
(2) The dissenters’ notice required by section 19(2) of this act or by subsection (1) of this section must be sent within ten days after the approval of the plan of merger, and must:
(a) State where the payment demand must be sent;
(b) Inform holders of the partnership interest as to the extent transfer of the partnership interest will be restricted as permitted by section 23 of this act after the payment demand is received;
(c) Supply a form for demanding payment;
(d) Set a date by which the limited partnership must receive the payment demand, which date may not be fewer than thirty nor more than sixty days after the date the notice under this section is delivered; and
(e) Be accompanied by a copy of this article.

NEW SECTION. Sec. 22.  (1) A partner who demands payment retains all other rights of a partner until the proposed merger becomes effective.
(2) A partner sent a dissenters’ notice who does not demand payment by the date set in the dissenters’ notice is not entitled to payment for the partner’s partnership interest under this article.

NEW SECTION. Sec. 23. The limited partnership may restrict the transfer of partnership interests from the date the demand for their payment is received until the proposed merger becomes effective or the restriction is released under this article.
NEW SECTION. Sec. 24.  (1) Within thirty days of the later of the date the proposed merger becomes effective, or the payment demand is received, the limited partnership shall pay each dissenter who complied with section 22 of this act the amount the limited partnership estimates to be the fair value of the partnership interest, plus accrued interest.

(2) The payment must be accompanied by:

(a) Copies of the financial statements for the most recent fiscal year maintained as required by RCW 25.10.050;

(b) An explanation of how the limited partnership estimated the fair value of the partnership interest;

(c) An explanation of how the accrued interest was calculated;

(d) A statement of the dissenter’s right to demand payment; and

(e) A copy of this article.

NEW SECTION. Sec. 25.  (1) If the proposed merger does not become effective within sixty days after the date set for demanding payment, the limited partnership shall release any transfer restrictions imposed as permitted by section 23 of this act.

(2) If, after releasing transfer restrictions, the proposed merger becomes effective, the limited partnership must send a new dissenters’ notice as provided in sections 19(2) and 21 of this act and repeat the payment demand procedure.

NEW SECTION. Sec. 26.  (1) A dissenter may notify the limited partnership in writing of the dissenter’s own estimate of the fair value of the dissenter’s partnership interest and amount of interest due, and demand payment of the dissenter’s estimate, less any payment under section 24 of this act, if:
(a) The dissenter believes that the amount paid is less than the fair value of the dissenter’s partnership interest or that the interest due is incorrectly calculated;

(b) The limited partnership fails to make payment within sixty days after the date set for demanding payment; or

(c) The limited partnership, having failed to effectuate the proposed merger, does not release the transfer restrictions imposed on partnership interests as permitted by section 23 of this act within sixty days after the date set for demanding payment.

(2) A dissenter waives the right to demand payment under this section unless the dissenter notifies the limited partnership of the dissenter’s demand in writing under subsection (1) of this section within thirty days after the limited partnership made payment for the dissenter’s partnership interest.

NEW SECTION. Sec. 27. (1) If a demand for payment under section 26 of this act remains unsettled, the limited partnership shall commence a proceeding within sixty days after receiving the payment demand and petition the court to determine the fair value of the partnership interest and accrued interest. If the limited partnership does not commence the proceeding within the sixty-day period, it shall pay each dissenter whose demand remains unsettled the amount demanded.

(2) The limited partnership shall commence the proceeding in the superior court. If the limited partnership is a domestic limited partnership, it shall commence the proceeding in the county where its office is maintained as required by RCW 25.10.040(1). If the limited partnership is a domestic corporation, it shall commence the proceeding in the county where its principal office, as defined in RCW 23B.01.400(17), is located, or if none is in this state, its registered office under RCW 23B.05.010. If the limited partnership is a foreign
limited partnership or corporation without a registered office in this state, it shall commence the proceeding in the county in this state where the office of the domestic limited partnership maintained pursuant to RCW 25.10.040(1) merged with the foreign limited partnership or foreign corporation was located.

(3) The limited partnership shall make all dissenters (whether or not residents of this state) whose demands remain unsettled parties to the proceeding as in an action against their partnership interests and all parties must be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law.

(4) The limited partnership may join as a party to the proceeding any partner who claims to be a dissenter but who has not, in the opinion of the limited partnership, complied with the provisions of this chapter. If the court determines that such partner has not complied with the provisions of this article, the partner shall be dismissed as a party.

(5) The jurisdiction of the court in which the proceeding is commenced is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend decisions on the question of fair value. The appraisers have the powers described in the order appointing them or in any amendment to it. The dissenters are entitled to the same discovery rights as parties in other civil proceedings.

(6) Each dissenter made a party to the proceeding is entitled to judgment for the amount, if any, by which the court finds the fair value of the dissenter’s partnership interest, plus interest, exceeds the amount paid by the limited partnership.
NEW SECTION.  Sec. 28.  (1) The court in a proceeding commenced under section 27 of this act shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the costs against the limited partnership, except that the court may assess the costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds the dissenters acted arbitrarily, vexatiously, or not in good faith in demanding payment.

(2) The court may also assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable:

(a) Against the limited partnership and in favor of any or all dissenters if the court finds the limited partnership did not substantially comply with the requirements of this article; or

(b) Against either the limited partnership or a dissenter, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this article.

(3) If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against the limited partnership, the court may award to these counsel reasonable fees to be paid out of the amounts awarded the dissenters who were benefited.

Sec. 29.  RCW 25.10.370 and 1987 c 55 s 28 are each amended to read as follows:

((A partner may not receive a distribution from a limited partnership))  (1) A limited partnership shall not make a distribution to a partner to the extent that at the time of the distribution, after
giving effect to the distribution, (a) the limited partnership would not be able to pay its debts as they become due in the usual course of business, or (b) all liabilities of the limited partnership, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specified property of the limited partnership, exceed the fair value of the assets of the limited partnership, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds that liability.

(2)(a) A limited partner who receives a distribution in violation of subsection (1) of this section, and who knew at the time of the distribution that the distribution violated subsection (1) of this section, shall be liable to the limited partnership for the amount of the distribution.

(b) A limited partner who receives a distribution in violation of subsection (1) of this section, and who did not know at the time of the distribution that the distribution violated subsection (1) of this section, shall not be liable for the amount of the distribution. This subsection (2)(b) shall not affect any obligation or liability of a limited partner under a partnership agreement or other applicable law for the amount of a distribution.

(3) A limited partner who receives a distribution from a limited partnership shall have no liability under this chapter for the amount of the distribution after the expiration of three years from the date of the distribution, except to the extent such limited partner shall have agreed in writing to extend liability beyond the expiration of the three-year period.
Sec. 30. RCW 25.10.440 and 1987 c 55 s 32 are each amended to read as follows:

A limited partnership is dissolved and its affairs shall be wound up upon the happening of the first to occur of the following:

(1) At the time specified in the certificate of limited partnership;

(2) Upon the happening of events specified in the partnership agreement;

(3) Written consent of all partners;

(4) An event of withdrawal of a general partner unless at the time there is at least one other general partner and the partnership agreement permits the business of the limited partnership to be carried on by the remaining general partner and that partner does so, but the limited partnership is not dissolved and is not required to be wound up by reason of any event of withdrawal if, within ninety days after the withdrawal, all partners agree in writing to continue the business of the limited partnership and to the appointment of one or more additional general partners if necessary or desired; ((or))

(5) Entry of a decree of judicial dissolution under RCW 25.10.450;

or

(6) Administrative dissolution under section 32 of this act.

NEW SECTION. Sec. 31. A new section is added to chapter 25.10 RCW to read as follows:

The secretary of state may commence a proceeding under section 32 of this act to administratively dissolve a limited partnership if:

(1) An amendment to the certificate of limited partnership required by RCW 25.10.090(2)(c) is not filed when specified by that provision;

(2) The limited partnership is without a registered agent or registered office in this state for sixty days or more; or
(3) The limited partnership does not notify the secretary of state within sixty days that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.

NEW SECTION. Sec. 32. A new section is added to chapter 25.10 RCW to read as follows:

(1) If the secretary of state determines that one or more grounds exist under section 31 of this act for dissolving a limited partnership, the secretary of state shall give the limited partnership written notice of the determination by first class mail, postage prepaid reciting the grounds therefor. Notice shall be sent to the address of the office for records and address of the agent for service of process contained in the certificate having this information which is most recently filed with the secretary of state.

(2) If the limited partnership does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the secretary of state that each ground determined by the secretary of state does not exist within sixty days after notice is sent, the limited partnership is thereafter dissolved, the secretary of state shall give the limited partnership written notice of the dissolution that recites the ground or grounds therefor and its effective date.

(3) A limited partnership administratively dissolved continues its limited partnership existence but may not carry on any business except that necessary to wind up and liquidate its business and affairs.

(4) The administrative dissolution of a limited partnership does not terminate the authority of its registered agent.

NEW SECTION. Sec. 33. A new section is added to chapter 25.10 RCW to read as follows:
(1) A limited partnership administratively dissolved under section 32 of this act may apply to the secretary of state for reinstatement within two years after the effective date of dissolution. The application must:

(a) Recite the name of the limited partnership and the effective date of its administrative dissolution;

(b) State that the ground or grounds for dissolution either did not exist or have been eliminated; and

(c) State that the limited partnership’s name satisfies the requirements of RCW 25.10.020.

(2) If the secretary of state determines that the application contains the information required by subsection (1) of this section and that the name is available, the secretary of state shall reinstate the limited partnership and give the limited partnership written notice, as provided in section 32(1) of this act of the reinstatement that recites the effective date of reinstatement. If the name is not available, the limited partnership must file with its application for reinstatement an amendment to its certificate of limited partnership reflecting a change of name.

(3) When the reinstatement is effective, it relates back to and takes effect as of the effective date of the administrative dissolution and the limited partnership may resume carrying on its business as if the administrative dissolution had never occurred.

(4) If an application for reinstatement is not made within the two-year period set forth in subsection (1) of this section, or if the application made within this period is not granted, the secretary of state shall cancel the limited partnership’s certificate of limited partnership.
NEW SECTION.  Sec. 34.  RCW 25.10.380 and 1987 c 55 s 29 & 1981 c 51 s 38 are each repealed.

Sec. 35.  RCW 23B.01.400 and 1989 c 165 s 14 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this title.

(1) "Articles of incorporation" include amended and restated articles of incorporation and articles of merger.

(2) "Authorized shares" means the shares of all classes a domestic or foreign corporation is authorized to issue.

(3) "Conspicuous" means so written that a reasonable person against whom the writing is to operate should have noticed it. For example, printing in italics or boldface or contrasting color, or typing in capitals or underlined, is conspicuous.

(4) "Corporation" or "domestic corporation" means a corporation for profit, which is not a foreign corporation, incorporated under or subject to the provisions of this title.

(5) "Deliver" includes mailing.

(6) "Distribution" means a direct or indirect transfer of money or other property, except its own shares, or incurrence of indebtedness by a corporation to or for the benefit of its shareholders in respect to any of its shares. A distribution may be in the form of a declaration or payment of a dividend; a purchase, redemption, or other acquisition of shares; a distribution of indebtedness; or otherwise.

(7) "Effective date of notice" has the meaning provided in RCW 23B.01.410.

(8) "Employee" includes an officer but not a director. A director may accept duties that make the director also an employee.
(9) "Entity" includes a corporation and foreign corporation, not-for-profit corporation, profit and not-for-profit unincorporated association, business trust, estate, partnership, trust, and two or more persons having a joint or common economic interest, and the state, United States, and a foreign government.

(10) "Foreign corporation" means a corporation for profit incorporated under a law other than the law of this state.

(11) "Foreign limited partnership" means a partnership formed under laws other than of this state and having as partners one or more general partners and one or more limited partners.

(12) "Governmental subdivision" includes authority, county, district, and municipality.

(13) "Includes" denotes a partial definition.

(14) "Individual" includes the estate of an incompetent or deceased individual.

(15) "Limited partnership" or "domestic limited partnership" means a partnership formed by two or more persons under the laws of this state and having one or more general partners and one or more limited partners.

(16) "Means" denotes an exhaustive definition.

(17) "Notice" has the meaning provided in RCW 23B.01.410.

(18) "Person" includes an individual and an entity.

(19) "Principal office" means the office, in or out of this state, so designated in the annual report where the principal executive offices of a domestic or foreign corporation are located.

(20) "Proceeding" includes civil suit and criminal, administrative, and investigatory action.

(21) "Public company" means a corporation that has a class of shares registered with the federal securities and exchange commission pursuant to section 12 of the securities exchange act of
1934, or section 8 of the investment company act of 1940, or any successor statute, and that has more than three hundred holders of record of its shares.

"Record date" means the date established under chapter 23B.07 RCW on which a corporation determines the identity of its shareholders and their shareholdings for purposes of this title. The determinations shall be made as of the close of business on the record date unless another time for doing so is specified when the record date is fixed.

"Secretary" means the corporate officer to whom the board of directors has delegated responsibility under RCW 23B.08.400(3) for custody of the minutes of the meetings of the board of directors and of the shareholders and for authenticating records of the corporation.

"Shares" means the units into which the proprietary interests in a corporation are divided.

"Shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

"State," when referring to a part of the United States, includes a state and commonwealth, and their agencies and governmental subdivisions, and a territory and insular possession, and their agencies and governmental subdivisions, of the United States.

"Subscriber" means a person who subscribes for shares in a corporation, whether before or after incorporation.

"United States" includes a district, authority, bureau, commission, department, and any other agency of the United States.
"Voting group" means all shares of one or more classes or series that under the articles of incorporation or this title are entitled to vote and be counted together collectively on a matter at a meeting of shareholders. All shares entitled by the articles of incorporation or this title to vote generally on the matter are for that purpose a single voting group.

Sec. 36. RCW 23B.04.010 and 1989 c 165 s 37 are each amended to read as follows:

(1) A corporate name:

(a) Must contain the word "corporation," "incorporated," "company," or "limited," or the abbreviation "corp.," "inc.," "co.," or "ltd."

(b) Must not contain language stating or implying that the corporation is organized for a purpose other than those permitted by RCW 23B.03.010 and its articles of incorporation;

(c) Must not contain any of the following words or phrases: "Bank," "banking," "banker," "trust," "cooperative," or any combination of the words "industrial" and "loan," or any combination of any two or more (([of the])) of the words "building," "savings," "loan," "home," "association," and "society," or any other words or phrases prohibited by any statute of this state; and

(d) Except as authorized by subsections (2) and (3) of this section, must be distinguishable upon the records of the secretary of state from:

(i) The corporate name of a corporation incorporated or authorized to transact business in this state;

(ii) A corporate name reserved or registered under RCW 23B.04.020 or 23B.04.030;
(iii) The fictitious name adopted pursuant to RCW 23B.15.060 by a foreign corporation authorized to transact business in this state because its real name is unavailable;

(iv) The corporate name of a not-for-profit corporation incorporated or authorized to conduct affairs in this state; and

(v) The name or reserved name of a foreign or domestic limited partnership formed or registered under chapter 25.10 RCW.

(2) A corporation may apply to the secretary of state for authorization to use a name that is not distinguishable upon the records from one or more of the names described in subsection (1) of this section. The secretary of state shall authorize use of the name applied for if:

(a) The other corporation, holder, or limited partnership consents to the use in writing and files with the secretary of state documents necessary to change its name or the name reserved or registered to a name that is distinguishable upon the records of the secretary of state from the name of the applying corporation; or

(b) The applicant delivers to the secretary of state a certified copy of the final judgment of a court of competent jurisdiction establishing the applicant’s right to use the name applied for in this state.

(3) A corporation may use the name, including the fictitious name, of another domestic or foreign corporation, or of a domestic or foreign limited partnership, that is used in this state if the other corporation is incorporated or authorized to transact business in this state, or if the limited partnership is formed or authorized to transact business in this state, and the proposed user corporation:

(a) Has merged with the other corporation or limited partnership;

or

(b) Has been formed by reorganization of the other corporation.
(4) This title does not control the use of assumed business names or "trade names."

Sec. 37. RCW 23B.13.020 and 1989 c 165 s 141 are each amended to read as follows:

(1) A shareholder is entitled to dissent from, and obtain payment of the fair value of the shareholder’s shares in the event of, any of the following corporate actions:

(a) Consummation of a plan of merger to which the corporation is a party (i) if shareholder approval is required for the merger by RCW 23B.11.030, section 38 of this act, or the articles of incorporation and the shareholder is entitled to vote on the merger, or (ii) if the corporation is a subsidiary that is merged with its parent under RCW 23B.11.040;

(b) Consummation of a plan of share exchange to which the corporation is a party as the corporation whose shares will be acquired, if the shareholder is entitled to vote on the plan;

(c) Consummation of a sale or exchange of all, or substantially all, of the property of the corporation other than in the usual and regular course of business, if the shareholder is entitled to vote on the sale or exchange, including a sale in dissolution, but not including a sale pursuant to court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of the sale will be distributed to the shareholders within one year after the date of sale;

(d) An amendment of the articles of incorporation that materially reduces the number of shares owned by the shareholder to a fraction of a share if the fractional share so created is to be acquired for cash under RCW 23B.06.040; or
(e) Any corporate action taken pursuant to a shareholder vote to the extent the articles of incorporation, bylaws, or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares.

(2) A shareholder entitled to dissent and obtain payment for the shareholder’s shares under this chapter may not challenge the corporate action creating the shareholder’s entitlement unless the action fails to comply with the procedural requirements imposed by this title, sections 17 through 28 of this act, the articles of incorporation, or the bylaws, or is fraudulent with respect to the shareholder or the corporation.

(3) The right of a dissenting shareholder to obtain payment of the fair value of the shareholder’s shares shall terminate upon the occurrence of any one of the following events:

(a) The proposed corporate action is abandoned or rescinded;

(b) A court having jurisdiction permanently enjoins or sets aside the corporate action; or

(c) The shareholder’s demand for payment is withdrawn with the written consent of the corporation.

NEW SECTION. Sec. 38. A new section is added to chapter 23B.11 RCW to read as follows:

(1) One or more domestic corporations may merge with one or more limited partnerships if:

(a) The board of directors of each corporation adopts and the shareholders of each corporation approve, if approval would be necessary, the plan of merger as required by RCW 23B.11.030; and

(b) The partners of each limited partnership approve the plan of merger as required by section 13 of this act.

(2) The plan of merger must set forth:
(a) The name of each corporation and limited partnership planning to merge and the name of the surviving corporation or limited partnership into which each other corporation or limited partnership plans to merge;

(b) The terms and conditions of the merger; and

(c) The manner and basis of converting the shares of each corporation and the partnership interests of each limited partnership into shares, partnership interests, obligations or other securities of the surviving corporation or limited partnership, or into cash or other property, including shares, obligations, or securities of any other corporation, and partnership interests, obligations, or securities of any other limited partnership, in whole or in part.

(3) The plan of merger may set forth:

(a) Amendments to the articles of incorporation of the surviving corporation;

(b) Amendments to the certificate of limited partnership of the surviving limited partnership; and

(c) Other provisions relating to the merger.

NEW SECTION. Sec. 39. A new section is added to chapter 23B.11 RCW to read as follows:

After a plan of merger for one or more corporations and one or more limited partnerships is approved by the shareholders of each corporation (or adopted by the board of directors of any corporation for which shareholder approval is not required), and is approved by the partners for each limited partnership as required by section 13 of this act, the surviving entity must:

(1) If the surviving entity is a corporation, file with the secretary of state articles of merger setting forth:

(a) The plan of merger;
(b) A statement that the merger was duly approved by the shareholders of each corporation pursuant to RCW 23B.11.030 (or a statement that shareholder approval was not required for a merging corporation); and

(c) A statement that the merger was duly approved by the partners of each limited partnership pursuant to section 13 of this act.

(2) If the surviving entity is a limited partnership, comply with the requirements in section 14 of this act.

NEW SECTION. Sec. 40. A new section is added to chapter 23B.11 RCW to read as follows:

When a merger of one or more corporations and one or more limited partnerships takes effect, and a corporation is the surviving entity:

(1) Every other corporation and every limited partnership party to the merger merges into the surviving corporation and the separate existence of every corporation except the surviving corporation, and every limited partnership, ceases;

(2) The title to all real estate and other property owned by each corporation and limited partnership party to the merger is vested in the surviving corporation without reversion or impairment;

(3) The surviving corporation has all the liabilities of each corporation and limited partnership party to the merger;

(4) A proceeding pending against any corporation or limited partnership party to the merger may be continued as if the merger did not occur or the surviving corporation may be substituted in the proceeding for the corporation or limited partnership whose existence ceased;

(5) The articles of incorporation of the surviving corporation are amended to the extent provided in the plan of merger;
(6) The former holders of the shares of every corporation party to
the merger are entitled only to the rights provided in the plan of
merger or to their rights under chapter 23B.13 RCW; and
(7) The former holders of partnership interests of every limited
partnership party to the merger are entitled only to the rights
provided in the plan of merger or to their rights under chapter 25.10
RCW.

NEW SECTION. Sec. 41. A new section is added to chapter 23B.11
RCW to read as follows:
(1) One or more foreign limited partnerships and one or more
foreign corporations may merge with one or more domestic corporations,
provided that:
(a) The merger is permitted by the law of the jurisdiction under
which each foreign limited partnership was organized and the law of the
state or country under which each foreign corporation was incorporated
and each foreign limited partnership or foreign corporation complies
with that law in effecting the merger;
(b) If the surviving entity is a foreign or domestic corporation,
that corporation complies with section 39 of this act;
(c) If the surviving entity is a foreign or domestic limited
partnership, that limited partnership complies with section 14 of this
act;
(d) Each domestic corporation complies with section 38 of this act;
and
(e) Each domestic limited partnership complies with section 13 of
this act.
(2) Upon the merger taking effect, a surviving foreign corporation
or limited partnership is deemed:
(a) To appoint the secretary of state as its agent for service of
process in a proceeding to enforce any obligation or the rights of
dissenting shareholders or partners of each domestic corporation or
domestic limited partnership party to the merger; and
(b) To agree that it will promptly pay to the dissenting
shareholders or partners of each domestic corporation or domestic
limited partnership party to the merger the amount, if any, to which
they are entitled under chapter 23B.13 RCW, in the case of dissenting
shareholders, or under chapter 25.10 RCW, in the case of dissenting
partners.

NEW SECTION. Sec. 42. Sections 17 through 28 of this act
constitute a new article in chapter 25.10 RCW and shall be codified
with the heading of "DISSENTERS’ RIGHTS."

NEW SECTION. Sec. 43. A new section is added to chapter 25.10 RCW
to read as follows:

The secretary of state may commence a proceeding under section 45
of this act to revoke registration of a foreign limited partnership
authorized to transact business in this state if:
(1) The foreign limited partnership is without a registered agent
or registered office in this state for sixty days or more;
(2) The foreign limited partnership does not inform the secretary
of state under RCW 25.10.520 that its registered agent or registered
office has changed, that its registered agent has resigned, or that its
registered office has been discontinued within sixty days of the
change, resignation, or discontinuance;
(3) A general partner or other agent of the foreign limited
partnership signed a document knowing it was false in any material
respect with intent that the document be delivered to the secretary of
state for filing; or

(4) The secretary of state receives a duly authenticated
certificate from the secretary of state or other official having
custody of partnership records in the jurisdiction under which the
foreign limited partnership was organized stating that the foreign
limited partnership has been dissolved or its limited partnership
certificate canceled.

NEW SECTION. Sec. 44. A new section is added to chapter 25.10 RCW
to read as follows:

(1) If the secretary of state determines that one or more grounds
exist under section 43 of this act for revocation of a foreign limited
partnership’s registration, the secretary of state shall give the
foreign limited partnership written notice of the determination by
first class mail, postage prepaid, stating in the notice the ground or
grounds for and effective date of the secretary of state’s
determination, which date shall not be earlier than the date on which
the notice is mailed.

(2) If the foreign limited partnership does not correct each ground
for revocation or demonstrate to the reasonable satisfaction of the
secretary of state that each ground determined by the secretary of
state does not exist within sixty days after notice is effective, the
secretary of state shall revoke the foreign limited partnership’s
registration by signing a certificate of revocation that recites the
ground or grounds for revocation and its effective date. The secretary
of state shall file the original of the certificate and mail a copy to
the foreign limited partnership.

(3) Documents to be mailed by the secretary of state to a foreign
limited partnership for which provision is made in this section shall
be sent to the foreign limited partnership at the address of the agent for service of process contained in the application or certificate of this partnership which is most recently filed with the secretary of state.

(4) The authority of a foreign limited partnership to transact business in this state ceases on the date shown on the certificate revoking its registration.

(5) The secretary of state’s revocation of a foreign limited partnership’s registration appoints the secretary of state the foreign limited partnership’s agent for service of process in any proceeding based on a cause of action which arose during the time the foreign limited partnership was authorized to transact business in this state.

(6) Revocation of a foreign limited partnership’s registration does not terminate the authority of the registered agent of the foreign limited partnership.

Passed the Senate April 22, 1991. Passed the House April 17, 1991. Approved by the Governor May 17, 1991, with the exception of certain items which were vetoed. Filed in Office of Secretary of State May 17, 1991.

Note: Governor’s explanation of partial veto is as follows:

"I am returning herewith, without my approval as to sections 8 and 9, Senate Bill No. 5148 entitled:"

"AN ACT Relating to Limited Partnerships."

This legislation provides beneficial flexibility to limited partnerships so they can merge with each other or with corporations. Additional statutory changes clarify and add certainty to filing requirements.

Sections 8 and 9, however, would significantly change business operations in this state against the public interest. Limited partnerships evolved so certain business partners could invest with limited personal liability. In return for the limited liability, these partners have been proscribed from engaging in certain managerial activities. This concept protects creditors, other limited partners, clients and others who do business with partnerships. The amendments in this bill turn this concept on its face and extend the liability shield for limited partners, while removing the limits on their managerial control of the business.
For these reasons, I have vetoed sections 8 and 9 of Senate Bill No. 5148.

With the exception of sections 8 and 9, Senate Bill No. 5148 is approved."