

# SENATE BILL REPORT

## EHB 2322

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As Reported By Senate Committee On:  
Judiciary, February 18, 2000

**Title:** An act relating to partnerships and limited liability companies.

**Brief Description:** Amending the partnership and limited liability company acts.

**Sponsors:** Representatives Esser, Lantz, Constantine, Carlson and Hurst.

**Brief History:**

**Committee Activity:** Judiciary: 2/16/2000, 2/18/2000 [DP].

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### SENATE COMMITTEE ON JUDICIARY

**Majority Report:** Do pass.

Signed by Senators Heavey, Chair; Kline, Vice Chair; Costa, Hargrove, Johnson, Long, McCaslin and Thibaudeau.

**Staff:** Karen Lundahl (786-7421)

**Background:** Limited liability companies and limited partnerships are noncorporate forms of business organization which are governed by state law. Both forms offer some limitations on the liability of the persons or entities who are members, managers, or partners. The Internal Revenue Service has changed its regulations, making many of the provisions in the current Washington law obsolete. In addition, effective January 1, 1999, Washington repealed the Washington Uniform Partnership Act (RCW 25.04) and replaced it with the Washington Revised Uniform Partnership Act (RCW 25.05), making many references in the Limited Partnership Act obsolete. The Washington State Bar Association has requested changes to the statutes governing limited liability companies and limited partnerships to bring them into conformance with current federal regulation and other state laws and correct technical problems.

**Summary of Bill:** Amendments are made to the Limited Liability Company Act and the Limited Partnership Act relating to the length of existence, dissolution, and withdrawal of members, managers, or partners.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This will conform our laws governing limited liability companies and partnerships to recent changes in Internal Revenue Service regulations and avoid potential malpractice traps.

**Testimony Against:** None.

**Testified:** Bruce Benson, WSBA (pro); Brian Todd, WSBA (pro).