

**FINAL BILL REPORT**

**SB 5148**

**PARTIAL VETO**

**C 269 L 91**

**SYNOPSIS AS ENACTED**

**Brief Description:** Making multiple revisions concerning limited partnerships.

**SPONSORS:** Senators Nelson, A. Smith and Newhouse.

**SENATE COMMITTEE ON LAW & JUSTICE**

**HOUSE COMMITTEE ON JUDICIARY**

**BACKGROUND:**

The Legislature adopted the Uniform Limited Partnership Act in 1981. The act was subsequently modified in 1987 to incorporate several substantive revisions recommended by the Partnership Law Committee of the Washington State Bar Association.

It is suggested that the Limited Partnership Act be amended to update certain provisions.

**SUMMARY:**

A limited partnership is expressly authorized to merge with another limited partnership or with a corporation. The rights of dissenting partners and the procedures through which such rights may be exercised are provided. A merger may be accomplished pursuant to specific statutory requirements or pursuant to provisions contained within the partnership agreement.

Limited partners are no longer liable to third parties for the obligations of the limited partnership based solely on their status as limited partners. A creditor's recourse is restricted to the limited partnership entity, general partners, and guarantors.

Guidelines governing a limited partner's liability for unlawful distributions are provided. A three year statute of limitation for recovery of unlawful distributions is created. A limited partner may agree in writing to extend such liability beyond the three-year period.

The name of each limited partnership must be distinguishable from the names of other limited partnerships registered with the Secretary of State.

The two-step procedure of filing a certificate of dissolution as well as a certificate of cancellation upon ending a limited partnership is eliminated.

An agent or attorney representing a limited partner is authorized to inspect and copy records on the limited partner's behalf.

New provisions are added for the administrative dissolution of limited partnerships by the Secretary of State. The Secretary of State is also authorized to revoke the registration of foreign limited partnerships under certain circumstances.

**VOTES ON FINAL PASSAGE:**

Senate	46	3	
House	95	0	(House amended)
Senate	45	1	(Senate concurred)

**EFFECTIVE:** July 28, 1991

**Partial Veto Summary:** The section of the bill is deleted which provides that a partnership agreement may authorize a limited partner to exercise the rights and powers of a general partner. In addition, the section of the bill is deleted which provides that a limited partner is not liable for the obligations of a limited partnership by virtue of being a limited partner or participating in the management or control of the limited partnership business. (See VETO MESSAGE)