

March 8, 1999

S 297. LIMITED PARTNERSHIP CHANGES. TO MAKE TECHNICAL AND OTHER CHANGES REGARDING LIMITED PARTNERSHIPS AND THE NORTH CAROLINA REVISED UNIFORM LIMITED PARTNERSHIP ACT. Amends G.S. 1-79 to specify that legal residence for purposes of suing and being sued is the same for a domestic limited partnership and limited liability company as it is for a domestic corporation. Makes numerous clarifying changes to Chpt. 59 regarding Limited Partnerships. Deletes present provisions in G.S. 59-303 regarding liability of partners to third parties and replaces it with provision specifying that a limited partner is not liable for obligations of a limited partnership and does not become liable by participating in the management of the limited partnership. Amends G.S. 59-603 to provide that in cases where the partnership agreement makes no provision for the withdrawal of a limited partner, a limited partner may not withdraw prior to the time for dissolution and winding up of the partnership. This specific amendment applies to 1) any limited partnership formed before October 1, 1999 only if adopted in writing by its partners or as part of its partnership agreement and 2) to all limited partnerships formed on or after October 1, 1999. Other provisions in act becomes effective October 1, 1999, and applies to suits filed on or after that date.

Intro. by Clodfelter.

Ref. to Judiciary I

GS 1, 59

April 21, 1999

S 297. LIMITED PARTNERSHIP LAW CHANGES. Intro. 3/8/99. Senate committee substitute makes the following changes to 1st edition. Adds provisions clarifying the limit of liability in professional organizations, providing for the registration of foreign limited liability partnerships, and requiring annual reports by limited liability partnerships.

Amends GS 55B-9(b) to provide that a shareholder, director or officer of a professional corporation is not individually liable for the debts, obligations, and liabilities of, or chargeable to the corporation arising from the malpractice of another shareholder, director or officer of the corporation. However, the liability a shareholder, director or officer for his own acts in the rendering of a professional service is unaffected.

Amends GS 57C-2-01(c) to provide that a member or manager of a professional limited liability company is not individually liable for debts arising from the malpractice by another member, employee, agent or representative of the company but his liability for his own acts is unaffected.

Rewrites GS 59-32 which defines a foreign limited liability partnership. Amends GS 59-45 to provide that a partner in a limited liability partnership is not individually liable for the partnership's debts solely because of being a partner nor does the partner become liable by participating in the management or control of the partnership's business, and to provide that there is no individual liability of a partner for the malpractice of another partner in rendering professional services.

Rewrites GS 59-84.2 to increase the fee for an application for registration as a limited liability partnership and to require additional information on said application.

Adds a new GS Ch. 59, Article 3B requiring registered limited liability partnerships to file with the Secretary of State an annual report containing specific information accompanied by a \$200 fee no later than the fourth month following the close of the partnership's fiscal year. If the partnership's annual report is not filed or if specific conditions are not met, the Secretary of State may revoke the partnership's registration.

Adds a new GS Ch. 59, Article 4A relating to foreign limited liability partnerships. Requires a foreign limited liability partnership to file an application for registration and details what information the application must contain. Also describes the effects of a foreign limited liability partnership's failure to register which includes a civil penalty of \$10 per day, but not to exceed a total of \$1,000 for each year it transacts business without being registered. Specifies those activities that do not constitute transacting business.

June 16, 1999

S 297. LTD. PTNERSP./PROF. LIABILITY CHANGES. Intro. 3/8/99. House committee substitute makes the following changes to 2nd edition. Amends bill to include registered limited liability partnerships in GS 1-79 for purposes of determining the residence of the entity being sued. Adds

proposed GS 59-84.2(a)(7) requiring a registered limited liability partnership to include the fiscal year end of the partnership on its application with the Secretary of the State. Adds language to proposed GS 59-84.4(c) providing that the fee of \$200 that accompanies the registered or foreign limited liability partnership's annual report shall be retained by the Secretary of State. Any funds not used by the end of the fiscal year in which they were received shall revert to the General Fund.

Adds requirement in proposed GS 59-91(a) requiring a foreign limited liability partnership to provide with its application for registration a certificate of existence or similar document duly authenticated by the secretary of state or other official having custody of the records of the entity in the state or county under whose law it is registered. Amends proposed GS 59-91(b) to allow the registered agent of a foreign limited liability partnership to be one of the following: an individual who is a resident of this State and whose business office is identical with the registered office; a domestic corporation, non-profit corporation or limited liability company whose business office is identical with the registered office; or a foreign corporation, nonprofit corporation, or limited liability company authorized to transact business in this state whose business office is identical with the registered office. Deletes paragraph from GS 59-92 making the Secretary of State the agent for a foreign limited liability partnership that fails to register to transact business in this state.

Makes technical changes to GS 59-901.

Modifies effective date such Sections 4, 6, 7, 8 and 9 become effective January 1, 2000, and apply to registered limited liability partnerships formed on or after that date. Section 10 becomes effective January 1, 2000 and applies to foreign limited liability partnerships formed on or after that date. The remainder of the act becomes effective October 1, 1999.

July 5, 1999

S 297. LIMITED PARTNERSHIP LAW CHANGES. Intro. 3/8/99. House committee substitute makes the following changes to 4th edition. Requires that annual reports of limited liability partnerships and registration applications of foreign limited liability partnerships state the fiscal year end of the partnership. Deletes provision relating to use and reversion of fees required to accompany annual reports of limited liability partnerships. Rewords effective date and applicability provisions.