SENATE BILL NO. 87

INTRODUCED BY MAZUREK

IN THE SENATE

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January 10, 1985		Introduced and referred to Committee on Judiciary.
January 23, 1985		Committee recommend bill do pass. Report adopted.
January 24, 1985		Bill printed and placed on members' desks.
January 25, 1985		Second reading, do pass.
January 26, 1985		Considered correctly engrossed.
January 28, 1985		Third reading, passed. Ayes, 49; Noes, 0.
		Transmitted to House.
	IN THE	HOUSE
January 29, 1985		Introduced and referred to Committee on Judiciary.
March 7, 1985		Committee recommend bill be concurred in. Report adopted.
March 9, 1985		Second reading, concurred in.
March 11, 1985		Third reading, concurred in.
		Returned to Senate.
	IN THE	SENATE
March 12, 1985		Received from House.
		Sent to enrolling
		Reported correctly enrolled.

LC 0186/01

INTRODUCED BY The quile 1 2 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE 5 LIABILITIES OF GENERAL PARTNERS IN A LIMITED PARTNERSHIP AND 6 OF PERSONS WHO ERRONEOUSLY BELIEVE THEY ARE LIMITED PARTNERS 7 IN A LIMITED PARTNERSHIP; AMENDING SECTIONS 35-12-704 AND 8 35-12-803, MCA."

9 10

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

Section 1. Section 35-12-704, MCA, is amended to read: 11 "35-12-704. Person erroneously believing himself a 12 limited partner. (1) Except as provided in subsection (2), a 13 person who makes a contribution to a business enterprise and 14 erroneously and in good faith believes that he has become a 15 limited partner in the enterprise is not a general partner 16 in the enterprise and is not bound by its obligations by 17 reason of making the contribution, receiving distributions 18 from the enterprise, or exercising any rights of a limited 19 partner if, on ascertaining the mistake, he: 20

(a) causes an appropriate certificate of limited
partnership or a certificate of amendment to be executed and
filed; or

(b) withdraws from future equity participation in the
 enterprise by executing and filing in the office of the

Montana Legislative Council

1 secretary of state a certificate declaring withdrawal under

2 this section.

(2) Any person who makes a contribution of the kind 3 described in subsection (1) is liable as a general partner 4 to any third party who transacts business with the 5 enterprise before the person withdraws and an appropriate 6 certificate if any is filed to show the withdrawal or before 7 an appropriate certificate is filed to show his status as a я limited partner and, in the case of an amendment, after 9 expiration of the 30-day period for filing an amendment 10 11 relating to the person as a limited partner under 35-12-602, 12 but in each case only if the third party actually believed 13 in good faith that the person was a general partner at the 14 time of the transaction."

Section 2. Section 35-12-803, MCA, is amended to read: "35-12-803. General powers and liabilities. (1) Except as otherwise provided in this chapter and in the partnership agreement, a general partner of a limited partnership has all the rights and powers and is subject to all the restrictions and--liabilities of a partner in a partnership without limited partners.

22 (2) Except as otherwise provided in this chapter, a
23 general partner of a limited partnership has the liabilities
24 of a partner in a partnership without limited partners to
25 persons other than the partnership and the other partners.

-2- INTRODUCED BILL SB 87

- 1 Except as provided in this chapter or in the partnership
- 2 agreement, a general partner of a limited partnership has
- 3 the liabilities of a partner in a partnership without
- 4 limited partners to the partnership and to the other
- 5 partners."

-End-

APPROVED BY COMMITTEE ON JUDICIARY

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21 (a) causes an appropriate certificate of limited
22 partnership or a certificate of amendment to be executed and
23 filed; or

24 (b) withdraws from future equity participation in the25 enterprise by executing and filing in the office of the



1 secretary of state a certificate declaring withdrawal under

2 this section.

3 (2) Any person who makes a contribution of the kind 4 described in subsection (1) is liable as a general partner 5 to any third party who transacts business with the 6 enterprise before the person withdraws and an appropriate 7 certificate if any is filed to show the withdrawal or before 8 an appropriate certificate is filed to show his status as a 9 limited partner and, in the case of an amendment, after 10 expiration of the 30-day period for filing an amendment 11 relating to the person as a limited partner under 35-12-602, but in each case only if the third party actually believed 12 13 in good faith that the person was a general partner at the 14 time of the transaction."

Section 2. Section 35-12-803, MCA, is amended to read: "35-12-803. General powers and liabilities. (1) Except as otherwise provided in this chapter and in the partnership agreement, a general partner of a limited partnership has all the rights and powers and is subject to all the restrictions and--liabilities of a partner in a partnership without limited partners.

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-2- SECOND READING SB 87

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- 1 Except as provided in this chapter or in the partnership
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- 4 limited partners to the partnership and to the other
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-End- '

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 THIRD READING

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SB 0087/02

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SB 0087/02

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-2-



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-End-

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