

SENATE BILL NO. 87  
INTRODUCED BY MAZUREK

IN THE SENATE

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 concurrred in. Report adopted.
March 9, 1985	Second reading, concurrred in.
March 11, 1985	Third reading, concurrred in. Returned to Senate.

IN THE SENATE

March 12, 1985	Received from House. Sent to enrolling Reported correctly enrolled.
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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:

11 Section 1. Section 35-12-704, MCA, is amended to read:

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

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 the  
 25 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,  
 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."

15 Section 2. Section 35-12-803, MCA, is amended to read:

16 "35-12-803. General powers and liabilities. (1) Except  
 17 as otherwise provided in this chapter and in the partnership  
 18 agreement, a general partner of a limited partnership has  
 19 all the rights and powers and is subject to all the  
 20 restrictions ~~and--liabilities~~ of a partner in a partnership  
 21 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.

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-End-

APPROVED BY COMMITTEE  
ON JUDICIARY

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