
By: **Delegate Finifter**
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Assigned to: Rules and Executive Nominations
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Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 27, 1998

CHAPTER _____

1 AN ACT concerning

2 **Limited Partnerships - ~~Dissolution~~**

3 FOR the purpose of allowing a limited partnership to have a perpetual existence in
4 certain circumstances; altering the circumstances under which a limited partner
5 may withdraw from a limited partnership; clarifying a partner's entitlement, on
6 withdrawal from the limited partnership, to distributions from that limited
7 partnership; and generally relating to limited partnerships.

8 BY repealing and reenacting, with amendments,
9 Article - Corporations and Associations
10 Section 10-201, 10-603, and 10-604
11 Annotated Code of Maryland
12 (1993 Replacement Volume and 1997 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Corporations and Associations**

16 10-201.

17 (a) One or more general and limited partners may form a limited partnership.
18 To do so all of the general partners must execute a certificate of limited partnership.
19 The certificate of limited partnership shall be filed with the Department and set
20 forth:

21 (1) The name of the limited partnership;

1 (2) The address of its principal office in this State and the name and
2 address of its resident agent;

3 (3) The name and the business, residence, or mailing address of each
4 general partner;

5 (4) The latest date upon which the limited partnership is to dissolve AND
6 IF NO DISSOLUTION DATE IS STATED IN THE PARTNERSHIP AGREEMENT, SUBJECT
7 TO THE PROVISIONS OF § 10-801 OF THIS TITLE, THE LIMITED PARTNERSHIP SHALL
8 HAVE A PERPETUAL EXISTENCE WHICH SHALL BE SO STATED IN THE CERTIFICATE;
9 and

10 (5) Any other matters the partners determine to include in the
11 certificate of limited partnership.

12 (b) A limited partnership is formed at the time of the filing of the initial
13 certificate with the Department or at any later time specified in the certificate if, in
14 either case, there has been substantial compliance with the requirements of this
15 section.

16 10-603.

17 (A) A limited partner may withdraw from a limited partnership at the time or
18 on the happening of events specified in the partnership agreement. [If the
19 partnership agreement does not specify the time or the events on the happening of
20 which a limited partner may withdraw or a definite time for the dissolution and
21 winding up of the limited partnership, a limited partner may withdraw on not less
22 than 6 months' prior written notice to each general partner at the general partner's
23 address on the books of the limited partnership.] IF THE PARTNERSHIP AGREEMENT
24 DOES NOT SPECIFY THE TIME OR THE EVENTS ON THE OCCURRENCE OF WHICH A
25 LIMITED PARTNER MAY WITHDRAW, A LIMITED PARTNER MAY NOT WITHDRAW
26 BEFORE THE DISSOLUTION AND WINDING UP OF THE LIMITED PARTNERSHIP.

27 (B) A LIMITED PARTNER MAY WITHDRAW ON NOT LESS THAN 6 MONTHS'
28 PRIOR WRITTEN NOTICE TO EACH GENERAL PARTNER AT THE GENERAL PARTNER'S
29 ADDRESS ON THE BOOKS OF THE LIMITED PARTNERSHIP IF THE FOLLOWING
30 CONDITIONS ARE MET:

31 (1) THE LIMITED PARTNERSHIP WAS FORMED BEFORE OCTOBER 1, 1998;

32 (2) ON OCTOBER 1, 1998, THE PARTNERSHIP AGREEMENT OF THE
33 LIMITED PARTNERSHIP DID NOT SPECIFY IN WRITING THE TIME OR THE EVENTS ON
34 THE OCCURRENCE OF WHICH A LIMITED PARTNER MAY WITHDRAW OR A DEFINITE
35 TIME FOR THE DISSOLUTION AND THE WINDING UP OF THE LIMITED PARTNERSHIP;
36 AND

37 (3) THE LIMITED PARTNERSHIP DID NOT AMEND ITS PARTNERSHIP
38 AGREEMENT ON OR AFTER OCTOBER 1, 1998 TO SPECIFY IN WRITING THE TIME OR
39 THE EVENTS ON THE OCCURRENCE OF WHICH A LIMITED PARTNER MAY WITHDRAW

1 OR A DEFINITE TIME FOR THE DISSOLUTION AND WINDING UP OF THE LIMITED
2 PARTNERSHIP.

3 10-604.

4 Except as otherwise provided in this subtitle, on withdrawal any withdrawing
5 partner is entitled to receive any distribution to which [he] THE PARTNER is entitled
6 under the partnership agreement and, if not otherwise provided in the partnership
7 agreement, [he] THE PARTNER is entitled to receive, within a reasonable time after
8 withdrawal, the fair value of [his] THE PARTNER'S partnership interest in the limited
9 partnership as of the date of withdrawal, BASED ON THE PARTNER'S RIGHT TO SHARE
10 IN DISTRIBUTIONS FROM THE LIMITED PARTNERSHIP.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 1998.