

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Revised

House Bill 1381 (Delegate Finifter)
Economic Matters

Limited Partnerships

This bill provides that a limited partnership may have perpetual existence as stated in a limited partnership certificate and as subject to current law. It also restricts the ability of a limited partner to withdraw from a limited partnership if the partnership agreement did not provide for withdrawal terms.

Fiscal Summary

State Effect: None. This bill would not affect State activities or operations.

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

Bill Summary: This bill provides that a limited partner may withdraw from a limited partnership on not less than six months written notice to each general partner if: (1) the limited partnership was formed before October 1, 1998, and the partnership agreement on October 1, 1998 did not specify in writing withdrawal terms or a definite time for the dissolution of the limited partnership; and (2) the partnership agreement was not amended on or after October 1, 1998 to specify in writing withdrawal terms or a definite time for the dissolution of the limited partnership.

The bill also provides a basis for determining the fair value of a partnership interest that a partner withdrawing from a limited partnership is entitled to by specifying that it be based on the partner's right to share in distributions from the partnership.

Information Sources: Department of Assessments and Taxation, Department of Legislative Services

Fiscal Note History: First Reader - March 17, 1998
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