

*Substituted by
HF 2280
3-17-94
(R 132)*

*(P. 530) 3/7/94 Referred from Clada
to Ways & Means
(P. 635) 3-10-94 Do Pass*

FILED MAR 2 1994

SENATE FILE 2240
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 2190)
(COMPANION TO HF 2280)

WITHDRAWN

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing limited liability partnerships and providing
2 a fee.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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WITHDRAWN

S.F. 2240

1 Section 1. Section 486.2, Code 1993, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 7. "Registered limited liability
4 partnership" means a partnership formed pursuant to an
5 agreement governed by the laws of this state, registered under
6 section 486.44, and complying with sections 486.45 and 486.46.

7 Sec. 2. Section 486.6, subsection 1, Code 1993, is amended
8 to read as follows:

9 1. A partnership is an association of two or more persons
10 to carry on as co-owners a business for profit, and includes a
11 registered limited liability partnership.

12 Sec. 3. Section 486.15, Code 1993, is amended to read as
13 follows:

14 486.15 NATURE OF PARTNER'S LIABILITY.

15 1. All Except as otherwise provided in this section, all
16 partners are liable:

17 1 a. Jointly and severally for everything chargeable to
18 the partnership under sections 486.13 and 486.14.

19 2 b. Jointly for all other debts and obligations of the
20 partnership; but any partner may enter into a separate
21 obligation to perform a partnership contract.

22 2. A partner in a registered limited liability partnership
23 is not liable directly or indirectly, including by way of
24 indemnification, contribution, or otherwise, for debts,
25 obligations, and liabilities chargeable to the partnership
26 arising from negligence, wrongful acts, or misconduct, which
27 occurs while the partnership is a registered limited liability
28 partnership and which also occurs in the course of the
29 partnership's business, by another partner or an employee,
30 agent, or representative of the partnership. However, this
31 section shall not affect the liability of a partner in a
32 registered limited liability partnership for the partner's own
33 negligence, wrongful acts, or misconduct, or for the
34 negligence, wrongful acts, or misconduct of any person under
35 the partner's direct supervision and control.

1 Sec. 4. Section 486.18, subsection 1, Code 1993, is
2 amended to read as follows:

3 1. Each partner shall be repaid the partner's
4 contributions, whether by way of capital or advances to the
5 partnership property and share equally in the profits and
6 surplus remaining after all liabilities, including those to
7 partners, are satisfied; and must contribute towards the
8 losses, whether of capital or otherwise, sustained by the
9 partnership according to the partner's share in the profits to
10 the extent of such partner's liability as provided in section
11 486.15.

12 Sec. 5. Section 486.34, Code 1993, is amended to read as
13 follows:

14 486.34 RIGHT OF PARTNER TO CONTRIBUTION FROM COPARTNERS
15 AFTER DISSOLUTION.

16 Where the dissolution is caused by the act, death, or
17 bankruptcy of a partner, each partner is liable to that
18 partner's copartners for that partner's share of any liability
19 created by any partner acting for the partnership as if the
20 partnership had not been dissolved unless any of the following
21 apply:

22 1. The dissolution being by act of any partner, the
23 partner acting for the partnership had knowledge of the
24 dissolution, ~~or~~.

25 2. The dissolution being by the death or bankruptcy of a
26 partner, the partner acting for the partnership had knowledge
27 or notice of the death or bankruptcy.

28 3. The liability created is for a debt, obligation, or
29 liability for which the partner is not liable pursuant to
30 section 486.15.

31 Sec. 6. Section 486.36, subsection 4, Code 1993, is
32 amended to read as follows:

33 4. The individual property of a deceased partner ~~shall be~~
34 is liable for all obligations of the partnership incurred
35 while the deceased partner was a partner, as provided in

1 section 486.15, but subject to the prior payment of the
2 deceased partner's separate debts.

3 Sec. 7. Section 486.40, subsection 1, paragraph b, Code
4 1993, is amended to read as follows:

5 b. The contributions of the partners necessary for the
6 payment of all the liabilities specified in subsection 2 4.

7 Sec. 8. Section 486.40, subsection 4, Code 1993, is
8 amended to read as follows:

9 4. The partners shall contribute, as provided by section
10 486.18, ~~subsection 17~~, the amount necessary to satisfy the
11 liabilities; but if any, but not all of the partners are
12 insolvent, or, not being subject to process, refuse to
13 contribute, the other partners shall contribute their share of
14 the liabilities, and, in the relative proportions in which
15 they share the profits, the additional amount necessary to pay
16 the liabilities to the extent the partners which are insolvent
17 or not subject to process would be liable pursuant to section
18 486.18.

19 Sec. 9. NEW SECTION. 486.44 REGISTERED LIMITED LIABILITY
20 PARTNERSHIPS.

21 1. A partnership shall file with the secretary of state an
22 application or a renewal application, to become or to continue
23 as a registered limited liability partnership, as the case may
24 be, stating the name of the partnership; the address of its
25 principal office, if the partnership's principal office is not
26 located in this state; the address of a registered office and
27 the name and address of a registered agent for service of
28 process in this state, which the partnership is required to
29 maintain; the number of partners; a brief statement of the
30 business in which the partnership is engaged; and that the
31 partnership is applying to become or renew its status as a
32 registered limited liability partnership.

33 2. The application or renewal application shall be
34 executed by a majority in interest of the partners or by one
35 or more partners authorized to execute an application or

1 renewal application.

2 3. The application or renewal application shall be
3 accompanied by a fee of one hundred dollars.

4 4. The secretary of state shall register as a registered
5 limited liability partnership, or shall renew the registration
6 of any registered limited liability partnership, any
7 partnership that submits a completed application or renewal
8 application with the required fee.

9 5. Registration is effective for one year after the date
10 an application is filed, unless voluntarily withdrawn by
11 filing with the secretary of state a written withdrawal notice
12 executed by a majority in interest of the partners or by one
13 or more partners authorized to execute a withdrawal notice.
14 Registration as a registered limited liability partnership is
15 renewed if, during the sixty-day period preceding or the one-
16 year period following the date the application or renewal
17 application otherwise would have expired, the partnership
18 files with the secretary of state a renewal application. A
19 renewal application filed pursuant to this subsection expires
20 one year after the date the previous registration period would
21 have expired if the renewal had not been filed.

22 6. The status of a partnership as a registered limited
23 liability partnership shall not be affected by changes after
24 the filing of an application or a renewal application in the
25 information stated in the application or renewal application.

26 7. The secretary of state shall provide forms for
27 application and renewal of registration pursuant to this
28 section.

29 Sec. 10. NEW SECTION. 486.45 NAME OF REGISTERED LIMITED
30 LIABILITY PARTNERSHIP.

31 The name of a registered limited liability partnership
32 shall contain the words "Registered Limited Liability
33 Partnership" or the abbreviation "L.L.P." as the last words or
34 letters of its name.

35 Sec. 11. NEW SECTION. 486.46 APPLICABILITY TO FOREIGN

1 AND INTERSTATE COMMERCE.

2 1. A partnership, including a registered limited liability
3 partnership, formed and existing under this chapter, may
4 conduct its business, carry on its operations, and have and
5 exercise the powers granted by this chapter in any state,
6 territory, district, or possession of the United States or in
7 any foreign country.

8 2. It is the intent of the general assembly that the legal
9 existence of a registered limited liability partnership formed
10 and existing under this chapter be recognized outside the
11 boundaries of this state and that the laws of this state
12 governing such registered limited liability partnerships
13 transacting business outside this state be granted the
14 protection of full faith and credit under the Constitution of
15 the United States.

16 3. It is the policy of this state that the internal
17 affairs of partnerships, including registered limited
18 liability partnerships, formed and existing under this
19 chapter, including the liability of partners for debts,
20 obligations, and liabilities chargeable to partnerships, shall
21 be subject to and governed by the laws of this state.

22 4. Subject to any statutes for the regulation and control
23 of specific types of business, registered limited liability
24 partnerships formed and existing under the laws of another
25 jurisdiction, may do business in this state and are not
26 required to register with the secretary of state pursuant to
27 this chapter.

28 5. It is the policy of this state that the internal
29 affairs of partnerships, including registered limited
30 liability partnerships, formed and existing under the laws of
31 another jurisdiction, including the liability of partners for
32 debts, obligations, and liabilities chargeable to
33 partnerships, shall be subject to and governed by the laws of
34 such other jurisdiction.

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EXPLANATION

1 This bill amends chapter 486, relating to partnerships by
2 establishing a limited liability partnership. The bill limits
3 the personal liability a partner has for the unsatisfied debts
4 and obligations of the partnership which arise from the
5 negligence, wrongful acts, or misconduct of another partner or
6 other persons not under that partner's direct supervision and
7 control. To become a limited liability partnership, the
8 partnership is required to register annually with the
9 secretary of state, pay a fee of \$100, and include as a part
10 of its name "a registered limited liability partnership" or
11 add to the end of its name the abbreviation "L.L.P.".

12 A partner in a registered limited liability partnership is
13 personally liable for the general obligations of the
14 partnership unless a debt, obligation, or liability is due to
15 the negligence, wrongful act, or misconduct of another partner
16 or partnership employee, agent, or representative.

17 The bill also contains provisions requiring recognition of
18 a registered limited liability partnership of another state.

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SSB - 2190
Judiciary
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SENATE FILE 2240
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON STURGEON)

Passed Senate, Date _____ Passed House, Date _____
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