

486A.703 Dissociated partner's liability to other persons.

1. A partner's dissociation does not of itself discharge the partner's liability for a partnership obligation incurred before dissociation. A dissociated partner is not liable for a partnership obligation incurred after dissociation, except as otherwise provided in [subsection 2](#).

2. A partner who dissociates without resulting in a dissolution and winding up of the partnership business is liable as a partner to the other party in a transaction entered into by the partnership, or a surviving partnership under [article 9](#), within two years after the partner's dissociation, only if the partner is liable for the obligation under [section 486A.306](#) and at the time of entering into the transaction all of the following apply:

- a. The other party reasonably believed that the dissociated partner was then a partner.
- b. The other party did not have notice of the partner's dissociation.
- c. The other party is not deemed to have had knowledge under [section 486A.303, subsection 5](#), or notice under [section 486A.704, subsection 3](#).

3. By agreement with the partnership creditor and the partners continuing the business, a dissociated partner may be released from liability for a partnership obligation.

4. A dissociated partner is released from liability for a partnership obligation if a partnership creditor, with notice of the partner's dissociation but without the partner's consent, agrees to a material alteration in the nature or time of payment of a partnership obligation.

[98 Acts, ch 1201, §35, 79, 82](#)

Referred to in [§486A.704, §486A.906](#)