

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 867

prohibits a person from being held liable for not filing an amendment required under (b) if the person files the amendment within the 30-day period allowed under (b). Subsec. (f) states that a restated certificate of limited partnership may be executed and filed in the same manner as a certificate of amendment.

Sec. 32.11.030. This is sec. 203 of the ULPA. This section directs that a certificate of limited partnership is to be canceled if the partnership is dissolved and winding up commenced or whenever there aren't any limited partners. Directs that a certificate of cancellation be filed with the department. Identifies what information the certificate of cancellation must include.

Sec. 32.11.040. This is sec. 204 of the ULPA. This section establishes how a certificate required by the chapter is to be executed. Subsec. (b) allows a person to have another person with a power of attorney sign. A power of attorney relating to the admission or increased contribution of a partner must specifically describe the admission or increase. Subsec. (c) states that the execution by a general partner constitutes an affirmation under the penalty of false swearing.

Sec. 32.11.050. This is sec. 205 of the ULPA. This section provides that any person adversely affected by a failure or refusal to sign a certificate has standing to seek judicial intervention.

Sec. 32.11.060. This is sec. 206 of the ULPA. Subsec. (a) addresses some of the mechanics for filing and department handling of certificates of limited partnership, amendment, and cancellation, and of judicial decrees of amendment or cancellation. Declares that amendments become effective when the certificate or judicial decree of amendment is filed. Declares that a certification of limited partnership is canceled when the certificate or judicial decree of cancellation is filed.

Sec. 32.11.070. This is sec. 207 of the ULPA. This section creates a right of recovery for a person who relies on a certificate that contains a false statement, if the person is damaged by the reliance. Lists the persons who are liable.

Sec. 32.11.080. This is sec. 208 of the ULPA. This section establishes what facts the certificate of limited partnership is considered to be considered notice of.

Sec. 32.11.090. This is sec. 209 of the ULPA. This section directs the general partners to deliver or mail a copy of the filed certificate of limited partnership, amendment, or cancellation to each limited partner unless the partnership agreement provides otherwise.

Sec. 32.11.100. This is sec. 301 of the ULPA. This section describes the situations in which a person may be admitted as a limited partner after the original certificate

of limited partnership is filed. States that the persons become limited partners only when the certificate of limited partnership has been amended to reflect that fact.

Sec. 32.11.110. This is sec. 302 of the ULPA. This section gives voting rights to the limited partners to the extent and in the manner granted by the partnership agreement, subject to sec. 32.11.120.

Sec. 32.11.120. This is sec. 303 of the ULPA. This section indicates when and to what extent a limited partner becomes liable for the obligations of a limited partnership. Subsec. (b) itemizes the activities undertaken by a limited partner that do not constitute participating in the control of the partnership business.

Sec. 32.11.130. This is sec. 304 of the ULPA. This section prevents a person who makes a contribution to a business enterprise from being considered a general partner in certain situations if the person erroneously in good faith believes the person to be a limited partner. Subsec. (b) limits the relief provided in (a).

Sec. 32.11.140. This is sec. 305 of the ULPA. Gives each limited partner the right to inspect and copy the partnership records and to obtain certain information from the general partners.

Sec. 32.11.150. This is sec. 401 of the ULPA. This section establishes how additional general partners are admitted to a limited partnership after the original certificate of limited partnership has been filed.

Sec. 32.11.160. This is sec. 402 of the ULPA. This section lists the situations in which a person ceases to be general partner of a limited partnership.

Sec. 32.11.170. This is sec. 403 of the ULPA. Subsec. (a) establishes that, except as provided in this chapter or in the partnership agreement, a general partner has the same rights, powers, and restrictions of a partner in a partnership without limited partners. Subsec. (b) establishes generally when a general partner is liable to persons other than the partnership and other partners.

Sec. 32.11.180. This is sec. 404 of the ULPA. This section authorizes a general partner to make contributions and share in the profits, losses, and distributions of the partnership as a general partner and as a limited partner. States that a person who is both a general and limited partner has the rights, powers, restrictions, and liabilities of a general partner and, except as provided in the partnership agreement, the powers and restrictions of a limited partner to the extent of the person's participation as a limited partner.

Sec. 32.11.190. This is sec. 405 of the ULPA. This section authorizes the partnership to provide its general partners with voting rights as provided in the partnership agreement.

Sec. 32.11.200. This is sec. 501 of the ULPA. This section explicitly permits a partner's contribution to be in various forms, including services rendered.

Sec. 32.11.210. This is sec. 502 of the ULPA. This section retains the liability of a partner for the partner's promises even if the partner is unable to perform the promises, unless the certificate of limited partnership provides otherwise. Requires a partner to contribute cash if the partner does not make a required contribution of property or services. Allows a partner's contribution or refund obligation to be compromised only if all partners consent. Authorizes certain creditors to enforce the original obligation despite the compromise.

Sec. 32.11.220. This is sec. 503 of the ULPA. This section indicates how the profits and losses are to be allocated. Generally based on the partnership agreement or the value of the individual contributions of the partners.

Sec. 32.11.230. This is sec. 504 of the ULPA. This section indicates how distributions are to be allocated among the partners. Generally based on the partnership agreement or the value of the individual contributions of the partners.

Sec. 32.11.240. This is sec. 601 of the ULPA. This section establishes when and to what extent a partner is entitled to receive interim distributions from the partnership.

Sec. 32.11.250. This is sec. 602 of the ULPA. This section allows a general partner to withdraw from a partnership at any time. Requires written notice. Authorizes the partnership to recover damages from the withdrawing partner if the withdrawal violates the partnership agreement. The damages may be offset against the amount distributable to the partner.

Sec. 32.11.260. This is sec. 603 of the ULPA. This section allows a limited partner to withdraw as allowed in the certificate of limited partnership. If the certificate doesn't specify, the partner must provide at least six months' prior written notice to the general partners.

Sec. 32.11.270. This is sec. 604 of the ULPA. This section establishes that, with certain exceptions, a withdrawing partner, upon withdrawal, is entitled to receive a distribution. The distribution is based on the partnership agreement, or on the fair value of the partner's interest in the partnership based on the partner's right to share in distributions.

Sec. 32.11.280. This is sec. 605 of the ULPA. This section prohibits, unless the partnership allows, a partner from demanding and receiving a distribution in a form other than cash. Prohibits, unless the agreement allows, compelling a partner to accept certain distributions of assets in kind.

Sec. 32.11.290. This is sec. 606 of the ULPA. This section makes a partner who has become entitled to a distribution a creditor of the partnership and entitled to all the remedies available to a creditor.

Sec. 32.11.300. This is sec. 607 of the ULPA. This section prohibits a partner from receiving a distribution to the extent that after the distribution the partnership's liabilities to third parties exceed the partnership's assets.

Sec. 32.11.310. This is sec. 608 of the ULPA. This section makes a partner whose contribution has been returned to the partner, liable for one year to the partnership to the extent necessary to discharge certain creditors. The period of liability is increased to six years if the return violated the partnership agreement or this chapter.

Sec. 32.11.320. This is sec. 701 of the ULPA. This section establishes that a partnership interest is personal property.

Sec. 32.11.330. This is sec. 702 of the ULPA. This section states that a partnership interest is assignable, except as provided by the partnership agreement. Establishes that an assignment does not dissolve the partnership or entitle the assignee to become or to exercise the rights of a partner. States that an assignment entitles the assignee to receive only the distribution to which the assignor would be entitled. States that a partner who assigns all of the partner's interest ceases to be a partner.

Sec. 32.11.340. This is sec. 703 of the ULPA. This section authorizes a court to charge the partnership interest of a debtor partner with payment of a debt of the debtor partner. Makes the judgment creditor an assignee to the extent of the charge. States that this chapter does not deprive a partner of an exemption allowed by law.

Sec. 32.11.350. This is sec. 704 of the ULPA. This section specifies when and to what extent an assignee of a partnership interest may become a limited partner. The section describes the rights, powers, restrictions, and liabilities of an assignee who has become a limited partner. Maintains the assignor's liability under certain statutes to the partnership.

Sec. 32.11.360. This is sec. 705 of the ULPA. This section establishes the right of an incompetent or deceased partner's legal representative to exercise the partner's rights in order to settle the partner's estate or administer the partner's property. For a partner who is not a natural person and who is dissolved or terminated, the section

authorizes the partner's legal representative or successor to exercise the partner's powers.

Sec. 32.11.370. This is sec. 801 of the ULPA. This section identifies the events causing dissolution and winding up of a limited partnership.

Sec. 32.11.380. This is sec. 802 of the ULPA. This section authorizes a partner to obtain a judicial decree of dissolution of the partnership if it is not reasonably practical to carry on the business under the partnership agreement.

Sec. 32.11.390. This is sec. 803 of the ULPA. This section indicates which partners can wind up the partnership's affairs. The section authorizes a court to wind up the partnership's affairs if a partner, a partner's legal representative, or an assignee applies for the relief.

Sec. 32.11.400. This is sec. 804 of the ULPA. This section establishes how the partnership assets are to be distributed upon the winding up of the partnership.

Sec. 32.11.410. This is sec. 901 of the ULPA. This section establishes that a foreign limited partnership is governed by the laws of the state where it was organized. The section also prohibits denying registration to a foreign limited partnership because the laws of its state of origin differ from those of this state.

Sec. 32.11.420. This is sec. 902 of the ULPA. This section requires a foreign limited partnership to register with the department before transacting business in this state. Establishes how the partnership applies for registration and the information that it must provide to the department in the application.

Sec. 32.11.430. This is sec. 903 of the ULPA. This section directs the department to issue a certificate of registration to transact business in this state to a foreign corporation if its application is in order and it has paid the required fees.

Sec. 32.11.440. This is sec. 904 of the ULPA. This section establishes the parameters for the name that a foreign limited partnership may use when it registers with the department.

Sec. 32.11.450. This is sec. 905 of the ULPA. This section directs the foreign limited partnership that has registered with the state to file with the department a certificate correcting the registration application if a statement in its registration application was inaccurate or has become inaccurate.

Sec. 32.11.460. This is sec. 906 of the ULPA. This section allows a foreign limited partnership to cancel its registration and establishes the procedure for doing so. States that a cancellation does not terminate the authority of the commissioner to

accept service of process on the partnership for actions arising out of its business in the state.

Sec. 32.11.470. This is sec. 907 of the ULPA. This section prohibits a foreign limited partnership from bringing an action in this state until it has registered. States that a failure to register doesn't impair the validity of a contract or act of the partnership or prevent the partnership from defending an action in this state. The section states that a limited partner of a foreign limited partnership is not liable as a general partner solely because of transacting business in this state without being registered. The commissioner becomes the agent for the service of process for a foreign limited partnership that transacts business in the state without being registered.

Sec. 32.11.480. This is sec. 908 of the ULPA. This section authorizes the department to bring an action to restrain a foreign limited partnership from transacting business in this state in violation of secs. 32.11.410 - 32.11.480.

Sec. 32.11.490. This is sec. 1001 of the ULPA. This section authorizes a limited partner to bring a derivative action on behalf of the limited partnership under certain circumstances.

Sec. 32.11.500. This is sec. 1002 of the ULPA. This section indicates how a partner qualifies to bring a derivative action.

Sec. 32.11.510. This is sec. 1003 of the ULPA. This section describes what the initial pleading in a derivative action must set out.

Sec. 32.11.520. This is sec. 1004 of the ULPA. This section directs the court to direct the successful plaintiff in a derivative action to remit a specified portion of certain recoveries to the limited partnership.

Sec. 32.11.800. This is sec. 1101 of the ULPA. This section states that this chapter is to be applied and construed to achieve its purpose of making the law uniform in this area.

Sec. 32.11.810. This is sec. 102 of the ULPA. This section establishes certain parameters for the name of a limited partnership.

Sec. 32.11.820. This is sec. 103 of the ULPA. This section authorizes a person or a limited partnership to reserve for a limited partnership the exclusive right to the use of a particular name. Establishes the procedure for and the duration of the reservation. Authorizes the transfer of a right to the exclusive use of a reserved name.

Sec. 32.11.830. This is sec. 104 of the ULPA. This section requires a limited partnership to maintain in this state an office and an agent for the service of process. Requires the partnership to keep certain records at the office. Establishes who can be an agent. Establishes how the registered office and agent can be changed.

Sec. 32.11.840. This is sec. 105 of the ULPA. This section requires the limited partnership to keep certain records at its required office. Makes these records subject to inspection and copying by the partners.

Sec. 32.11.850. This is sec. 106 of the ULPA. This section authorizes a limited partnership to carry on any business that a partnership without limited partners may carry on.

Sec. 32.11.860. This is sec. 107 of the ULPA. This section authorizes a partner to lend money to and to transact other business with the limited partnership, except as provided by the partnership agreement, and, subject to applicable law, with the same rights and obligations as a person who is not a partner.

Sec. 32.11.870. This section is not in the ULPA. Requires limited partnerships to pay filing fees for their applications to the department. The department establishes the fees by regulation.

Sec. 32.11.890. This is sec. 1105 of the ULPA. This section states that the Uniform Partnership Act (AS 32.05) applies to a situation not covered by this chapter.

Sec. 32.11.900. This is sec. 101 of the ULPA. This section defines the terms for the chapter.

Sec. 32.11.990. This is sec. 1102 of the ULPA. Gives the chapter a short name.

Section 2. This section repeals the current chapter on limited partnerships and the provision that allows the recorder to record certificates of limited partnerships and their amendments.

Section 3. This section indicates how certain provisions of the new chapter (sec. 1) will be applied to certain described situations.

Section 4. This section describes how sec. 32.11.510 amends an Alaska court rule.

Section 5. This section gives the Act an effective date.

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April 2, 1992

VIA EXPRESS MAIL & FACSIMILE

Senator Pat Rodey  
State Capital, Room 113  
Juneau, Alaska 99801-1182

Re: Committee Substitute for Senate Bill No. 193/  
Limited Partnerships

Dear Senator Rodey:

The undersigned business and tax law practitioners met in Anchorage on March 11, 1992, to discuss pending legislation. Of particular interest to the group was CSSB 193.

As a group, we strongly and unanimously support your effort to update Alaska's Uniform Limited Partnership Act by adoption of the 1976 version of the Uniform Limited Partnership Act with the 1985 amendments. We are equally committed, however, in our unanimous belief that the 1985 amendments should be adopted in the form proposed by the Uniform Law Commissioners ("ULC"), and not with the deviations found in CSSB 193. Specifically, we believe Section 201 of the 1985 amendments as promulgated by the ULC, which provides for a shorter or "notice" form of certificate of limited partnership, should be adopted, rather than proposed AS 32.11.010, which requires substantially greater and more detailed information and reflects no substantial change from current law.

We believe a notice filing is preferable because the longer form certificate imposes significant costs and burdens on limited partnerships with no resultant benefit to third-party creditors of or investors in limited partnerships.

Financial institutions and others who may extend credit to or otherwise do business with limited partnerships are in a position to acquire such information from the general partners of a limited partnership as they deem necessary as a condition to the extension of credit or commencement of business with the limited partnership.

Senator Pat Rodey  
April 2, 1992  
Page 2

Investors in limited partnerships are adequately protected by the disclosure requirements of the Alaska Securities Act of 1959. Even in instances where an investor transaction is exempted from the registration requirements of the Act, a prudent investor has the ability and incentive to request additional information of the type provided by the long form certificate prior to investing.

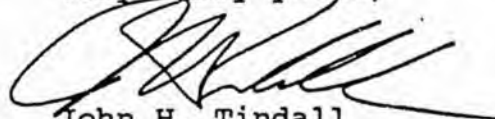
Current practice and the 1985 amendments demonstrate that no benefit is obtained from the longer form certificate after initial investment either. It is common under current law for limited partners to grant powers of attorney to allow a general partner to sign certificates, amendments, and even the writing that cancels a certificate. See Bankston & O'Hara, The Creation, Operation and Dissolution of a Limited Partnership in Alaska, 2 Alaska L. Rev. 271, 303-304 (1985). This practice is expressly sanctioned by proposed AS 32.11.040(b). The longer form limited partnership certificate thus provides no additional protection to existing limited partners.

Finally, no other Alaska statutory business entity is required to provide the level of financial disclosure required by AS 32.11.010: no par value stock and essentially "notice" type articles of incorporation are permitted by our corporate code; general partnerships are not required to make any filings reflecting their existence or respective partner contributions.

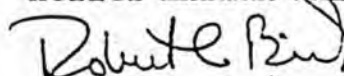
The limited partnership entity fulfills a unique and valuably different role in Alaska's business hierarchy, and should not be hindered or rendered economically unfeasible at a time when all investment vehicles are necessary to facilitate a hopefully recovering economy.

We strongly support your efforts to amend Alaska's Uniform Limited Partnership Act and thank you for your efforts. As business and tax law practitioners, however, we urge you to abandon CSSB's deviation from the ULC's 1985 proposed Section 201 and instead support adoption of the notice form of certificate of limited partnership.

Very truly yours,



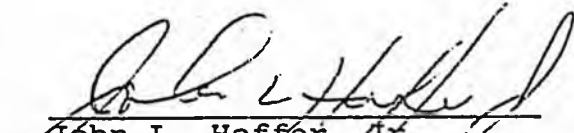
John H. Tindall  
Heller Ehrman White & McAuliffe




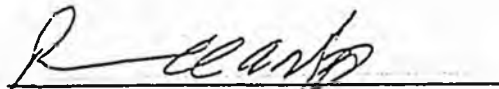
Robert C. Brink  
Law Offices of Robert C. Brink

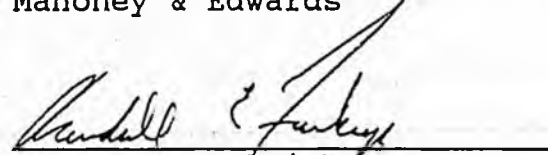
Senator Pat Rodey  
April 2, 1992  
Page 3

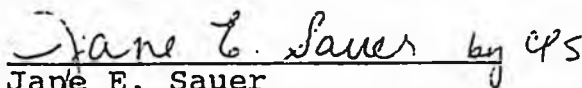
cc: Fred Zharoff, Chairman of the Senate Rules Committee  
Dave Donley, House Judiciary Committee  
Max Gruenberg, House Judiciary Vice-Chairman  
Lori Nottingham, Deputy Legislative Liaison  
Arthur H. Peterson, Uniform Law Commissioner


  
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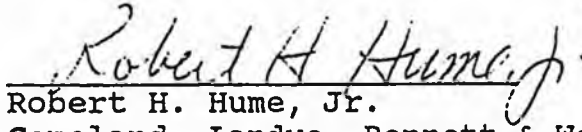
  
Peter B. Brautigam  
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Mahoney & Edwards

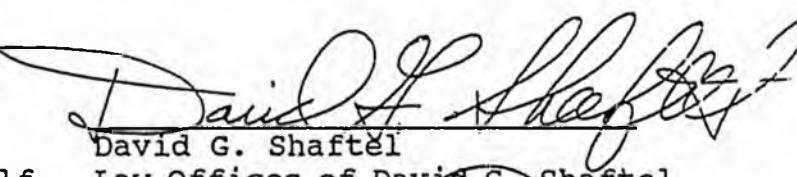
  
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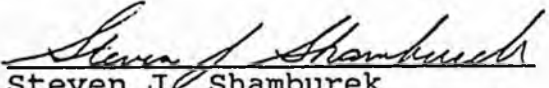
  
Randy E. Farleigh  
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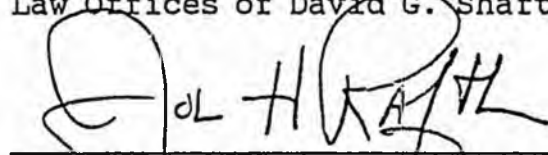
  
Jane E. Sauer  
Jamin, Ebell, Bolger & Gentry

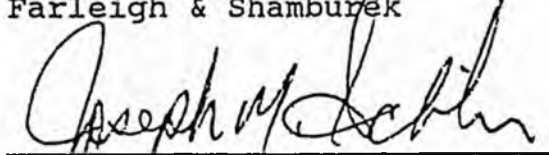
  
Charles F. Schuetze  
Davis & Goerig

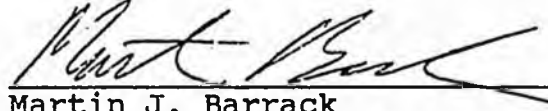
  
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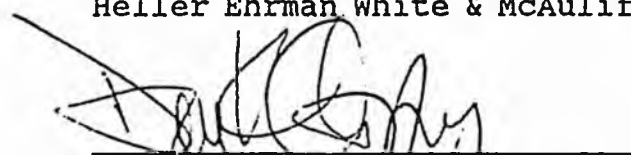
  
Steven J. Shamburek  
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John H. Raforth  
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Joseph M. Schierhorn  
Northrim Bank, Vice President

  
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**SB 193**

SENATE FINANCE COMMITTEE REPORT

DATE: 5/10/91

FURTHER:

DATE TURNED INTO OFFICE: 5/15/91

The Finance Committee considered SENATE BILL NO. 193

"An Act relating to limited partnerships; amending Alaska Rule of Civil Procedure 8; and providing for an effective date."

and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_
  - or adopt \_\_\_\_\_ CS \_\_\_\_\_
  - attached amendment(s)
  - \_\_\_\_\_ letter of intent adopted
- same title
  - new title
  - technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

fiscal note(s) Dept/Date: \_\_\_\_\_  
\_\_\_\_\_

fiscal note(s) Dept/Date: \_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Al Adams - No Rec  
J. American No Rec  
James H. ... No Rec  
Bill ... No Rec  
A. ... (NO REC)  
K. ... Do pass

1. \_\_\_\_\_  
Co-Chairs: Signatures and Recommendations

2. \_\_\_\_\_  
Co-Chairs: Signatures and Recommendations

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSSB 193 (JUD)

Revision Date: January 27, 1992 Department Affected: Department of Law  
 Title: "An Act relating to limited partnerships..." BRU: Legal Services  
 Component: Operations  
 Sponsor: Senator Rodey  
 Requestor: Senator Rodey COMPONENT SERIAL NO. 

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

This bill amends the state's Uniform Partnership Act, AS 32, to add a new chapter covering limited partnerships. The bill deals with transactions between private parties and will not have a fiscal impact on the Department of Law.

Prepared By: Richard I. Pegues, Director Phone: 465-3672  
 Division: Administrative Services Date: January 27, 1992  
 Approved by Commissioner: Charles E. Cole, Attorney General  
 Agency: Department of Law Date: January 27, 1992

Distribution (by preparer): Leg. Fin., Legislative Sponsor  
 Rev 10/7/91

Changes in CSSB 193 (JUD) and Agency(ies).  
 have no fiscal impact. This fiscal note is appropriate.

Page 1 of 1

2/5/92 date De C. Linn Comptroller (initial)

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. SB 193 (Fix)

Revision Date: January 30, 1992

Department Affected: Commerce & Econ. Dev.

Title: Uniform Limited Partnership Act

BRU: Banking, Securities & Corporations

Component: Corporations

Sponsor: Sen. Rodey

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 

1	2	3	3
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	3.0	0	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>3.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE FUND RESOURCE:</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	3.0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
<b>TOTAL</b>	<b>3.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

**ANALYSIS** (Attach a separate page if necessary.)  
 The Department of Commerce and Economic Development (DCED) and the Department of Natural Resources (DNR) have consulted in the preparation of their respective fiscal notes in response to SB 193. This fiscal note reflects only those expenses which DCED expects to incur in implementing this legislation.  
 (CONTINUED NEXT SHEET)

Prepared By: Willis F. Kirkpatrick, Director Phone: 455-2521

Division: Banking, Securities & Corporations Date: \_\_\_\_\_

Approved by Commissioner: Glenn A. Olds for [Signature] and Comm. 2-3-92

Agency: Department of Commerce & Economic Development Date: January 30, 1992

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legls. Ofc., and Impacted Agency(ies).  
 Page 1 of 2

FISCAL NOTE - SB 193

ANALYSIS - CONTINUED:

DCED will receive both hardcopy documents (filed) and microfilmed documents (recorded). Hardcopy documents will be converted to microfilm and indexed to conform to the department's filing system.

The database utilized by DNR will be purchased from Motznik Computer Services, Inc. and modified to conform to the department's computer filing system.

The projected expenses will be the cost of the record conversion. The additional expenses are to cover the expenses of postage and promulgating regulations.

Contractual expenditures:

- \$ .5 Postage - Projected for mailing notice of agency change and for the promulgation of regulations.
- \$ .2 Supplies - Projected for costs incurred in conversion and mailing.
- \$ .5 Motznik Conversion - Projected for the cost incurred in purchasing computer records from Motznik Computer Services, Inc. and for the cost of conversion of these records.
- \$ .3 Advertising - Projected cost of posting regulations for commentary.
- \$ .8 Travel - Projected cost of travel during the conversion process.
- \$1.5 Conversion - Projected cost for personnel data input of initial hardcopy records.

The projected revenue of \$4.0 will be new program receipts for DCED. This revenue is based upon the present filing charged by DNR of \$15.00. Approximately 260 limited partnerships are filed each year.

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSSB 193(JUD)

Revision Date: 30-Jan-92

Department Affected: Natural Resources

Title: Limited Partnerships

BRU: Management & Administration

Components: Recorder's Office

Sponsor: Senator Rodey

Requestor: Senate Finance

COMPONENT SERIAL NO. 802

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL	1.0					
CONTRACTUAL	3.5					
SUPPLIES	2.1					
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	6.6	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
Funding Source:	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND	6.6					
FEDERAL FUNDS						
OTHER						
Funding Source:						
TOTAL	6.6	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS:

(Attach a separate page if necessary)

See Attached

Changes in CSSB 193 (Jud) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.

3/5/92 [Signature]  
date Comte Aide (initial)

Prepared by: Meg Hayes

Phone: 762-2437

Division: Management & Administration

Date: 29-Jan-92

Approved by Commissioner: Harold C. Heinz [Signature]

Date: 29-Jan-92

Agency: Department of Natural Resources

1/29/92

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CSSB 193 (JUD)  
Fiscal Note Analysis  
January 30, 1992

The Departments of Natural Resources and Commerce and Economic Development have consulted in the preparation of their respective fiscal notes. This note includes only those expenses for the Department of Natural Resources and to our knowledge does not overlap with that of the Department of Commerce and Economic Development.

The Department of Natural Resources will duplicate those original documents retained or microfilmed in the statewide Recorder's Offices pertaining to limited partnerships. A microfilm copy of all original documents filed and of documents recorded prior to transfer will be transferred to the Department of Commerce and Economic Development along with those original documents filed prior to 1988. (After January 1, 1988 partnership documents became a "recorded" document rather than a "filed" document and originals were returned to the client.) Another microfilm copy of all documents will be kept in the Recorder's Offices in order to maintain the integrity of the public record and because persons who filed prior to that date will expect to be able to return to the office of record for copies.

Funding is requested to bring all documents filed prior to January 1, 1988 to a central location where they will be microfilmed by a contractor. Documents recorded since January 1, 1988 are already on microfilm and will be extracted and duplicate filmed.

- 100 none requested
- 200 \$1.0 is requested to travel to the Court System maintained offices in Glennallen, Seward, and Valdez to pack and transport records. In other locations, Recorder's Office employees will do the work.
- 300 \$3.5 is requested for computer programming charges necessary to identify and extract the records and for contract microfilm services.
- 400 \$2.1 is requested for postage, packing materials, and miscellaneous supplies.

7-LS0087M  
Bannister  
1/30/92

~~CS CHANGES~~  
(TO THE JUDICIARY CS)  
Page 22  
Line 17  
and Line 31

CS FOR SENATE BILL NO. 193 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATOR RODEY

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to limited partnerships; amending Alaska Rule of Civil Procedure 8; and  
2 providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. AS 32 is amended by adding a new chapter to read:

5 CHAPTER 11. UNIFORM LIMITED PARTNERSHIP ACT.

6 ARTICLE 1. FORMATION AND CERTIFICATE OF LIMITED PARTNERSHIP.

7 Sec. 32.11.010. CERTIFICATE OF LIMITED PARTNERSHIP. (a) In order to form  
8 a limited partnership, two or more persons shall execute a certificate of limited partnership. The  
9 certificate shall be filed with the Department of Commerce and Economic Development and must  
10 set out

- 11 (1) the name of the limited partnership;
- 12 (2) the general character of the business of the limited partnership;
- 13 (3) the address of the office and the name and address of the agent for service
- 14 of process required to be maintained by AS 32.11.830;

1 (4) the name and business address of each partner, specifying separately the  
2 general partners and limited partners;

3 (5) the amount of cash and a description and statement of the agreed value of the  
4 other property or services

5 (A) contributed by each partner; and

6 (B) that each partner has agreed to contribute in the future;

7 (6) the times at which or events on the happening of which any additional  
8 contributions agreed to be made by each partner are to be made;

9 (7) any power of a limited partner to grant the right to become a limited partner  
10 to an assignee of a part of the limited partner's partnership interest, and the terms and conditions  
11 of the power;

12 (8) if agreed upon, the time at which or the events on the happening of which a  
13 partner may terminate the partner's membership in the limited partnership, the amount of or the  
14 method of determining the distribution to which the partner may be entitled respecting the  
15 partner's partnership interest, and the terms and conditions of the termination and distribution;

16 (9) any right of a partner to receive distributions of property, including cash, from  
17 the limited partnership;

18 (10) any right of a partner to receive, or of a general partner to make,  
19 distributions to a partner that include a return of all or a part of the partner's contribution;

20 (11) any time at which or events upon the happening of which the limited  
21 partnership is to be dissolved and its affairs wound up;

22 (12) any right of the remaining general partners to continue the business on the  
23 happening of an event of withdrawal of a general partner; and

24 (13) other matters the partners determine to include.

25 (b) A limited partnership is formed at the time of the filing of the certificate of limited  
26 partnership with the department or at a later time specified in the certificate of limited partnership  
27 if, in either case, there has been substantial compliance with the requirements of this section.

28 Sec. 32.11.020. AMENDMENT TO CERTIFICATE. (a) A certificate of limited  
29 partnership is amended by filing a certificate of amendment with the department. The certificate  
30 must set out

31 (1) the name of the limited partnership;

1 (2) the date of filing the certificate to be amended; and

2 (3) the amendment to the certificate.

3 (b) Within 30 days after the following events, an amendment to a certificate of limited  
4 partnership reflecting the occurrence of the event or events shall be filed:

5 (1) a change in the amount or character of the contribution of a partner, or in a  
6 partner's obligation to make a contribution;

7 (2) the admission of a new general partner;

8 (3) the withdrawal of a general partner; or

9 (4) the continuation of the business under AS 32.11.370 after an event of  
10 withdrawal of a general partner.

11 (c) A general partner who becomes aware that a statement in a certificate of limited  
12 partnership was false when made or that an arrangement or other fact described has changed,  
13 making the certificate inaccurate, shall promptly amend the certificate.

14 (d) A certificate of limited partnership may be amended at any time for any other proper  
15 purpose the general partners determine.

16 (e) A person may not be held liable because an amendment to a certificate of limited  
17 partnership has not been filed to reflect the occurrence of an event referred to in (b) of this  
18 section if the amendment is filed within the 30-day period specified in (b) of this section.

19 (f) A restated certificate of limited partnership may be executed and filed in the same  
20 manner as a certificate of amendment.

21 Sec. 32.11.030. CANCELLATION OF CERTIFICATE. A certificate of limited  
22 partnership shall be canceled upon the dissolution and the commencement of winding up of the  
23 partnership or at any other time there are no limited partners. A certificate of cancellation shall  
24 be filed with the department and must set out

25 (1) the name of the limited partnership;

26 (2) the date of filing of its certificate of limited partnership;

27 (3) the reason for filing the certificate of cancellation;

28 (4) the effective date, which must be a date certain, of cancellation if it is not to  
29 be effective upon the filing of the certificate; and

30 (5) other information the general partners filing the certificate determine.

31 Sec. 32.11.040. EXECUTION OF CERTIFICATES. (a) Each certificate required by

1 AS 32.11.010 - 32.11.090 to be filed with the department shall be executed in the following  
2 manner:

3 (1) an original certificate of limited partnership shall be signed by all partners  
4 named in the certificate;

5 (2) a certificate of amendment shall be signed by a least one general partner and  
6 by each other partner designated in the certificate as a new partner or whose contribution is  
7 described as having been increased; and

8 (3) a certificate of cancellation shall be signed by all general partners.

9 (b) A person may sign a certificate by an attorney-in-fact, but a power of attorney to sign  
10 a certificate relating to the admission, ~~or~~ increased contribution, of a partner must specifically  
11 describe the admission or increase.

12 (c) The execution of a certificate by a general partner constitutes an affirmation under  
13 the penalty of false swearing that the facts stated are true.

14 Sec. 32.11.050. EXECUTION BY JUDICIAL ACT. If a person required by  
15 AS 32.11.040 to execute a certificate fails or refuses to do so, a person who is adversely affected  
16 by the failure or refusal may petition the superior court to direct the execution of the certificate.  
17 If the court finds that it is proper for the certificate to be executed and that a person so  
18 designated has failed or refused to execute the certificate, it shall order the department to record  
19 an appropriate certificate.

20 Sec. 32.11.060. FILING WITH DEPARTMENT. (a) An original and an exact copy of  
21 the certificate of limited partnership and of a certificate of amendment or cancellation, or of a  
22 judicial decree of amendment or cancellation, shall be delivered to the department. A person  
23 who executes a certificate as an agent or fiduciary need not exhibit evidence of the person's  
24 authority as a prerequisite to filing. Unless the department finds that a certificate does not  
25 conform to law, upon receipt of all filing fees required by law the department shall

26 (1) endorse on each original and exact copy the word "Filed" and the day, month,  
27 and year of the filing;

28 (2) file the original in the department's office; and

29 (3) return the exact copy to the person who filed it or the person's representative.

30 (b) Upon the filing of a certificate of amendment or judicial decree of amendment with  
31 the department, the certificate of limited partnership is amended, and upon the effective date of

1 a certificate of cancellation or a judicial decree of cancellation, the certificate of limited  
2 partnership is canceled.

3 Sec. 32.11.070. LIABILITY FOR FALSE STATEMENT IN CERTIFICATE. If a  
4 certificate of limited partnership or certificate of amendment or cancellation contains a false  
5 statement, one who suffers loss by reliance on the statement may recover damages for the loss  
6 from

7 (1) a person who executes the certificate, or causes another to execute the  
8 certificate on the person's behalf, and knew, and a general partner who knew or should have  
9 known, the statement to be false at the time the certificate was executed; and

10 (2) a general partner who thereafter knows or should have known that an  
11 arrangement or other fact described in the certificate has changed, making the statement  
12 inaccurate in any respect within a sufficient time before the statement was relied upon reasonably  
13 to have enabled that general partner to cancel or amend the certificate, or to file a petition for  
14 its cancellation or amendment under AS 32.11.050.

15 Sec. 32.11.080. SCOPE OF NOTICE. The fact that a certificate of limited partnership  
16 is on file with the department is notice that the partnership is a limited partnership and the  
17 persons designated in the certificate as limited partners are limited partners, but it is not notice  
18 of any other fact.

19 Sec. 32.11.090. DELIVERY OF CERTIFICATES TO LIMITED PARTNERS. Upon the  
20 return by the department under AS 32.11.060 of a certificate marked "Filed," the general partners  
21 shall promptly deliver or mail a copy of the certificate of limited partnership and each certificate  
22 of amendment or cancellation to each limited partner unless the partnership agreement provides  
23 otherwise.

## 24 ARTICLE 2. LIMITED PARTNERS.

25 Sec. 32.11.100. ADMISSION OF LIMITED PARTNERS. (a) After the filing of a  
26 limited partnership's original certificate of limited partnership, a person may be admitted as an  
27 additional limited partner

28 (1) in the case of a person acquiring a partnership interest directly from the  
29 limited partnership, upon compliance with the partnership agreement or, if the partnership  
30 agreement does not provide, upon the written consent of all partners; and

31 (2) in the case of an assignee of a partnership interest of a partner who has the

1 power under AS 32.11.350 to grant the assignee the right to become a limited partner, upon the  
2 exercise of that power and compliance with conditions limiting the grant or exercise of the  
3 power.

4 (b) In each case under (a) of this section, the person acquiring the partnership interest  
5 becomes a limited partner only upon amendment of the certificate of limited partnership  
6 reflecting that fact.

7 Sec. 32.11.110. VOTING. Subject to AS 32.11.120, the partnership agreement may grant  
8 to all or a specified group of the limited partners the right to vote on a per capita or other basis  
9 on any matter.

10 Sec. 32.11.120. LIABILITY TO THIRD PARTIES. (a) Except as provided in (d) of this  
11 section, a limited partner is not liable for the obligations of a limited partnership unless the  
12 limited partner is also a general partner or, in addition to the exercise of the limited partner's  
13 rights and powers as a limited partner, the limited partner participates in the control of the  
14 business. However, if the limited partner participates in the control of the business, the limited  
15 partner is liable only to persons who transact business with the limited partnership reasonably  
16 believing, based upon the limited partner's conduct, that the limited partner is a general partner.

17 (b) A limited partner does not participate in the control of the business within the  
18 meaning of (a) of this section solely by doing one or more of the following:

19 (1) being a contractor for or an agent or employee of the limited partnership or  
20 of a general partner or being an officer, director, or shareholder of a general partner that is a  
21 corporation;

22 (2) consulting with and advising a general partner with respect to the business of  
23 the limited partnership;

24 (3) acting as surety for the limited partnership or guaranteeing or assuming one  
25 or more specific obligations of the limited partnership;

26 (4) taking any action required or permitted by law to bring or pursue a derivative  
27 action in the right of the limited partnership;

28 (5) requesting or attending a meeting of partners;

29 (6) proposing, approving, or disapproving, by voting or otherwise, one or more  
30 of the following matters:

31 (A) the dissolution and winding up of the limited partnership;

- 1 (B) the sale, exchange, lease, mortgage, pledge, or other transfer of all or  
2 substantially all of the assets of the limited partnership;
- 3 (C) the incurrence of indebtedness by the limited partnership other than  
4 in the ordinary course of its business;
- 5 (D) a change in the nature of the business;
- 6 (E) the admission or removal of a general partner;
- 7 (F) the admission or removal of a limited partner;
- 8 (G) a transaction involving an actual or potential conflict of interest  
9 between a general partner and the limited partnership or the limited partners;
- 10 (H) an amendment to the partnership agreement or certificate of limited  
11 partnership; or
- 12 (I) matters related to the business of the limited partnership not otherwise  
13 enumerated in this paragraph that the partnership agreement states in writing may be  
14 subject to the approval or disapproval of limited partners;
- 15 (7) winding up the limited partnership under AS 32.11.390; or  
16 (8) exercising a right or power permitted to limited partners under this chapter  
17 and not specifically enumerated in this subsection.

18 (c) The enumeration in (b) of this section does not mean that the possession or exercise  
19 of any other powers by a limited partner constitutes participation by the limited partner in the  
20 business of the limited partnership.

21 (d) A limited partner who knowingly permits the limited partner's name to be used in  
22 the name of the limited partnership, except under circumstances permitted by AS 32.11.810(2),  
23 is liable to creditors who extend credit to the limited partnership without actual knowledge that  
24 the limited partner is not a general partner.

25 Sec. 32.11.130. ERRONEOUS BELIEF IN STATUS AS A LIMITED PARTNER. (a)  
26 Except as provided in (b) of this section, a person who makes a contribution to a business  
27 enterprise and erroneously but in good faith believes that the person has become a limited partner  
28 in the enterprise is not a general partner in the enterprise and is not bound by its obligations by  
29 reason of making the contribution, receiving distributions from the enterprise, or exercising the  
30 rights of a limited partner, if, on ascertaining the mistake, the person

- 31 (1) causes an appropriate certificate of limited partnership or a certificate of

1 amendment to be executed and filed; or

2 (2) withdraws from future equity participation in the enterprise by executing and  
3 filing in the office of the commissioner a certificate declaring withdrawal under this section.

4 (b) A person who makes a contribution of the kind described in (a) of this section is  
5 liable as a general partner to a third party who transacts business with the enterprise before (1)  
6 the person withdraws and an appropriate certificate is filed to show withdrawal, or (2) an  
7 appropriate certificate is filed to show the person's status as a limited partner and, in the case of  
8 an amendment, after expiration of the 30-day period for filing an amendment relating to the  
9 person as a limited partner under AS 32.11.020, but in either case under (1) or (2) only if the  
10 third party actually believed in good faith that the person was a general partner at the time of the  
11 transaction.

12 Sec. 32.11.140. INFORMATION. Each limited partner has the right to

13 (1) inspect and copy the partnership records required to be maintained by  
14 AS 32.11.840; and

15 (2) obtain from the general partners from time to time upon reasonable demand

16 (A) true and full information regarding the state of the business and  
17 financial condition of the limited partnership;

18 (B) promptly after it becomes available, a copy of the limited partnership's  
19 federal, state, and local income tax returns for each year; and

20 (C) other information regarding the affairs of the limited partnership as  
21 is just and reasonable.

## 22 ARTICLE 3. GENERAL PARTNERS.

23 Sec. 32.11.150. ADMISSION OF ADDITIONAL GENERAL PARTNERS. After the  
24 filing of a limited partnership's original certificate of limited partnership, additional general  
25 partners may be admitted as provided in writing in the partnership agreement or, if the  
26 partnership agreement does not provide in writing for the admission of additional general  
27 partners, with the written consent of all partners.

28 Sec. 32.11.160. EVENTS OF WITHDRAWAL. Except as approved by the specific  
29 written consent of all partners at the time, a person ceases to be a general partner of a limited  
30 partnership upon the happening of any of the following events:

31 (1) the general partner withdraws from the limited partnership under

- 1 AS 32.11.250;
- 2 (2) the general partner ceases to be a member of the limited partnership under
- 3 AS 32.11.330;
- 4 (3) the general partner is removed as a general partner in accordance with the
- 5 partnership agreement;
- 6 (4) unless otherwise provided in writing in the partnership agreement, the general
- 7 partner
- 8 (A) makes an assignment for the benefit of creditors;
- 9 (B) files a voluntary petition in bankruptcy;
- 10 (C) is adjudicated a bankrupt or insolvent;
- 11 (D) files a petition or answer seeking for the general partner
- 12 reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar
- 13 relief under a statute, law, or regulation;
- 14 (E) files an answer or other pleading admitting or failing to contest the
- 15 material allegations of a petition filed against the general partner in a proceeding of the
- 16 nature of those specified in (A) - (D) of this paragraph; or
- 17 (F) seeks, consents to, or acquiesces in the appointment of a trustee,
- 18 receiver, or liquidator of the general partner or of all or a substantial part of the general
- 19 partner's properties;
- 20 (5) unless otherwise provided in writing in the partnership agreement, 120 days
- 21 after the commencement of a proceeding against the general partner seeking reorganization,
- 22 arrangement, composition, readjustment, liquidation, dissolution, or similar relief under a statute,
- 23 law, or regulation, the proceeding has not been dismissed, or if within 90 days after the
- 24 appointment without the general partner's consent or acquiescence of a trustee, receiver, or
- 25 liquidator of the general partner or of all or a substantial part of the general partner's properties,
- 26 the appointment is not vacated or stayed or within 90 days after the expiration of a stay, the
- 27 appointment is not vacated;
- 28 (6) in the case of a general partner who is a natural person,
- 29 (A) the general partner's death; or
- 30 (B) the entry of an order by a court of competent jurisdiction adjudicating
- 31 the general partner incompetent to manage the general partner's person or the general

1 partner's estate;

2 (7) in the case of a general partner who is acting as a general partner by virtue  
3 of being a trustee of a trust, the termination of the trust, but not merely the substitution of a new  
4 trustee;

5 (8) in the case of a general partner that is a separate partnership, the dissolution  
6 and commencement of winding up of the separate partnership;

7 (9) in the case of a general partner that is a corporation, the filing of a certificate  
8 of dissolution, or its equivalent, for the corporation or the revocation of its charter; or

9 (10) in the case of an estate, the distribution by the fiduciary of the estate's entire  
10 interest in the partnership.

11 Sec. 32.11.170. GENERAL POWERS AND LIABILITIES. (a) Except as provided in  
12 this chapter or in the partnership agreement, a general partner of a limited partnership has the  
13 rights and powers and is subject to the restrictions of a partner in a partnership without limited  
14 partners.

15 (b) Except as provided in this chapter, a general partner of a limited partnership has the  
16 liabilities of a partner in a partnership without limited partners to persons other than the  
17 partnership and the other partners. Except as provided in this chapter or in the partnership  
18 agreement, a general partner of a limited partnership has the liabilities of a partner in a  
19 partnership without limited partners to the partnership and to the other partners.

20 Sec. 32.11.180. CONTRIBUTIONS BY GENERAL PARTNER; PERSON BOTH  
21 LIMITED AND GENERAL PARTNER. A general partner of a limited partnership may make  
22 contributions to the partnership and share in the profits and losses of, and in distributions from,  
23 the limited partnership as a general partner. A general partner also may make contributions to  
24 and share in profits, losses, and distributions as a limited partner. A person who is both a general  
25 partner and a limited partner has the rights and powers, and is subject to the restrictions and  
26 liabilities, of a general partner and, except as provided in the partnership agreement, also has the  
27 powers, and is subject to the restrictions, of a limited partner to the extent of the person's  
28 participation in the partnership as a limited partner.

29 Sec. 32.11.190. VOTING. The partnership agreement may grant to all or certain  
30 identified general partners the right to vote, on a per capita or any other basis, separately or with  
31 all or any class of the limited partners, on any matter.

## ARTICLE 4. FINANCE.

1  
2           Sec. 32.11.200. FORM OF CONTRIBUTION. The contribution of a partner may be in  
3 cash, property, or services rendered, or a promissory note or other obligation to contribute cash  
4 or property or to perform services.

5           Sec. 32.11.210. LIABILITY FOR CONTRIBUTION. (a) Except as provided in the  
6 certificate of limited partnership, a partner is obligated to the limited partnership to perform an  
7 enforceable promise to contribute cash or property or to perform services, even if the partner is  
8 unable to perform because of death, disability, or other reason. If a partner does not make the  
9 required contribution of property or services, the partner is obligated at the option of the limited  
10 partnership to contribute cash equal to that portion of the value, as stated in the certificate of  
11 limited partnership of the stated contribution that has not been made.

12           (b) Unless otherwise provided in the partnership agreement, the obligation of a partner  
13 to make a contribution or return money or other property paid or distributed in violation of this  
14 chapter may be compromised only by consent of all partners. Notwithstanding the compromise,  
15 a creditor of a limited partnership who extends credit or otherwise acts in reliance on that  
16 obligation after the partner signs a writing that reflects the obligation, and before the amendment  
17 or cancellation to reflect the compromise, may enforce the original obligation.

18           Sec. 32.11.220. SHARING OF PROFITS AND LOSSES. The profits and losses of a  
19 limited partnership shall be allocated among the partners, and among classes of partners, in the  
20 manner provided in writing in the partnership agreement. If the partnership agreement does not  
21 specify in writing, profits and losses shall be allocated on the basis of the value, as stated in the  
22 certificate of limited partnership, of the contributions made by each partner to the extent they  
23 have been received by the partnership and have not been returned.

24           Sec. 32.11.230. SHARING OF DISTRIBUTIONS. Distributions of cash or other assets  
25 of a limited partnership shall be allocated among the partners and among classes of partners in  
26 the manner provided in writing in the partnership agreement. If the partnership agreement does  
27 not specify in writing, distributions shall be made on the basis of the value, as stated in the  
28 certificate of limited partnership of the contributions made by each partner to the extent they have  
29 been received by the partnership and have not been returned.

## ARTICLE 5. DISTRIBUTIONS AND WITHDRAWAL.

30           Sec. 32.11.240. INTERIM DISTRIBUTIONS. Except as provided in AS 32.11.240 -  
31

1 32.11.310, a partner is entitled to receive distributions from a limited partnership before the  
2 partner's withdrawal from the limited partnership and before the dissolution and winding up of  
3 the partnership

4 (1) to the extent and at the times or upon the happening of the events specified  
5 in the partnership agreement; and

6 (2) if a distribution constitutes a return of a part of the partner's contribution  
7 under AS 32.11.310(c), to the extent and at the times or upon the happening of the events  
8 specified in the certificate of limited partnership.

9 Sec. 32.11.250. WITHDRAWAL OF GENERAL PARTNER. A general partner may  
10 withdraw from a limited partnership at any time by giving written notice to the other partners,  
11 but if the withdrawal violates the partnership agreement, the limited partnership may recover from  
12 the withdrawing general partner damages for breach of the partnership agreement and offset the  
13 damages against the amount otherwise distributable to the general partner.

14 Sec. 32.11.260. WITHDRAWAL OF LIMITED PARTNER. A limited partner may  
15 withdraw from a limited partnership at the time or upon the happening of events specified in the  
16 certificate of limited partnership and in accordance with the partnership agreement. If the  
17 certificate does not specify the time or the events upon the happening of which a limited partner  
18 may withdraw or a definite time for the dissolution and winding up of the limited partnership,  
19 a limited partner may withdraw upon not less than six months' prior written notice to each  
20 general partner at the general partner's address on the books of the limited partnership at its  
21 office in this state.

22 Sec. 32.11.270. DISTRIBUTION UPON WITHDRAWAL. Except as provided in  
23 AS 32.11.240 - 32.11.310, upon withdrawal a withdrawing partner is entitled to receive a  
24 distribution to which the withdrawing partner is entitled under the partnership agreement and, if  
25 not otherwise provided in the agreement, the withdrawing partner is entitled to receive, within  
26 a reasonable time after withdrawal, the fair value of the withdrawing partner's interest in the  
27 limited partnership as of the date of withdrawal based upon the withdrawing partner's right to  
28 share in distributions from the limited partnership.

29 Sec. 32.11.280. DISTRIBUTION IN KIND. Except as provided in the certificate of  
30 limited partnership, a partner, regardless of the nature of the partner's contribution, does not have  
31 the right to demand and receive a distribution from a limited partnership in a form other than

1 cash. Except as provided in writing in the partnership agreement, a partner may not be  
2 compelled to accept a distribution of an asset in kind from a limited partnership to the extent that  
3 the percentage of the asset distributed to the partner exceeds a percentage of that asset that is  
4 equal to the percentage in which the partner shares in distributions from the limited partnership.

5 Sec. 32.11.290. RIGHT TO DISTRIBUTION. At the time a partner becomes entitled  
6 to receive a distribution, the partner has the status of, and is entitled to all remedies available to,  
7 a creditor of the limited partnership with respect to the distribution.

8 Sec. 32.11.300. LIMITATIONS ON DISTRIBUTION. A partner may not receive a  
9 distribution from a limited partnership to the extent that, after giving effect to the distribution,  
10 all liabilities of the limited partnership, other than liabilities to partners on account of their  
11 partnership interest, exceed the fair value of the partnership assets.

12 Sec. 32.11.310. LIABILITY UPON RETURN OF CONTRIBUTION. (a) If a partner  
13 has received the return of a part of the partner's contribution without violation of the partnership  
14 agreement or this chapter, the partner is liable to the limited partnership for a period of one year  
15 thereafter for the amount of the returned contribution, but only to the extent necessary to  
16 discharge the limited partnership's liabilities to creditors who extended credit to the limited  
17 partnership during the period the contribution was held by the partnership.

18 (b) If a partner has received the return of a part of the partner's contribution in violation  
19 of the partnership agreement or this chapter, the partner is liable to the limited partnership for  
20 a period of six years thereafter for the amount of the contribution wrongfully returned.

21 (c) A partner receives a return of the partner's contribution to the extent that a  
22 distribution to the partner reduces the partner's share of the fair value of the net assets of the  
23 limited partnership below the value, as set out in the certificate of limited partnership, of the  
24 partner's contribution that has not been distributed to the partner.

## 25 ARTICLE 6. ASSIGNMENT OF PARTNERSHIP INTERESTS.

26 Sec. 32.11.320. NATURE OF PARTNERSHIP INTEREST. A partnership interest is  
27 personal property.

28 Sec. 32.11.330. ASSIGNMENT OF PARTNERSHIP INTEREST. Except as provided  
29 in the partnership agreement, a partnership interest is assignable in whole or in part. An  
30 assignment of a partnership interest does not dissolve a limited partnership or entitle the assignee  
31 to become or to exercise the rights of a partner. An assignment entitles the assignee to receive,

1 to the extent assigned, only the distribution to which the assignor would be entitled. Except as  
2 provided in the partnership agreement, a partner ceases to be a partner upon assignment of all  
3 of the partner's partnership interest.

4 Sec. 32.11.340. RIGHTS OF CREDITOR. On application to a court of competent  
5 jurisdiction by a judgment creditor of a partner, the court may charge the partnership interest of  
6 the partner with payment of the unsatisfied amount of the judgment with interest. To the extent  
7 charged, the judgment creditor has only the rights of an assignee of the partnership interest. This  
8 chapter does not deprive a partner of the benefit of an exemption law applicable to the partner's  
9 partnership interest.

10 Sec. 32.11.350. RIGHT OF ASSIGNEE TO BECOME LIMITED PARTNER. (a) An  
11 assignee of a partnership interest, including an assignee of a general partner, may become a  
12 limited partner if and to the extent that

13 (1) the assignor gives the assignee that right in accordance with authority  
14 described in the certificate of limited partnership; or

15 (2) all other partners consent.

16 (b) An assignee who has become a limited partner has, to the extent assigned, the rights  
17 and powers, and is subject to the restrictions and liabilities, of a limited partner under the  
18 partnership agreement and this chapter. An assignee who becomes a limited partner also is liable  
19 for the obligations of the assignee's assignor to make and return contributions as provided in  
20 AS 32.11.200 - 32.11.310. However, the assignee is not obligated for liabilities unknown to the  
21 assignee at the time the assignee became a limited partner and that could not be ascertained from  
22 the certificate of limited partnership.

23 (c) If an assignee of a partnership interest becomes a limited partner, the assignor is not  
24 released from the assignor's liability to the limited partnership under AS 32.11.070 and  
25 32.11.210.

26 Sec. 32.11.360. POWER OF ESTATE OF DECEASED OR INCOMPETENT PARTNER.  
27 If a partner who is an individual dies or a court of competent jurisdiction adjudges the partner  
28 to be incompetent to manage the partner's person or the partner's property, the partner's executor,  
29 administrator, guardian, conservator, or other legal representative may exercise all of the partner's  
30 rights for the purpose of settling the partner's estate or administering the partner's property,  
31 including any power the partner had to give an assignee the right to become a limited partner.

1 If a partner is a corporation, trust, or other entity and is dissolved or terminated, the powers of  
2 that partner may be exercised by its legal representative or successor.

3 ARTICLE 7. DISSOLUTION.

4 Sec. 32.11.370. DISSOLUTION. A limited partnership is dissolved and its affairs shall  
5 be wound up upon the happening of the first to occur of the following:

6 (1) at the time specified in the certificate of limited partnership;

7 (2) upon the happening of events specified in the certificate of limited partnership;

8 (3) written consent of all partners;

9 (4) an event of withdrawal of a general partner unless at the time there is at least  
10 one other general partner and the certificate of limited partnership permits the business of the  
11 limited partnership to be carried on by the remaining general partner and that partner does so,  
12 but the limited partnership is not dissolved and is not required to be wound up by reason of an  
13 event of withdrawal if, within 90 days after the withdrawal, all partners agree in writing to  
14 continue the business of the limited partnership and to the appointment of one or more additional  
15 general partners if necessary or desired; or

16 (5) entry of a decree of judicial dissolution under AS 32.11.380.

17 Sec. 32.11.380. JUDICIAL DISSOLUTION. On application by or for a partner the  
18 superior court may decree dissolution of a limited partnership whenever it is not reasonably  
19 practicable to carry on the business in conformity with the partnership agreement.

20 Sec. 32.11.390. WINDING UP. Except as provided in the partnership agreement, the  
21 general partners who have not wrongfully dissolved a limited partnership or, if there are no  
22 general partners, the limited partners, may wind up the limited partnership's affairs; but the  
23 superior court may wind up the limited partnership's affairs upon application of a partner, a  
24 partner's legal representative, or assignee.

25 Sec. 32.11.400. DISTRIBUTION OF ASSETS. Upon the winding up of a limited  
26 partnership, the assets shall be distributed as follows:

27 (1) to creditors, including partners who are creditors, to the extent permitted by  
28 law, in satisfaction of liabilities of the limited partnership other than liabilities for distributions  
29 to partners under AS 32.11.240 or 32.11.270;

30 (2) except as provided in the partnership agreement, to partners and former  
31 partners in satisfaction of liabilities for distributions under AS 32.11.240 or 32.11.270; and

1 (3) except as provided in the partnership agreement, to partners first for the return  
2 of their contributions and secondly respecting their partnership interests, in the proportions in  
3 which the partners share in distributions.

4 ARTICLE 8. FOREIGN LIMITED PARTNERSHIPS.

5 Sec. 32.11.410. LAW GOVERNING. Subject to the Constitution of the State of Alaska,

6 (1) the laws of the state under which a foreign limited partnership is organized  
7 govern its organization and internal affairs and the liability of its limited partners; and

8 (2) a foreign limited partnership may not be denied registration by reason of a  
9 difference between those laws and the laws of this state.

10 Sec. 32.11.420. REGISTRATION. Before transacting business in this state, a foreign  
11 limited partnership shall register with the department. In order to register, a foreign limited  
12 partnership shall submit to the department an original and an exact copy of an application for  
13 registration as a foreign limited partnership, signed and sworn to by a general partner and setting  
14 out

15 (1) the name of the foreign limited partnership and, if different, the name under  
16 which it proposes to register and transact business in this state;

17 (2) the state and date of its formation;

18 (3) the general character of the business it proposes to transact in this state;

19 (4) the name and address of an agent for service of process on the foreign limited  
20 partnership whom the foreign limited partnership elects to appoint; the agent must be an  
21 individual resident of this state, a domestic corporation, or a foreign corporation having a place  
22 of business in, and authorized to do business in, this state;

23 (5) a statement that the commissioner is appointed the agent of the foreign limited  
24 partnership for service of process if an agent has not been appointed under (3) of this section or,  
25 if appointed, the agent's authority has been revoked or if the agent cannot be found or served  
26 with the exercise of reasonable diligence;

27 (6) the address of the office required to be maintained in the state of its  
28 organization by the laws of that state or, if not so required, of the principal office of the foreign  
29 limited partnership; and

30 (7) if the certificate of limited partnership filed in the foreign limited partnership's  
31 state of organization is not required to include it, the following information:

- 1 (A) the names and business addresses of each partner; and  
2 (B) the capital contribution of each limited partner.

3 Sec. 32.11.430. ISSUANCE OF REGISTRATION. (a) If the department finds that an  
4 application for registration conforms to law and all requisite fees have been paid, the department  
5 shall

6 (1) endorse on the application the word "Filed," and the month, day, and year of  
7 the filing;

8 (2) file in the department the original of the application; and

9 (3) issue a certificate of registration to transact business in this state.

10 (b) The certificate of registration, together with an exact copy of the application, shall  
11 be returned to the person who filed the application or the person's representative.

12 Sec. 32.11.440. NAME. A foreign limited partnership may register with the department  
13 under any name, whether or not it is the name under which it is registered in its state of  
14 organization, that includes without abbreviation the words "limited partnership" and that could  
15 be registered by a domestic limited partnership.

16 Sec. 32.11.450. CHANGES AND AMENDMENTS. If a statement in the application for  
17 registration of a foreign limited partnership was false when made or arrangements or other facts  
18 described have changed, making the application inaccurate, the foreign limited partnership shall  
19 promptly file with the department a certificate, signed and sworn to by a general partner,  
20 correcting the statement.

21 Sec. 32.11.460. CANCELLATION OF REGISTRATION. A foreign limited partnership  
22 may cancel its registration by filing with the department a certificate of cancellation signed and  
23 sworn to by a general partner. A cancellation does not terminate the authority of the  
24 commissioner to accept service of process on the foreign limited partnership with respect to  
25 causes of action arising out of the transactions of business in this state.

26 Sec. 32.11.470. TRANSACTION OF BUSINESS WITHOUT REGISTRATION. (a) A  
27 foreign limited partnership transacting business in this state may not maintain an action, suit, or  
28 proceeding in a court of this state until it has registered in this state.

29 (b) The failure of a foreign limited partnership to register in this state does not impair  
30 the validity of a contract or act of the foreign limited partnership or prevent the foreign limited  
31 partnership from defending an action, suit, or proceeding in a court of this state.

1 (c) A limited partner of a foreign limited partnership is not liable as a general partner of  
2 the foreign limited partnership solely by reason of having transacted business in this state without  
3 registration.

4 (d) A foreign limited partnership, by transacting business in this state without registration,  
5 appoints the commissioner as its agent for service of process with respect to causes of action  
6 arising out of the transaction of business in this state.

7 Sec. 32.11.480. ACTION BY DEPARTMENT. The department may bring an action to  
8 restrain a foreign limited partnership from transacting business in this state in violation of  
9 AS 32.11.410 - 32.11.480.

10 ARTICLE 9. DERIVATIVE ACTIONS.

11 Sec. 32.11.490. RIGHT OF ACTION. A limited partner may bring an action in the right  
12 of a limited partnership to recover a judgment in its favor if general partners with authority to  
13 do so have refused to bring the action or if an effort to cause those general partners to bring the  
14 action is not likely to succeed.

15 Sec. 32.11.500. PROPER PLAINTIFF. In a derivative action, the plaintiff must be a  
16 partner at the time of bringing the action and

17 (1) must have been a partner at the time of the transaction of which the plaintiff  
18 complains; or

19 (2) the plaintiff's status as a partner must have devolved upon the plaintiff by  
20 operation of law or under the terms of the partnership agreement from a person who was a  
21 partner at the time of the transaction.

22 Sec. 32.11.510. PLEADING. In a derivative action, the complaint must set out with  
23 particularity the effort of the plaintiff to secure initiation of the action by a general partner or the  
24 reasons for not making the effort.

25 Sec. 32.11.520. RECOVERIES. If a derivative action is successful, in whole or in part,  
26 or if anything is received by the plaintiff as a result of a judgment, compromise, or settlement  
27 of an action or claim, and if the plaintiff is awarded attorney fees or costs, the court shall direct  
28 the plaintiff to remit to the limited partnership the portion of the recovery that remains after  
29 deduction of the attorney fees and costs awarded to the plaintiff.

30 ARTICLE 10. GENERAL PROVISIONS.

31 Sec. 32.11.800. CONSTRUCTION AND APPLICATION. This chapter shall be so

1 applied and construed to effectuate its general purpose to make uniform the law with respect to  
2 the subject of this chapter among states enacting it.

3 Sec. 32.11.810. NAME. The name of a limited partnership as set out in its certificate  
4 of limited partnership

5 (1) must contain without abbreviation the words "limited partnership";

6 (2) may not contain the name of a limited partner unless

7 (A) it is also the name of a general partner or the corporate name of a  
8 corporate general partner; or

9 (B) the business of the limited partnership had been carried on under that  
10 name before the admission of that limited partner;

11 (3) may not contain a word or phrase indicating or implying that it is organized  
12 other than for a purpose stated in its certificate of limited partnership; and

13 (4) may not be the same as, or deceptively similar to, the name of a corporation  
14 or limited partnership organized under the laws of this state or licensed or registered as a foreign  
15 corporation or limited partnership in this state.

16 Sec. 32.11.820. RESERVATION OF NAME. (a) The exclusive right to the use of a  
17 name may be reserved by

18 (1) a person intending to organize a limited partnership under this chapter and to  
19 adopt that name;

20 (2) a domestic limited partnership or a foreign limited partnership registered in  
21 this state that, in either case, intends to adopt that name;

22 (3) a foreign limited partnership intending to register in this state and adopt that  
23 name; or

24 (4) a person intending to organize a foreign limited partnership and intending to  
25 have it register in this state and adopt that name.

26 (b) The reservation shall be made by filing with the department an application, executed  
27 by the applicant, to reserve a specified name. If the department finds that the name is available  
28 for use by a domestic or foreign limited partnership, and not a reserved or registered name under  
29 AS 10.35, the department shall reserve the name for the exclusive use of the applicant for a  
30 period of 120 days. Once having reserved a name, the same applicant may not again reserve the  
31 same name until more than 60 days after the expiration of the last 120-day period for which that

1 applicant reserved that name. The right to the exclusive use of a reserved name may be  
2 transferred to another person by filing with the department a notice of the transfer executed by  
3 the applicant for whom the name was reserved and specifying the name and address of the  
4 transferee.

5 Sec. 32.11.830. SPECIFIED OFFICE AND AGENT. (a) A limited partnership shall  
6 continuously maintain in this state

7 (1) an office, which may but need not be a place of its business in this state, at  
8 which shall be kept the records required by AS 32.11.840 to be maintained; and

9 (2) an agent for service of process on the limited partnership, which agent must  
10 be an individual resident of this state, a domestic corporation, or a foreign corporation authorized  
11 to do business in this state.

12 (b) A limited partnership may change its registered office, registered agent, or both, by  
13 filing with the department a verified statement signed by a general partner stating

14 (1) the name of the limited partnership;

15 (2) the address of its registered office;

16 (3) the address of its new registered office if the registered office is being  
17 changed;

18 (4) the name of its registered agent;

19 (5) the name of its new registered agent if the registered agent is being changed;

20 and

21 (6) a statement that the change has been approved by all of the general partners.

22 Sec. 32.11.840. RECORDS TO BE KEPT. (a) A limited partnership shall keep at the  
23 office referred to in AS 32.11.830(a)(1) the following:

24 (1) a current list of the full name and last known business address of each partner;

25 (2) a copy of the certificate of limited partnership and all certificates of  
26 amendment to them, together with executed copies of a power of attorney under which a  
27 certificate has been executed;

28 (3) copies of the limited partnership's federal, state, and local income tax returns  
29 and reports, if any, for the three most recent years; and

30 (4) copies of a then effective written partnership agreement and of a financial  
31 statement of the limited partnership for the three most recent years.

1 (b) Records kept under this section are subject to inspection and copying at the  
2 reasonable request and at the expense of a partner during ordinary business hours.

3 Sec. 32.11.850. NATURE OF BUSINESS. A limited partnership may carry on business  
4 that a partnership without limited partners may carry on.

5 Sec. 32.11.860. BUSINESS TRANSACTIONS OF PARTNER AND PARTNERSHIP.  
6 Except as provided in the partnership agreement, a partner may lend money to and transact other  
7 business with the limited partnership and, subject to other applicable law, has the same rights and  
8 obligations as a person who is not a partner.

9 Sec. 32.11.870. FILING FEES. A domestic or foreign limited partnership that files a  
10 certificate of limited partnership, amendment, cancellation, or registration, or other application  
11 with the department, shall pay to the commissioner a filing fee established by the department by  
12 regulation. The filing fee must be uniform and fixed.

13 Sec. 32.11.890. RULES FOR CASES NOT COVERED BY CHAPTER. In a case not  
14 provided for in this chapter, the provisions of AS 32.05 govern.

15 Sec. 32.11.900. DEFINITIONS. In this chapter, unless the context otherwise requires

16 (1) "certificate of limited partnership" means the certificate referred to in  
17 AS 32.11.010 and the certificate as amended or restated;

18 (2) "commissioner" means the commissioner of commerce and economic  
19 development;

20 (3) "contribution" means cash, property, services rendered, or a promissory note  
21 or other binding obligation to contribute cash or property or to perform services, that a partner  
22 contributes to a limited partnership as a partner;

23 (4) "department" means the Department of Commerce and Economic  
24 Development;

25 (5) "event of withdrawal of a general partner" means an event that causes a person  
26 to cease to be a general partner under AS 32.11.160;

27 (6) "foreign limited partnership" means a partnership formed under the laws of  
28 a state other than this state and having as partners one or more general partners and one or more  
29 limited partners;

30 (7) "general partner" means a person who has been admitted to a limited  
31 partnership as a general partner in accordance with the partnership agreement and named in the

1 certificate of limited partnership as a general partner;

2 (8) "limited partner" means a person who has been admitted to a limited  
3 partnership as a limited partner in accordance with the partnership agreement and named in the  
4 certificate of limited partnership as a limited partner;

5 (9) "limited partnership" and "domestic limited partnership" mean a partnership  
6 formed by two or more persons under the laws of this state and having one or more general  
7 partners and one or more limited partners;

8 (10) "partner" means a limited or general partner;

9 (11) "partnership agreement" means a valid agreement, written or oral, of the  
10 partners as to the affairs of a limited partnership and the conduct of its business;

11 (12) "partnership interest" means a partner's share of the profits and losses of a  
12 limited partnership and the right to receive distributions of partnership assets;

13 (13) "state" means a state, territory, or possession of the United States, District  
14 of Columbia, or Commonwealth of Puerto Rico.

15 Sec. 32.11.990. SHORT TITLE. This chapter may be cited as the Uniform Limited  
16 Partnership Act.

17 \* Sec. 2. AS 32.10 ~~and AS 40.17.110(b)(36)~~ are repealed.

18 \* Sec. 3. APPLICABILITY PROVISIONS. (a) AS 32.11.200, 32.11.210, and 32.11.310, enacted  
19 by sec. 1 of this Act, do not apply to a limited partnership contribution or distribution, unless the  
20 contribution or distribution is made after the effective date of this Act.

21 (b) AS 32.11.350, enacted by sec. 1 of this Act, does not apply to a limited partnership  
22 assignment unless the assignment is made after the effective date of this Act.

23 (c) Unless otherwise agreed by the partners, the applicable provisions of former AS 32.10,  
24 repealed by sec. 2 of this Act, governing the allocation of profits and losses, distributions to a  
25 withdrawing partner, and distributions of assets upon the winding up of a limited partnership apply to  
26 limited partnerships formed before the effective date of this Act instead of AS 32.11.220, 32.11.270, and  
27 32.11.400, enacted by sec. 1 of this Act.

28 \* Sec. 4. COURT RULE AMENDED. AS 32.11.510, enacted by sec. 1 of this Act, amends Alaska  
29 Rule of Civil Procedure 8 by requiring that certain information be set out in the complaint for a limited  
30 partnership derivative action.

31 \* Sec. 5. This Act takes effect July 1, ~~1993~~. [1992]

1-28-92  
Rodey Amend.  
to be incor-  
porated in  
initial  
CS(Fix) draft.

CSSB 193 (JUDICIARY)

Adopted

AMENDMENT #1

DATE: January 28, 1992  
TO: Senate Finance Committee  
FROM: Senator Pat Rodey

Change Line 31, Page 22, to read:

"Sec. 5 This act takes effect July 1, 1993."

January 28, 1992

SB 193

1-28-92  
Repeater  
Rodey  
to be  
incorporated  
in initial  
CS(Fix) draft  
Adopted

The Department of Natural Resources recommends the following  
ammendment to SB 193:

Section 6. AS 40.17.110 (b)(36) is repealed.

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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### MEMORANDUM

January 22, 1992

**SUBJECT:** Sectional summary of CSSB 193 (Jud)

**TO:** Senator Pat Rodey  
Attn: Tim Benintendi

**FROM:** Theresa L. Bannister *TB*  
Legislative Counsel

You have requested a sectional summary of CSSB 193 (Jud), an act relating to limited partnerships. Please be aware that this is only a summary of the bill and that the bill remains the best source of its contents.

The bill is taken from 1985 version of the Uniform Limited Partnership Act ("ULPA"), except that sec. 32.11.010 is based on the 1976 version and corresponding changes were made throughout the bill to accommodate sec. 32.11.010. The corresponding ULPA section number is given for each section, so that you can more easily refer to the information provided on each ULPA section by the National Conference of Commissioners on Uniform State Laws.

#### Section 1. Main provisions of the bill.

Sec. 32.11.010. This is sec. 201 of the ULPA. It requires the filing of a certificate of limited partnership in order to form a limited partnership. It indicates that two or more persons must execute the certificate and that it is to be filed with the Department of Commerce and Economic Development ("department"). It lists the information that the certificate must include. Subsec. (b) indicates when the partnership is considered to be formed.

Sec. 32.11.020. This is sec. 202 of the ULPA. This section establishes how a certificate of limited partnership can be amended. A certificate of amendment must be filed with the department. The section identifies what information the certificate of amendment must include. Subsec. (b) requires that an amendment to a certificate of limited partnership must be filed after certain listed events. Subsec. (c) requires a general partner to amend the certificate if the partner realizes that the certificate is inaccurate. Subsec. (d) allows the certificate to be amended freely. Subsec. (e)

prohibits a person from being held liable for not filing an amendment required under (b) if the person files the amendment within the 30-day period allowed under (b). Subsec. (f) states that a restated certificate of limited partnership may be executed and filed in the same manner as a certificate of amendment. <sup>6</sup>

Sec. 32.11.030. This is sec. 203 of the ULPA. This section directs that a certificate of limited partnership is to be canceled if the partnership is dissolved and winding up commenced or whenever there aren't any limited partners. Directs that a certificate of cancellation be filed with the department. Identifies what information the certificate of cancellation must include.

Sec. 32.11.040. This is sec. 204 of the ULPA. This section establishes how a certificate required by the chapter is to be executed. Subsec. (b) allows a person to have another person with a power of attorney sign. A power of attorney relating to the admission or increased contribution of a partner must specifically describe the admission or increase. Subsec. (c) states that the execution by a general partner constitutes an affirmation under the penalty of false swearing.

Sec. 32.11.050. This is sec. 205 of the ULPA. This section provides that any person adversely affected by a failure or refusal to sign a certificate has standing to seek judicial intervention.

Sec. 32.11.060. This is sec. 206 of the ULPA. Subsec. (a) addresses some of the mechanics for filing and department handling of certificates of limited partnership, amendment, and cancellation, and of judicial decrees of amendment or cancellation. Declares that amendments become effective when the certificate or judicial decree of amendment is filed. Declares that a certification of limited partnership is canceled when the certificate or judicial decree of cancellation is filed.

Sec. 32.11.070. This is sec. 207 of the ULPA. This section creates a right of recovery for a person who relies on a certificate that contains a false statement, if the person is damaged by the reliance. Lists the persons who are liable.

Sec. 32.11.080. This is sec. 208 of the ULPA. This section establishes what facts the certificate of limited partnership is considered to be considered notice of.

Sec. 32.11.090. This is sec. 209 of the ULPA. This section directs the general partners to deliver or mail a copy of the filed certificate of limited partnership, amendment, or cancellation to each limited partner unless the partnership agreement provides otherwise.

Sec. 32.11.100. This is sec. 301 of the ULPA. This section describes the situations in which a person may be admitted as a limited partner after the original certificate

of limited partnership is filed. States that the persons become limited partners only when the certificate of limited partnership has been amended to reflect that fact.

Sec. 32.11.110. This is sec. 302 of the ULPA. This section gives voting rights to the limited partners to the extent and in the manner granted by the partnership agreement, subject to sec. 32.11.120.

Sec. 32.11.120. This is sec. 303 of the ULPA. This section indicates when and to what extent a limited partner becomes liable for the obligations of a limited partnership. Subsec. (b) itemizes the activities undertaken by a limited partner that do not constitute participating in the control of the partnership business.

Sec. 32.11.130. This is sec. 304 of the ULPA. This section prevents a person who makes a contribution to a business enterprise from being considered a general partner in certain situations if the person erroneously in good faith believes the person to be a limited partner. Subsec. (b) limits the relief provided in (a).

Sec. 32.11.140. This is sec. 305 of the ULPA. Gives each limited partner the right to inspect and copy the partnership records and to obtain certain information from the general partners.

Sec. 32.11.150. This is sec. 401 of the ULPA. This section establishes how additional general partners are admitted to a limited partnership after the original certificate of limited partnership has been filed.

Sec. 32.11.160. This is sec. 402 of the ULPA. This section lists the situations in which a person ceases to be general partner of a limited partnership.

Sec. 32.11.170. This is sec. 403 of the ULPA. Subsec. (a) establishes that, except as provided in this chapter or in the partnership agreement, a general partner has the same rights, powers, and restrictions of a partner in a partnership without limited partners. Subsec. (b) establishes generally when a general partner is liable to persons other than the partnership and other partners.

Sec. 32.11.180. This is sec. 404 of the ULPA. This section authorizes a general partner to make contributions and share in the profits, losses, and distributions of the partnership as a general partner and as a limited partner. States that a person who is both a general and limited partner has the rights, powers, restrictions, and liabilities of a general partner and, except as provided in the partnership agreement, the powers and restrictions of a limited partner to the extent of the person's participation as a limited partner.

Sec. 32.11.190. This is sec. 405 of the ULPA. This section authorizes the partnership to provide its general partners with voting rights as provided in the partnership agreement.

Sec. 32.11.200. This is sec. 501 of the ULPA. This section explicitly permits a partner's contribution to be in various forms, including services rendered.

Sec. 32.11.210. This is sec. 502 of the ULPA. This section retains the liability of a partner for the partner's promises even if the partner is unable to perform the promises, unless the certificate of limited partnership provides otherwise. Requires a partner to contribute cash if the partner does not make a required contribution of property or services. Allows a partner's contribution or refund obligation to be compromised only if all partners consent. Authorizes certain creditors to enforce the original obligation despite the compromise.

Sec. 32.11.220. This is sec. 503 of the ULPA. This section indicates how the profits and losses are to be allocated. Generally based on the partnership agreement or the value of the individual contributions of the partners.

Sec. 32.11.230. This is sec. 504 of the ULPA. This section indicates how distributions are to be allocated among the partners. Generally based on the partnership agreement or the value of the individual contributions of the partners.

Sec. 32.11.240. This is sec. 601 of the ULPA. This section establishes when and to what extent a partner is entitled to receive interim distributions from the partnership.

Sec. 32.11.250. This is sec. 602 of the ULPA. This section allows a general partner to withdraw from a partnership at any time. Requires written notice. Authorizes the partnership to recover damages from the withdrawing partner if the withdrawal violates the partnership agreement. The damages may be offset against the amount distributable to the partner.

Sec. 32.11.260. This is sec. 603 of the ULPA. This section allows a limited partner to withdraw as allowed in the certificate of limited partnership. If the certificate doesn't specify, the partner must provide at least six months' prior written notice to the general partners.

Sec. 32.11.270. This is sec. 604 of the ULPA. This section establishes that, with certain exceptions, a withdrawing partner, upon withdrawal, is entitled to receive a distribution. The distribution is based on the partnership agreement, or on the fair value of the partner's interest in the partnership based on the partner's right to share in distribution.

Sec. 32.11.280. This is sec. 605 of the ULPA. This section prohibits, unless the partnership allows, a partner from demanding and receiving a distribution in a form other than cash. Prohibits, unless the agreement allows, compelling a partner to accept certain distributions of assets in kind.

Sec. 32.11.290. This is sec. 606 of the ULPA. This section makes a partner who has become entitled to a distribution a creditor of the partnership and entitled to all the remedies available to a creditor.

Sec. 32.11.300. This is sec. 607 of the ULPA. This section prohibits a partner from receiving a distribution to the extent that after the distribution the partnership's liabilities to third parties exceed the partnership's assets.

Sec. 32.11.310. This is sec. 608 of the ULPA. This section makes a partner whose contribution has been returned to the partner, liable for one year to the partnership to the extent necessary to discharge certain creditors. The period of liability is increased to six years if the return violated the partnership agreement or this chapter.

Sec. 32.11.320. This is sec. 701 of the ULPA. This section establishes that a partnership interest is personal property.

Sec. 32.11.330. This is sec. 702 of the ULPA. This section states that a partnership interest is assignable, except as provided by the partnership agreement. Establishes that an assignment does not dissolve the partnership or entitle the assignee to become or to exercise the rights of a partner. States that an assignment entitles the assignee to receive only the distribution to which the assignor would be entitled. States that a partner who assigns all of the partner's interest ceases to be a partner.

Sec. 32.11.340. This is sec. 703 of the ULPA. This section authorizes a court to charge the partnership interest of a debtor partner with payment of a debt of the debtor partner. Makes the judgment creditor an assignee to the extent of the charge. States that this chapter does not deprive a partner of an exemption allowed by law.

Sec. 32.11.350. This is sec. 704 of the ULPA. This section specifies when and to what extent an assignee of a partnership interest may become a limited partner. The section describes the rights, powers, restrictions, and liabilities of an assignee who has become a limited partner. Maintains the assignor's liability under certain statutes to the partnership.

Sec. 32.11.360. This is sec. 705 of the ULPA. This section establishes the right of an incompetent or deceased partner's legal representative to exercise the partner's rights in order to settle the partner's estate or administer the partner's property. For a partner who is not a natural person and who is dissolved or terminated, the section

authorizes the partner's legal representative or successor to exercise the partner's powers.

Sec. 32.11.370. This is sec. 801 of the ULPA. This section identifies the events causing dissolution and winding up of a limited partnership.

Sec. 32.11.380. This is sec. 802 of the ULPA. This section authorizes a partner to obtain a judicial decree of dissolution of the partnership if it is not reasonably practical to carry on the business under the partnership agreement.

Sec. 32.11.390. This is sec. 803 of the ULPA. This section indicates which partners can wind up the partnership's affairs. The section authorizes a court to wind up the partnership's affairs if a partner, a partner's legal representative, or an assignee applies for the relief.

Sec. 32.11.400. This is sec. 804 of the ULPA. This section establishes how the partnership assets are to be distributed upon the winding up of the partnership.

Sec. 32.11.410. This is sec. 901 of the ULPA. This section establishes that a foreign limited partnership is governed by the laws of the state where it was organized. The section also prohibits denying registration to a foreign limited partnership because the laws of its state of origin differ from those of this state.

Sec. 32.11.420. This is sec. 902 of the ULPA. This section requires a foreign limited partnership to register with the department before transacting business in this state. Establishes how the partnership applies for registration and the information that it must provide to the department in the application.

Sec. 32.11.430. This is sec. 903 of the ULPA. This section directs the department to issue a certificate of registration to transact business in this state to a foreign corporation if its application is in order and it has paid the required fees.

Sec. 32.11.440. This is sec. 904 of the ULPA. This section establishes the parameters for the name that a foreign limited partnership may use when it registers with the department.

Sec. 32.11.450. This is sec. 905 of the ULPA. This section directs the foreign limited partnership that has registered with the state to file with the department a certificate correcting the registration application if a statement in its registration application was inaccurate or has become inaccurate.

Sec. 32.11.460. This is sec. 906 of the ULPA. This section allows a foreign limited partnership to cancel its registration and establishes the procedure for doing so. States that a cancellation does not terminate the authority of the commissioner to

accept service of process on the partnership for actions arising out of its business in the state.

Sec. 32.11.470. This is sec. 907 of the ULPA. This section prohibits a foreign limited partnership from bringing an action in this state until it has registered. States that a failure to register doesn't impair the validity of a contract or act of the partnership or prevent the partnership from defending an action in this state. The section states that a limited partner of a foreign limited partnership is not liable as a general partner solely because of transacting business in this state without being registered. The commissioner becomes the agent for the service of process for a foreign limited partnership that transacts business in the state without being registered.

Sec. 32.11.480. This is sec. 908 of the ULPA. This section authorizes the department to bring an action to restrain a foreign limited partnership from transacting business in this state in violation of secs. 32.11.410 - 32.11.480.

Sec. 32.11.490. This is sec. 1001 of the ULPA. This section authorizes a limited partner to bring a derivative action on behalf of the limited partnership under certain circumstances.

Sec. 32.11.500. This is sec. 1002 of the ULPA. This section indicates how a partner qualifies to bring a derivative action.

Sec. 32.11.510. This is sec. 1003 of the ULPA. This section describes what the initial pleading in a derivative action must set out.

Sec. 32.11.520. This is sec. 1004 of the ULPA. This section directs the court to direct the successful plaintiff in a derivative action to remit a specified portion of certain recoveries to the limited partnership.

Sec. 32.11.800. This is sec. 1101 of the ULPA. This section states that this chapter is to be applied and construed to achieve its purpose of making the law uniform in this area.

Sec. 32.11.810. This is sec. 102 of the ULPA. This section establishes certain parameters for the name of a limited partnership.

Sec. 32.11.820. This is sec. 103 of the ULPA. This section authorizes a person or a limited partnership to reserve for a limited partnership the exclusive right to the use of a particular name. Establishes the procedure for and the duration of the reservation. Authorizes the transfer of a right to the exclusive use of a reserved name.

Sec. 32.11.830. This is sec. 104 of the ULPA. This section requires a limited partnership to maintain in this state an office and an agent for the service of process. Requires the partnership to keep certain records at the office. Establishes who can be an agent. Establishes how the registered office and agent can be changed.

Sec. 32.11.840. This is sec. 105 of the ULPA. This section requires the limited partnership to keep certain records at its required office. Makes these records subject to inspection and copying by the partners.

Sec. 32.11.850. This is sec. 106 of the ULPA. This section authorizes a limited partnership to carry on any business that a partnership without limited partners may carry on.

Sec. 32.11.860. This is sec. 107 of the ULPA. This section authorizes a partner to lend money to and to transact other business with the limited partnership, except as provided by the partnership agreement, and, subject to applicable law, with the same rights and obligations as a person who is not a partner.

Sec. 32.11.870. This section is not in the ULPA. Requires limited partnerships to pay filing fees for their applications to the department. The department establishes the fees by regulation.

Sec. 32.11.890. This is sec. 1105 of the ULPA. This section states that the Uniform Partnership Act (AS 32.05) applies to a situation not covered by this chapter.

Sec. 32.11.900. This is sec. 101 of the ULPA. This section defines the terms for the chapter.

Sec. 32.11.990. This is sec. 1102 of the ULPA. Gives the chapter a short name.

Section 2. This section repeals the current chapter on limited partnerships.

Section 3. This section indicates how certain provisions of the new chapter (sec. 1) will be applied to certain described situations.

Section 4. This section describes how sec. 32.11.510 amends an Alaska court rule.

Section 5. This section gives the Act an effective date.

Patrick M. Rodey  
Senator

# Alaska State Legislature



Senate

3111 C. St., Suite 510  
Anchorage, Alaska 99503  
(907) 561-7618

During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3793

RECEIVED JAN 21 1992

## MEMORANDUM

DATE: January 17, 1992

TO: Senators Kerttula and Pourchot ✓  
Co-Chairmen, Senate Finance Committee

FROM: Senator Patrick M. Rodey

SUBJ: Request for hearing on CSSB 193 (JUD)

I respectfully request that CSSB 193 (JUD) be scheduled in the Senate Finance Committee. The bill seeks to adopt revisions to the uniform partnership law, as suggested by the National Conference of Commissioners on Uniform State Laws.

Alaska has not yet adopted the 1976 revisions, nor considered the 1985 amendments, both of which have been considered and incorporated into this bill, with the exception of one section.

Qualitative review has been extensive, with technical expertise provided by Mr. Arthur H. Peterson of the Alaska Uniform Law Commission. The state Division of Banking and Corporations will assume responsibility for the registry of partnerships, currently being managed by data processing in the Department of Natural Resources, hence the fiscal note reflecting the cost of records conversion.

I would appreciate a hearing at the earliest possible opportunity. Support material will be forthcoming. Please contact Tim Benintendi of my staff with any questions.

Patrick M. Rodey  
Senator

# Alaska State Legislature



Senate

3111 C. St., Suite 510  
Anchorage, Alaska 99503  
(907) 561-7618

During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3793

## MEMORANDUM

DATE: January 31, 1992

TO: Senators Pourchot, Kerttula, Adams, Duncan,  
Hoffman, Shultz, Uehling

FROM: Senator Pat Rodey *PMR*

SUBJ: Proposed CSSB 193 (FIN) - Uniform Limited Partnership  
Act Revisions

The Senate Finance Committee will hear Senate Bill 193 on Wednesday, February 5th. The above-referenced Finance Committee substitute will be offered at that time. It reconciles differing professional opinions held by Mr. Art Peterson and me, as were addressed in the committee meeting of January 28th.

We are in agreement on the proposed Finance version which will be before you. If there are any questions, please contact Tim Benintendi of my office at 3793.

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ONE SEALASKA PLAZA, SUITE 202  
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TELEPHONE (907) 586-4000  
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January 27, 1992

Hon. Pat Pourchot, Co-Chair  
Senate Finance Committee  
Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

Re: CSSB 193(Jud), Uniform Limited Partnership Act

Dear Senator Pourchot:

SUPPORT AND BRIEF HISTORY

As a uniform law commissioner for Alaska, I wish to encourage your committee's favorable action on CSSB 193(Jud), proposing the modern Uniform Limited Partnership Act. It is a vast improvement over Alaska's 1917 version.

In 1917, Alaska enacted the Uniform Limited Partnership Act, which was promulgated by the National Conference of Commissioners on Uniform State Laws (NCCUSL) in 1916. In 1976, the NCCUSL thoroughly revised the Uniform Act, and, in 1983 and 1985, amended its revision, in response to legislative changes enacted in various states.

The only amendments of our Act, since 1917, occurred in 1990, as a result of Sen. Rodey's bill proposing the NCCUSL's changes regarding derivative actions. We now can complete the job.

PROPOSED FRIENDLY AMENDMENT

I would also like to encourage a "friendly amendment." Please see the attached version of proposed AS 32.11.010, prepared by the Legislative Affairs Agency in October 1990.

CSSB 193(Jud) presents the NCCUSL's current version minus the 1985 changes in what is the bill's AS 32.11.010 (Certificate of Limited Partnership) and minus minor changes in other sections to make them compatible with AS 32.11.010. My suggested amendment is the inclusion of the NCCUSL's 1985 version of the certificate section.

The basic difference between the old version of the

Sen. Pat Pourchot  
CSSB 193(Jud), ltd. prtnrshp.  
January 27, 1992

Page 2

certificate section (i.e., the one in our present AS 32.10.010 and in SB 193 and CSSB 193[Jud]) is that the old one requires a great amount of detailed information to be included in the certificate of limited partnership, a document filed with the Department of Commerce and Economic Development upon the formation of the partnership. The 1985 version treats that certificate as a notice certificate, putting people on notice of the formation of the entity and of its limited-liability feature. It relies on other records to convey the details of such information as the name and address and value of contribution of each limited partner. (See sec. 201 of the NCCUSL official 1985 version.) The old version also required amendment of the certificate whenever there is a change in the filed information (current AS 32.10.070, 32.10.130, 32.10.180(e), and 32.10.240).

A law professor in California, Dan Fessler, prefers the old approach, and convinced Sen. Rodey to introduce the bill in that form. He believes that the long certificate provides more protection to potential limited partners and others. The NCCUSL and a number of other states disagree with him.

#### REASONS FOR AMENDMENT OF PROPOSED AS 32.11.010

In a letter to Professor Fessler (copy available if you wish), NCCUSL Legal Counsel and Legislative Director John McCabe pointed out that

1. the controversy over the notice certificate had died out by the mid-1980's;
2. the vast majority of states have abandoned the long certificate;
3. the small-business model, upon which the limited-partnership concept was originally based, no longer has much relevance to the real business of limited partnerships in the United States; limited partnerships have become a primary vehicle for capital formation, with the principal concern of promoters being to attract investors; this change in emphasis has altered the law of limited partnerships for the purposes of protecting investor interests rather than purely creditor interests;
4. the creditworthiness or investor-worthiness of a limited partnership is primarily dependent upon the named general partners and their track record, not upon the exact identity of all other investors and the extent of their investment;
5. if a potential limited partner wants that information, depending upon the volume involved, the partnership will provide it if that is what it takes to obtain the investment;

6. the NCCUSL drafting committee could not find anyone who could or would assert that limited-partner identity was useful for creditors or that creditors ever used the certificates of limited partnership when deciding whether to extend credit; in a credit situation, the potential creditor is in a position to get the necessary information from the partnership;
7. a purely technical error in the detailed information on the long certificate could catch an unwary limited partner and subject him or her to general liability; the drafting committee saw no reason to continue that vulnerability;
8. there is a very practical problem of making all of the required amendments to the certificate; the shares of some partnerships are freely assigned and traded, and certain kinds of partnerships, themselves, are bought and sold daily; the sheer volume of present-day transactions in partnership shares makes the old-style certificate, with its required amendments, unfeasible.

In addition, preserving uniformity among the state laws on this subject is a worthwhile end in itself, and Alaska's participation in that uniformity will help its position in the world of commerce.

#### A FRIENDLY, "TECHNICAL" AMENDMENT

I have one more suggestion for a friendly amendment -- a relatively minor one. When the bill was drafted for Alaska introduction, the NCCUSL version was slightly reorganized to conform to the normal Alaska format. (I.e., the definition section and several others were reorganized and moved from the front to the back of the chapter.) However, since this is a Uniform Act and the national sequence of its sections facilitates its use, I recommend returning to the NCCUSL's section sequence. We have followed the official NCCUSL organization for most other Uniform Acts (e.g., the Uniform Commercial Code).

#### CONCLUSION

Even without my suggested amendments, CSSB 193(Jud) is a good bill. But I believe that the change of the certificate


Sen. Pat Pourchot  
CSSB 193(Jud), ltd. prtnrshp.  
January 27, 1992

Page 4

section (with corresponding changes elsewhere) is inevitable, and I urge the legislature to take care of the matter now.

Thank you very much for your consideration.

Yours truly,

  
Arthur H. Peterson  
Uniform Law Commissioner  
for Alaska

cc w/attach.: Sen. Pat Rodey

1/17/92

PROPOSED AMENDMENT OF CSSB 193(Jud)

PAGE 1, LINE 7 -- PAGE 2, LINE 27:

Delete all material, and substitute the following:

7           Sec. 32.11.010. CERTIFICATE OF LIMITED PARTNERSHIP. (a) In order  
8 to form a limited partnership, a certificate of limited partnership shall be executed and  
9 filed with the Department of Commerce and Economic Development. The certificate  
10 must set out

- 11                   (1) the name of the limited partnership;
- 12                   (2) the address of the office and the name and address of the agent  
13 for service of process required to be maintained by AS 32.11.830;
- 14                   (3) the name and business address of each general partner;
- 1                   (4) the latest date upon which the limited partnership is to dissolve; and
- 2                   (5) other matters the general partners determine to include.

3           (b) A limited partnership is formed at the time of the filing of the certificate  
4 of limited partnership with the department or at a later time specified in the certificate  
5 of limited partnership if, in either case, there has been substantial compliance with the  
6 requirements of this section.

\_\_\_\_\_

Technical, "compatibility" amendments in other sections, such as included in the Legislative Affairs Agency's October 10, 1990 draft of SB 193, will be necessary, too.



1-28-92  
ADDRESS ALL COMMUNICATIONS  
TO THE COMMISSION  
305 VAN NESS AVENUE  
SAN FRANCISCO, CALIFORNIA 94102  
TELEPHONE: (415) 557-  
Rodey

**Public Utilities Commission**  
STATE OF CALIFORNIA

COMMISSIONER

April 4, 1991

The Honorable Pat Rodey  
Alaska State Senate  
State Capitol, Legislative Pouch  
Juneau, Alaska 99811

Dear Pat:

You surely have an instinct for doing what is right and in the public interest! I strongly support passage of Senate Bill 193 as introduced by your office on March 13.

Your decision to omit the 1985 amendments to Sections 201 and 303 is to be applauded. While you will receive representations that no harm is done to the business community by scraping the disclosure requirement of Section 201, a moment's reflection reveals the fallacy of those arguments. One rarely hides irrelevant information!

*The value of a public disclosure device:* The content of Section 201 as set forth in your bill serves two vital constituencies: the initial investor and the subsequent business creditor.

For the average Alaska investor, the ability to find meaningful disclosure in a document prepared according to mandated content and thereafter filed in compliance with a statutory command, offers substantial protection to one seeking to evaluate risks and assess the management structure. The 1985 amendment, which would leave both the content and structure of this vital information at the mercy of the general partner or partners, is without redeeming public merit in my humble view.

The limited liability nature of a partnership formed under your bill makes its structure and financial basis of vital interest to creditors. You will hear arguments that an interested creditor could demand this information before extending credit and this is surely sound. But under your legislation the information would be a matter of public record and material omissions or misrepresentations an offense to "law" not merely a devious business practice. This is surely better.

The Honorable Pat Rodey  
Page two  
April 4, 1991

Pat it is also of significance that investors and creditors *currently* have the benefit of legally mandated disclosure in the course of forming limited partnerships under existing law. The 1985 amendment to Section 201 would abruptly withdraw that protection and break with that practice.

*The reclassification of a limited partner:* Section 303 as introduced in your bill, is a prudent departure from Alaska's 40 years experience with Section 7 of the existing law. The trick is to reform the law in a balanced manner which business people can understand. I believe that existing practice, which exposes a limited partner to reclassification whenever it can be established that he had taken part in "control" of the partnership, is too strict.

Your bill embodies two salutatory changes. First it creates a "safe harbor" in which the limited partner may be active without fear of reclassification. Second, for behavior beyond the bounds of the safe harbor, your bill resolves the major issue of whether reclassification should flow as a consequence of exceeding the bounds of passivity which the statute exacts in exchange for the protection of limited liability, *or* should rise or fall upon the perception of individual creditors.

Existing law makes their perception irrelevant. Reclassification is a consequence of offense to the passivity norm. Section 303 of your bill changes that. It makes reclassification dependent upon creditor impression and belief (that the active limited partner must be a general partner) *unless* the pattern of activity and interference is so pervasive as to mirror the behavior of a general partner. In this extraordinary case, the formal designation of so active a participant as a "limited partner" is recognized as intrinsically at variance with reality and she is exposed to the liability posture of a general partner with respect to all creditors.

The 1985 amendment to Section 303 substitutes the issue of creditor reliance no matter how flagrant the departure from the expectation of limited liability. The only justification which can be offered is that the state no longer has any interest in fidelity to the statutory norm that control and management is to be in the hands of general partners! Ironically, the citizens left without any protection by the 1985 amendment are *other limited partners* in that investment who have neither the time nor the inclination to contest the aggressive intention of one of their fellow limited partners to assume de facto control of the investment. Under your legislation they are protected in the sense that there is a risk to the aggressor that she will be liable to all creditors to the same extent as a general partner.

Pat, a more detailed explanation of my recommendations respecting the contents of a Revised *Unified Limited Partnership Act* was communicated in February to Art

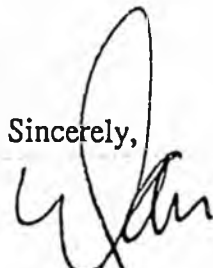
The Honorable Pat Rodey  
Page three  
April 4, 1991

Peterson. I will ask that Art supply your office with a copy of that letter is sent to your office.

The bottom line; hold fast to Senate Bill 193, it is the work of a legislature that is determined to be far more than a rubber stamp!

Warmest personal regards,

Sincerely,

A handwritten signature in dark ink, appearing to read "Dan Fessler", written over a horizontal line.

Daniel Wm. Fessler  
COMMISSIONER

CC: Arthur Peterson, Esquire  
Honorable John Abbott

IT'S TIME TO ADOPT THE REVISED UNIFORM LIMITED PARTNERSHIP ACT

---

The original Uniform Limited Partnership Act, ULPA (1916), sets guidelines for the organization of limited partnerships, defines the rights and liabilities of both limited and general partners, and provides rules for the registration of the partnership in the state of operation.

The revised act, ULPA (1976), does not change the basic structure of limited partnerships as defined in the original act. But it does improve the capacity of limited partnerships both to do business and serve the best interests of partners and third parties conducting business with the partnership.

Adoption of the 1976 Uniform Limited Partnership Act will enhance a state's business climate. The act encourages development of new enterprise by making the limited partnership form even more appealing to business ventures -- and assuring limited partnerships they will be recognized in other states.

Limited partnerships can be found across the spectrum of American enterprise. They have been established for real estate development, mining ventures, oil exploration, book publication, movies and Broadway plays. But whatever their business, all limited partnerships share some key characteristics:

- . They are composed of people and/or firms organized to do business under a written partnership agreement;
- . the partners share in profits and losses, according to the agreement and their capital contribution to the enterprise; and
- . the limited partners give up the right to participate in control of the business, in exchange for limited personal liability for the financial obligations of the partnership.

The revised ULPA facilitates the operation of limited partnerships in four areas. First, the new act upgrades the importance of the partnership agreement in the running of the enterprise. This gives the partners much more flexibility in tailoring the partnership to the needs of the business.

Second, ULPA (1976) spells out in greater detail the liability issues of concern to both limited and general partners. Special provisions have been added to help protect the limited liability position of the limited partners.

Third, the revised act provides greater flexibility in the financing of limited partnerships, by accomodating the admission of more kinds of limited partner investors.

Fourth, the 1976 act provides for registration of "foreign" -- or out-of-state -- limited partnerships. This allows the partnership to conduct interstate business, without jeopardizing the liability position of the limited partners.

Even more important, states that don't enact ULPA (1976) risk losing businesses to the other states which have adopted the revised act.

A Few Facts About

THE UNIFORM LIMITED PARTNERSHIP ACT

**PURPOSE:** To provide a more flexible and stable basis for the organization of limited partnerships, and help states stimulate new limited partnership business ventures.

**ORIGIN:** The Uniform Limited Partnership Act was originally promulgated in 1916 and was adopted in 49 states and the District of Columbia. A major revision occurred in 1976, and is officially entitled the Uniform Limited Partnership Act (1976). This replaces the 1916 Act entirely. In 1985, limited amendments were made to the 1976 Act, and the Act is now entitled the Uniform Limited Partnership Act (1976) with 1985 Amendments.

**STATE  
ADOPTIONS OF  
ULPA (1976):**

Alabama  
Arizona  
Arkansas  
California  
Colorado  
Connecticut

Idaho  
Iowa  
Maryland  
Michigan  
Montana  
Missouri

Nebraska  
New Jersey  
Ohio  
South Carolina  
Washington  
Wyoming

**STATE  
ADOPTIONS OF  
ULPA (1976)  
WITH 1985  
AMENDMENTS:**

Delaware  
District of  
Columbia  
Florida  
Georgia  
Hawaii  
Illinois  
Indiana  
Kansas  
Kentucky

Massachusetts  
Minnesota  
Mississippi  
Nevada  
New Hampshire  
New Mexico  
New York \*  
North Carolina  
North Dakota  
Oklahoma

Oregon  
Pennsylvania  
Rhode Island  
South Dakota  
Tennessee  
Texas  
Utah \*  
Virginia  
West Virginia  
Wisconsin \*

**INTRODUCTIONS  
OF ULPA (1976)  
WITH 1985  
AMENDMENTS:**

**INTRODUCTIONS  
OF 1985  
AMENDMENTS  
ONLY:**

Idaho  
Missouri

\* 1990 Adoption

NEED A  
SPEAKER?

These persons are available to provide testimony  
or give presentations on the Uniform Limited  
Partnership Act:

Joel Adelman  
Detroit, Michigan  
Advisor

Robert Berger  
Chicago, Illinois  
Reporter

Howard Walthall  
Birmingham, Alabama  
ABA Advisor

For information on arranging a speaker, contact John McCabe  
or Katie Robinson at 312-915-0195.

THE UNIFORM LIMITED PARTNERSHIP ACT (1976)  
WITH THE 1985 AMENDMENTS

SECTION BY SECTION ANALYSIS

Article 1: General Provisions

Section 101 contains definitions.

Section 102 provides what may and may not be included in the name of each limited partnership as set forth in its certificate. The name may not be similar to the name of any corporation or limited partnership both foreign and/or local; may not contain certain words; may not abbreviate "limited partnership"; and may not contain the name of a limited partner with exceptions.

Section 103 provides the procedure for reserving a partnership name.

Section 104 requires that a limited partnership maintain an office for keeping records and an agent for service of process.

Section 105 specifies the records that a limited partnership must keep. This includes names and addresses of each partner, and, a copy of the certificate, tax returns, and agreements. Such records are subject to inspection by partners during ordinary business hours.

Article 2: Formation

Section 201 establishes the requirements and procedure for forming a limited partnership. To form a limited partnership, a certificate containing the name of the limited partnership, the name and address of both the general partner(s) and the agent for service of process, date of dissolution, and other matters as desired, must be filed with the Secretary of State (or equivalent). A limited partnership is actually formed at the time the certificate is filed, or at any later time, if specified in the certificate.

Section 202 details the circumstances under which a certificate of limited partnership shall be amended as well as the requirements for amending it. In particular, a certificate of amendment must be filed with the Secretary of State upon the admission and/or withdrawal of a general partner.

Section 203 requires a certificate of cancellation to be filed with the Secretary of State when a limited partnership is dissolved. The certificate must contain the reasons for cancellation, the name of the limited partnership and the date the limited partnership was originally formed.

Section 204 requires original certificates and certificates of cancellation to be signed by all general partners. A certificate of

amendment must be signed by one general partner and any new general partner designated in the certificate of amendment.

Section 205 authorizes a court to order the execution of a certificate for any person adversely affected by the failure of execution, upon petition.

Section 206 establishes the procedure for filing a certificate of limited partnership (and any other of the certificates) in the Office of the Secretary of State (or equivalent).

Section 207 provides for damages when a person suffers loss based upon reliance on a false statement in a certificate.

Section 208 provides that a certificate of limited partnership filed with the Secretary of State (or equivalent) is notice that the listed general partners are general partners, and that the partnership is a limited partnership, and no other fact.

Section 209 requires the general partners to mail a copy of any certificate to each limited partner, after it is filed.

#### Article 3: Limited Partners

Section 301 establishes that a person becomes an original limited partner when the partnership is formed or at any later time specified in the partnership records. If the agreement does not specify when later joining limited partners become so, becoming one by acquiring a partnership interest (including assignment) requires written consent of all partners.

Section 304 provides a means for a person who believes in good faith that he or she is a limited partner to avoid liability as a general partner when that good faith belief is erroneous.

Section 305 gives limited partners the right to inspect the records that must be kept according to Section 105, and to have full information on the financial status of the partnership, copies of tax returns, and other information as is reasonable and just, upon reasonable demand.

#### Article 4: General Partners

Section 401 permits the agreement to control admission of additional general partners. If the agreement is silent, admission of additional general partners requires unanimous, written consent of all partners.

Section 402 indicates the types of events that constitute involuntary general partner withdrawal from a limited partnership. Such events include bankruptcy of the general partner, death of the general partner, and adjudicated incompetency of the general partner.

Section 403 establishes the general powers and general liability of a general partner - as if a partner in a partnership without limited partners.

Section 404 allows general partners to contribute to the partnership and to share in profits and losses both as general partners and limited partners.

Section 405 provides that general partner voting rights arise, if at all, in the partnership agreement.

#### Article 5: Finance

Section 501 provides that partner contributions may be in the form of cash, property, services rendered, promissory note, or an obligation to provide any of the same.

Section 502 permits the written agreement to control a partner's liability to the limited partnership for contributions. Unless the written agreement provides otherwise, a partner is liable to perform any promise to contribute. A limited partner's promise must be in writing to be enforceable. If promised contributions of property or services are not made, the partner can be obligated to contribute the cash equivalent at the partnership's option.

Section 503 permits the written agreement to control sharing in profits and losses. If the agreement is silent, allocations must be proportional to the value of contributions made.

Section 504 permits the written agreement to control allocation of distributions. If the agreement is silent, allocations must be proportional to the value of contributions made.

#### Article 6: Distributions and Withdrawal

Section 601 makes distributions to partners, except distributions at withdrawal from the partnership, or, the dissolution or winding up of the partnership, subject to and contingent upon the terms of the partnership agreement.

Section 602 governs the withdrawal of a general partner. A general partner can withdraw at any time, but may be liable for breach of the partnership agreement if the withdrawal violates it.

Section 603 subjects voluntary withdrawal of a limited partner from the partnership to the partnership agreement. If the agreement is silent, withdrawal can occur only upon 6 months notice to each general partner.

Section 604 permits the partnership agreement to determine a partner's distribution upon withdrawal from the partnership. If the agreement is silent, the basis for a distribution is the fair value of the partner's current interest in the partnership.

Section 605 provides that a distribution must be in cash, unless the written partnership agreement states otherwise. Unless the written agreement provides, no partner can demand a distribution in kind, nor be forced to accept such a distribution.

Section 606 grants a partner the status of a creditor of the limited partnership for any distribution to which he or she is entitled.

Section 607 prohibits any distribution to a partner that would make the liabilities of the limited partnership exceed the fair value of its assets.

Section 608 provides a statute of limitations for liability when a partner receives a return of contribution in part or in whole. If the return is rightful, there is limited liability to partnership creditors for one year after the return. A wrongful return extends liability for six years.

#### Article 7: Assignment of Partnership Interests

Section 701 establishes that a partnership interest is personal property.

Section 702 provides that assignment of a partnership interest includes any distribution rights to which an assignor would be entitled. Once an interest is assigned, the assignor ceases to be a partner.

Section 703 grants a judgment creditor the rights of an assignee.

Section 704 permits the partnership agreement to determine the terms and conditions for an assignee to become a limited partner. If the agreement is silent, an assignee becomes a limited partner only upon the consent of all partners. The assignor, however, remains liable to the limited partnership for any false statement under Section 207 and for contributions under Section 502, even after the assignee becomes a limited partner.

Section 705 allows a partner's representative to exercise a partner's rights in the event of the partner's death or incompetency, for the purposes of settling the estate or managing the property of the partner.

#### Article 8: Dissolution

Section 801 calls for the dissolution of the partnership when the agreement provides for termination of the partnership, when all partners consent, upon the withdrawal of the only general partner, or upon a decree of dissolution. Dissolution upon withdrawal of the only general partner is held in abeyance for 90 days, during which time the partners may unanimously consent to the continuation of the business and the appointment of a new general partner. If they do, the partnership is not dissolved.

Section 802 permits a partner to apply for judicial dissolution whenever a limited partnership cannot with reasonable practicability carry on business in conformity with the partnership agreement.

Section 803 gives general partners the priority for winding up partnership business upon dissolution. If there are no general partners able to conduct the winding up, limited partners can do it. A court can wind up the partnership upon application of any partner.

Section 804 governs the distribution of assets upon winding up the partnership affairs, and establishes priorities for taking distributions. Creditors are satisfied before the interest of any partner.

#### Article 9: Foreign Limited Partnerships

Section 901 states that the law of a foreign state governs the organization, internal affairs, and limited partner liabilities for limited partnerships formed in that state.

Section 902 requires registration of foreign limited partnerships before they can transact business, and sets out the contents of a petition for registration.

Section 903 requires the Secretary of State (or equivalent) to register any foreign limited partnership that lawfully applies for registration.

Section 904 states that a foreign limited partnership may register under any name the could be registered by a domestic limited partnership.

Section 905 provides that a foreign limited partnership must correct any inaccuracies in its application for registration with an immediate filing of a certificate of amendment.

Section 906 provides the procedure for cancelling a registration of a foreign limited partnership.

Section 907 denies a foreign limited partnership access to the courts if the foreign limited partnership fails to register.

Section 908 allows an appropriate official to bring action to restrain a foreign limited partnership from transacting business if it fails to comply with Article 9.

#### Article 10: Derivative Actions

Section 1001 allows limited partners to bring action on behalf of the partnership if the general partners refuse to do so or it appears that they are unlikely to do so.

Section 1002 requires the plaintiff in a derivative action to be a partner when the litigated transaction was entered on behalf of the

partnership, or to be a person with authority from a partner at that time.

Section 1003 requires the plaintiff in a derivative action to set forth with particularity the efforts to get a general partner to initiate the action.

Section 1004 provides the court the discretion to award a successful plaintiff expenses and attorney's fees.

#### Article 11: Miscellaneous

Section 1101 establishes the scope of the Act.

Section 1102 is the title for citation purposes.

Section 1103 provides for severance of any provisions of the Act that are found unconstitutional.

Section 1104 provides for the effective date for this Act, and for the repeal of prior legislation. It specifically provides that limited partnerships formed under prior law shall remain subject to the prior law for specific aspects of partnership activity, and shall not be impaired by its repeal.

Section 1105 states that the Uniform Partnership Act governs any case not provided for in this Act.

Section 1106 is a savings clause.

FISCAL NOTE  
AMENDED

No. 1

Bill Version: SB 193

(S) Publish Date: 5/13/91

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: Uniform Limited Partnership Act

Department Affected: Commerce & Economic Dev.

BRU: Banking, Securities & Corporations

Component: Corporations

Sponsor: Sen. Rodey

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO.

1	2	3	3
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	1.5	0	0	0	0	0
SUPPLIES	1.5					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	3.0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	4.0	4.0	4.0	4.0	4.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	3.0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	3.0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0
PART-TIME			
TEMPORARY			

Changes in CS SB 193 (Job)  
reflect NO FISCAL CHANGE from the original  
fiscal note. This fiscal note is appropriate.  
May 9, 91 DS  
date Comte Aide (initial)

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.) The DNR - District Recorder's office presently files limited partnerships. The change of filing to DCED's computer based information management system will accommodate more efficient distribution of information to the business community. This will take administrative preparation to convert the records to the department's current computer filing system and prepare in advance for the effective date. ~~Costs incurred will be travel and data input by personnel.~~

Prepared By: W.F. Kirkpatrick, Director

Phone: 465-2521

Division: Banking, Securities & Corporations

Date: 5/9/91

Approved by Commissioner: Glenn A. Olds

Agency: Department of Commerce & Economic Development

Date: 5/9/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

AMENDED  
FISCAL NOTE - SB 193

ANALYSIS:

Limited partnerships are currently filed with the Department of Natural Resources, District Recorder's office. SB 193 requires this filing be changed to the Department of Commerce and Economic Development. This conversion, in order to meet the standards of the current corporation computer filing system, will result in the following expenses:

Postage	\$ .5
Supplies	.2
Motznik Conversion (Private company who has only names of all limited partnership filings) Department will develop complete database	.5
Regulations - Advertising	.3
Travel for conversion only	.8
Conversion - Personnel Data Input	<u>1.5</u>
	<u>\$3.0</u>

The projected revenue of \$4.0 will be new program receipts for the Department of Commerce and Economic Development and a reduction to the Department of Natural Resources. This revenue is based on the present filing fee charged by DNR of \$15.00. Approximately 260 limited partnerships file per year.

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SB 193

Revision Date: \_\_\_\_\_ Department Affected: Natural Resources  
 Title: Limited Partnerships BRU: Management & Administration  
 Components: Recorder's Office  
 Sponsor: Senator Rodey  
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 8.02

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL	1.0					
CONTRACTUAL	2.0					
SUPPLIES	0.6					
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	3.6	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)
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FUNDING: (Thousands of Dollars)

GENERAL FUND	3.6					
FEDERAL FUNDS						
OTHER						
TOTAL	3.6	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)  
 See Attached

Prepared by: Linda Plumb Phone: 762-2437  
 Division: Management and Administration Date: 8-May-91  
 Approved by Commissioner: Harold Heinze Date: 8-May-91  
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

REV 10/90

page 1 of 2

*Outdated 1991 Note.*

FISCAL NOTE - SB 193

This scenario assumes that all presently existing limited partnership documents are copied in 16mm roll microfilm form by contract labor. The documents will be shipped to a central location where they will be filmed on a dual head camera. One original and one copy of the film will be forwarded to one Department of Commerce and Economic Development location:

Personal Services (100)		\$ .0
Travel (200)		1.0
Contractual (300)		3.5
Commodities (400):		
Postage	\$1.0	
Supplies	1.0	
Packing materials	<u>.1</u>	
		<u>2.1</u>
	<b>TOTAL</b>	<b>\$6.6</b>

*3.6 on DNR FN      3.0 on C+ED FN*

NOTES: 1. No personal services are included in this scenario for the 11 DNR recording offices. Recording personnel can pack and ship all limited partnerships within normal work days.

2. If DNR personnel are required to travel to the court system maintained offices in Glennallen, Seward, and Valdez to pack and transport partnership records, approximately \$1000.00 is projected as travel expense.

3. Professional service expenses will be incurred to write a computer program to extract recording data for all limited partnerships recorded from January 1, 1988 to implementation of SB 193.

Additional professional service expenses in this scenario are for contracted microfilm services. This expense may change if present state personnel are employed to microfilm these records in their normal work day.

4. Postage expenses include transportation of partnership files to a central location for microfilming. Microfilm records would be returned to the district recorders' offices for their permanent record and original partnerships forwarded to Corporations Section.

Supplies cover duplicate original 16mm microfilm records and two duplicate copies. One original and one copy would be sent to Corporations Section and one would be retained in the recorders' offices.

Packing materials include transportation of original files to the central filming location and distribution of the replacement microfilm record.

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SB 193

Revision Date: \_\_\_\_\_ Department Affected: Commerce & Economic Dev.  
 Title: Uniform Limited Partnership Act BRU: Banking, Securities & Corporations  
 Component: Corporations  
 Sponsor: Sen. Rodey  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

1	2	3	3
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	3.0	3.0	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>3.0</b>	<b>3.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE</b>	<b>0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	3.0	3.0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>3.0</b>	<b>3.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.) The DNR - District Recorder's office presently files limited partnerships. The change of filing to DCED's computer based information management system will accommodate more efficient distribution of information to the business community. This will take administrative preparation to convert the records to the department's current computer filing system and prepare in advance for the effective date. ~~Costs incurred will be travel and data input by personnel.~~

Prepared By: Willis F. Kirkpatrick, Director Phone: 465-2521  
 Division: Banking, Securities & Corporations Date: 4/30/91  
 Approved by Commissioner: Glenn A. Olds  
 Agency: Department of Commerce & Economic Development Date: 4/30/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

*Outdated 1991 Note*

AMENDED  
FISCAL NOTE - SB 193

ANALYSIS:

Limited partnerships are currently filed with the Department of Natural Resources, District Recorder's office. SB 193 requires this filing be changed to the Department of Commerce and Economic Development. This conversion, in order to meet the standards of the current corporation computer filing system, will result in the following expenses:

Postage	\$ .5
Supplies	.2
Motznik Conversion (Private company who has only names of all limited partnership filings) Department will develop complete database	.5
Regulations - Advertising	.3
Travel for conversion only	.8
Conversion - Personnel Data Input	<u>3.7</u>
	<u>\$6.0</u>

The projected revenue of \$15.0 will be new program receipts for the Department of Commerce and Economic Development and a reduction to the Department of Natural Resources. This revenue is based on the present filing fee charged by DNR of \$15.00. Approximately 1,000 limited partnerships file per year.

4-25-91  
3 (Jud)  
2022 of  
SEC HARRIS  
noted

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SB 193

Revision Date: \_\_\_\_\_ Department Affected: Commerce & Economic Dev.  
Title: Uniform Limited Partnership Act BRU: Banking, Securities & Corporations  
Component: Corporations

Sponsor: Sen. Rodey  
Requestor: \_\_\_\_\_

COMPONENT SERIAL NO.	1	2	3	3
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	3.0	3.0	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	3.0	3.0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	15.0	15.0	15.0	15.0	15.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	3.0	3.0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	3.0	3.0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)  
  
SEE ATTACHED PAGE

Prepared By: Willis F. Kirkpatrick, Director Phone: 465-2521  
Division: Banking, Securities & Corporations Date: \_\_\_\_\_  
Approved by Commissioner: Glenn A. Olds  
Agency: Department of Commerce & Economic Development Date: 4-23-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

**Outdated 1991 Note**

SB 193

AMENDED  
FISCAL NOTE - SB 193

ANALYSIS:

The \$6.0 operating costs include a conversion of present DNR filings and promulgation of regulations. Approximate costs are:

Postage	\$ .5
Supplies	.2
Motznik Conversion (Private company who has only names of all limited partnership filings) Department will develop complete database	.5
Regulations - Advertising	.3
Travel for conversion only	.8
Conversion - Personnel Data Input	<u>3.7</u>
	<u>\$6.0</u>

The \$15.0 projected revenue is based on the present filing fee charged by DNR of \$15.00. Approximately, 1,000 limited partnerships file per year.

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SB 193

Revision Date: \_\_\_\_\_ Department Affected: Commerce & Economic Dev.  
Title: Uniform Limited Partnership Act BRU: Banking, Securities & Corporations  
Component: Corporations

Sponsor: Sen. Rodey  
Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 

1	2	3	3
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	3.0	3.0	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	3.0	3.0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	15.0	15.0	15.0	15.0	15.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	3.0	3.0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	3.0	3.0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Willis F. Kirkpatrick, Director Phone: 465-2521  
Division: Banking, Securities & Corporations Date: 4/16/91  
Approved by Commissioner: Glenn A. Olds *Ass. Comm.*  
Agency: Department of Commerce & Economic Development Date: 4-16-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

**Outdated 1991 Note.**

SB 193